ANNUAL REPORT 2025

MAZAYA

AIM TO LEAD

AL MAZAYA HOLDING CO. K.S.C.P HOLDING AND ITS SUBSIDIARIES



His Highness Sheikh
Meshal Al-Ahmad Al-Jaber Al-Sabah
Amir of the State of Kuwait



His Highness Sheikh
Sabah Al-Khaled Al-Hamad Al-Sabah
The Crown Prince of the State of Kuwait

MAZAYA

AIM TO LEAD

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2025 Annual Report

www.mazayaholding.com

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Mr. Rashid Al Nafisi
Chairman

Message From **Chairman**

**" Sisters and Brothers,
Our valuable shareholders
Peace, prayers and blessings of Allah upon you"**

Board of Directors Report

It gives me great pleasure to extend to you my heartfelt congratulations, praying to the Almighty Allah to accept from us and from you our good deeds, and to bestow upon us all continued prosperity, blessings, and grace.

We also ask Allah to safeguard our beloved nation and the Gulf countries, to uphold the blessing of security and stability, and to lift from us all hardship and affliction through His mercy and kindness. We further reiterate our deep appreciation for the tremendous efforts exerted by the State's institutions and various authorities, under the leadership of His Highness the Amir—may Allah protect and preserve him—in maintaining the nation's security and stability and safeguarding the well-being of citizens and residents alike. We pray to Almighty Allah to grant the martyrs of our nation his vast mercy and to grant them the highest ranks in Paradise.

Ladies and Gentlemen:
It is our pleasure to present to you the annual report of your company for the fiscal year ended 31 December 2025. Thanks to the grace of Allah, Mazaya achieved total operating revenues of approximately KD 11.88 million by the end of 2025, driven by the company's sales and leasing activities. Revenues from leasing operations reached KD 11.27 million, resulting in leasing profits amounting to KD 9.02 million by year end. In addition, the company achieved operating profits of KD 5.92 million.

With respect to the financial position, Mazaya maintains a solid asset base valued at KD 126.95 million as of the end of 2025, the majority of which is composed of real estate and operating assets. This strong foundation supports the company's future plans to enhance and strengthen its financial position in response to current challenges. Total liabilities amounted to KD 79.85 million, while shareholders' equity stood at KD 47.10 million.

Dear shareholders:
In accordance with corporate governance principles, the Board of Directors of Mazaya Holding affirms and pledges the accuracy, integrity, and reliability of the financial statements and all reports presented to shareholders, confirming that they fully reflect the company's financial position and operational results.

Sisters and brothers:
I would like to present some of the Company's achievements and the progress we made over the past year, as well as the steps we have taken to materialize the business plan which we laid down.

Within the framework of credit facilities management, the company continued to improve its financing structure by reducing its bank debt during 2025, bringing the total down to KD 42.2 million by year end. This effort enhances the company's financial structure and strengthens its ability to consider new investments and projects based on a balanced financing model—supporting Mazaya's strategic vision and future developmental plans. These repayments and the restructuring of existing facilities also resulted in significant savings in financing costs, which decreased to KD 2.9 million compared to KD 3.8 million in 2024—a reduction of 23%. This represents meaningful savings that strengthen the company's cash flows and support its strategy of restructuring its financial obligations.

The company also reinforced its financial position by achieving cash liquidity of KD 3.48 million by the end of 2025, reflecting its ability to manage cash resources efficiently and flexibly in a dynamic operating environment.
Regarding operational performance and expense control, the company achieved notable efficiency in managing expenditures. Administrative, general, selling, and marketing expenses amounted to KD 2.59 million, compared to KD 2.71 million in 2024.
In terms of profitability, Mazaya recorded net profits of KD 1.73 million—exceeding the net profit of the previous year by approximately KD 516 thousand, an increase of more than 40%. The company also adopted a stable dividend distribution policy for 2025, distributing bonus shares from treasury shares without increasing the company's capital, in line with a well structured plan for treasury share management to enhance shareholder equity. The company distributed a 2.5% treasury share dividend for the second quarter of 2025 and recommended an additional 2.5% for the fourth quarter, bringing the total proposed distribution to 5% for the year, pending approval at the General Assembly.

Distinguished shareholders:
At the end of my statement, on my own behalf and on behalf of the Board of Directors of Al Mazaya Holding Company, I would like to extend our sincere gratitude and appreciation to our esteemed shareholders for their valued trust and continuous support, which remain the driving force behind our journey of growth and achievement. I also express my heartfelt thanks and appreciation to the Mazaya team for their ongoing dedication and hard work.
With confidence, we look forward to a new phase filled with opportunities and challenges—one in which we aim to achieve further success and elevate the company to even greater horizons, with Allah willing. May Allah grant us success.

Peace, prayers and blessings of Allah upon you.



Mr. Rashid Al Nafisi
Chairman



Eng. Ibrahim Al Soqabi
Group CEO

Message From **Group CEO**

" Sisters and Brothers
Our valuable shareholders
May peace and blessings of Allah be upon you,"

Group CEO's statement

In this blessed month, we extend our warmest regards and best wishes, asking Allah to accept our fasting and prayers, and to make it a month of goodness, mercy, and blessings for all.

We also proudly remember the martyrs of our nation who sacrificed their lives for its sake, asking Allah to grant them his vast mercy and to bestow patience and solace upon their families. This holy month comes amid significant challenges facing our region, and we pray that Allah protects our beloved State of Kuwait, preserves its security and stability, and brings peace and prosperity to our Arab region and the entire world.

It is my pleasure to present to you the Annual Report of Mazaya Holding Company for the fiscal year ended December 31, 2025, in which we highlight the company's most notable achievements throughout the year. These accomplishments would not have been possible without your confidence and continuous support, which remain the primary motive that drives the company toward further progress and growth.

Today, we are committed to establishing solid foundations that enable us to achieve our aspirations and strategic vision—strengthening the company's position within local markets across new investment sectors and instruments—supported by an administrative and operational framework based on transparency, credibility, and sustainability.

Dear brothers and sisters,
Our foremost priority has been to enhance the company's revenues from its stable income streams to support performance in the markets in which we operate. With the grace of Allah, we succeeded in maintaining steady operational income from leasing activities by continuously working to achieve high occupancy rates across our income-generating projects. This strengthens our business model, which relies on a diversified portfolio of assets distributed geographically and based on varying types of returns.

We also successfully secured the necessary liquidity through operational activities and maintained the company's strong financial position.

Ladies and gentlemen,
I am pleased to present to you a summary of the company's major achievements for the year 2025 across its various sectors and subsidiaries:

- The company strengthened its financial position by achieving cash liquidity of KD 3.48 million by the end of 2025, reflecting its ability to manage cash resources efficiently and flexibly in a changing operational environment.
- The company succeeded in reducing financing costs to KD 2.9 million, representing meaningful savings that support its strategy to restructure financial obligations.
- As part of managing credit facilities, the company had reduced its bank liabilities to reach a total amount of KD 42.2 million by the end of 2025, which contributes to annual savings in financing costs.
- The company also restructured some of its credit facilities with local banks under competitive terms and conditions, enhancing its ability to execute its business plan and future investments through the resulting cash savings.
- From operational and expense control perspectives, the company achieved notable efficiency in expense management, by reducing its general and administrative expenses to reach KD 2.56 million only during 2025, while achieving a net profit of KD 1.73 million for the year 2025.
- The company adopted a balanced dividend policy by distributing 5% bonus shares from treasury shares, supported by a well-planned management of treasury shares that enhances the shareholders' equity value.

In conclusion
I extend my sincere gratitude to the Chairman and members of the Board of Directors of Mazaya Holding Company for their continuous support and confidence, and to the entire company's team members for their dedication, loyalty, and outstanding efforts.

I also express my deep appreciation to our shareholders and all our partners for their invaluable trust, which has always been a source of pride and motivation for us.

We reaffirm our commitment to continuing our work guided by a clear strategic vision focused on asset growth, strengthening operational and investment efficiency, creating sustainable value for our shareholders, and maintaining a solid financial position—while upholding the highest standards of governance and transparency in line with our aspirations for balanced and sustainable growth.

May Allah grant us success in serving our company and shareholders, and protect our beloved Kuwait, preserving its security and stability.

Peace, mercy, and blessings of Allah be upon you.



Eng. Ibrahim Al Soqabi
Group CEO

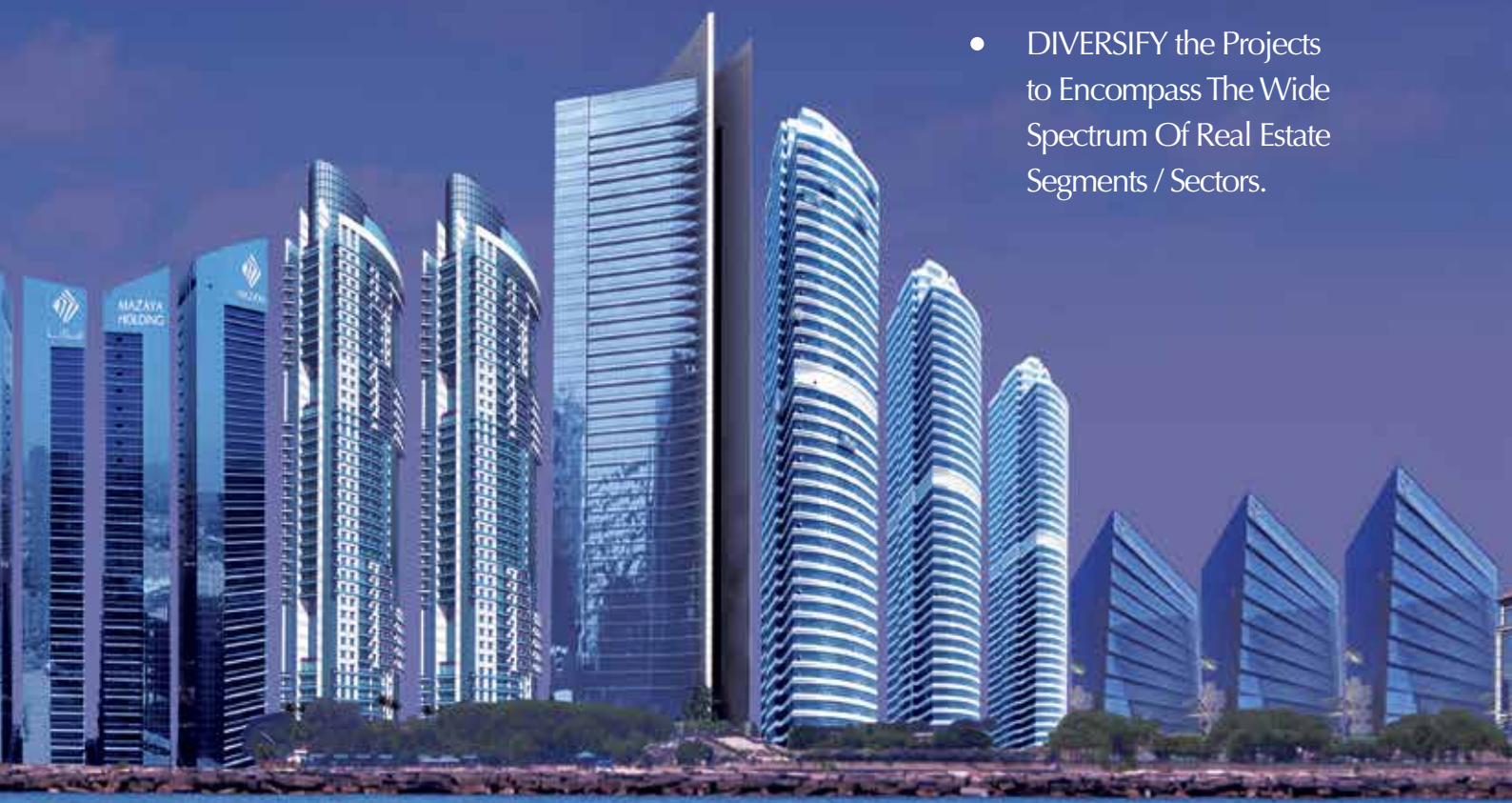
Our Vision

TO BE ONE OF THE MARKET LEADERS
IN REAL ESTATE DEVELOPMENT
working in targeted prospective MARKETS
with a STRONG BRAND that provides
distinguished PRODUCTS.



Our Mission

- DEVELOP Land Mark Projects.
- DEVELOP High Caliber Human Capital.
- SUSTAIN A Value Added Quality Of Projects.
- DIVERSIFY the Projects to Encompass The Wide Spectrum Of Real Estate Segments / Sectors.



Board of Directors



Mr. Rashid Y. Al Nafisi | Chairman

Educational Background & Work Experience

Received his Bachelor's in Commerce Emphasis in (Accounting) from the Faculty of Commerce, Economics & Political Science - Kuwait University. In more than 46 years of business administration, real estate development and management, Mr. Rashid Al Nafisi has a track record of diverse achievements. The multiple roles he has taken on over the past decades underline the breadth of his scientific and practical experience, as well as his distinct management skills. He has previously served as the General Manager of Al Nafisi United Group and the Director of Real Estate Loans Administration at the Kuwait Real Estate Bank. He has also served on the board of a number of companies and banks, including Kuwait business town real estate Co., the Commercial Bank of Kuwait, Kuwait Asia bank, Kuwait Airways Corporation, Mr. Rashid Al Nafisi was also the Chairman of the Board of Directors of the National Investments Company.

A member of the Board of Directors of Mazaya Qatar Real Estate Company and Majan Development Company. He has extensive experience in the field of real estate development and contracting and he is managing his own business, Currently, Mr. Rashid is the Chairman of Al Mazaya Holding Company since its inception.



Mr. Mohammad M. Yousef Al Fulaij | Vice Chairman

Educational Background & Work Experience

Mr. Mohammad Al Fulaij holds a bachelor's degree in business administration from California State University, Los Angeles, and possesses several professional certifications in credit management, debt restructuring, and anti-money laundering. He is an expert in the banking and financial sector, with over 17 years of experience in strategic finance, governance, and credit portfolio management, with a particular focus on the oil and gas sectors.Throughout his career, he has held various positions in which he supervised logistics and services operations and provided strategic direction to ensure sound governance and drive business development.Mr. Al-Falbej previously held leadership positions at Boubyan Bank between 2019 and 2021, where he served as Senior Manager in the Acquisitions and Trading Management Department. Prior to that, he spent 12 years at Gulf Bank, managing corporate credit portfolios for major clients and contributing to the development of credit products and banking strategies.



Mr. Abdul Hamid Mihrez, CFA, MBA | Board Member - Independent

Educational Background & Work Experience

Holds the designation for CFA Since 2005 and received his MBA (Emphasis in Finance) from the Lebanese American University (LAU) & holds a Bachelor of Science from the American University of Beirut (AUB).

Abdulhamid Mihrez is a GCC-focused investment executive with over two decades of experience in asset management, private equity, investment banking, and special situations. His expertise lies in capital strategy, restructuring, and value creation in transitional and growth-stage businesses. He has led investment banking transactions totaling approximately USD 800 million and successfully managed the wind-down of complex asset portfolios exceeding USD 850 million. Throughout his career, he has worked closely with boards, management teams, and shareholders on complex transactions, turnarounds, and capital restructuring mandates across multiple sectors. Abdulhamid brings strong governance insight and strategic perspective to the Board, particularly in areas where capital structure, operational performance, and long-term value creation intersect.



Mr. Mohammad K. Al-Othman | Board Member - Independent

Educational Background & Work Experience

Mr. Al-Othman received his degrees in Business Management from the Australian College of Kuwait, and holds a number of professional Certificates Specifically related Administration to the real estate sector such as Real-Estate evaluation, Theoretical Methods and Operational Implementation, International School of Professional Development, Effective Sales Tools and Techniques in Real Estate Perspectives, Strategic Sales Skills For Real Estate Professionals, and Essential Sales Skills For Real-estate Professionals from different professional real-estate institutions. Mr. Al-Othman is currently the Managing Director of Shether Group Company. Previously, Mr.Mohammad was the Marketing & Leasing Manager for Al Hamra Real-Estate Company responsible for marketing the commercial components of Al Hamra Project. Also, Mr.Al-Othman was a board member in Al Hamra Cinema Company. He conducted many Real- Estate market research and analysis in both the retail and office space segment for Ajial Real-Estate & Entertainment Company and Al Jal Real-Estate Services Company.



Mr. Fahad A. Al- Nafisi | Board Member

Educational Background & Work Experience

Holds a Bachelor's degree in Business Administration from the American University of Sharjah, in addition to several executive certificates from Harvard and INSEAD in leadership and negotiation.

Specialized in wealth management and banking services, Mr. Fahad served as a Senior Relationship Manager at The Family Office, where he provided investment advisory services to high-net-worth clients, with a focus on private credit, real estate, and private equity.

He previously held several leadership positions at Kuwait Finance House (KFH), where he served as Executive Manager of the Commercial Banking Unit between 2018 and 2022, managing a specialized team in real estate and corporate financing. He has also served as a Board Member at Abar Water Company and as Vice Chairman of the Board at Gulf Investment House. Mr. Fahad brings extensive experience in banking relationships and financing, having held multiple positions at Kuwait Finance House and the National Bank of Kuwait since 2007.

Executive Management



Eng. Ibrahim Al Soqabi, MBA | Group CEO

Educational Background & Work Experience

Holds a Master of Business Administration (MBA) from Maastricht University and a Bachelor of Science in Civil Engineering from George Washington University, DC, USA, and He has further participated in several Executive Training Programs provided by Harvard Business School and INSEAD. Overall, he possesses a cumulative practical experience of 26 years, diversified among the fields of Civil Engineering, Real estate developing, Corporate and project management, Risk Analysis, Enterprise and Corporate Governance, within and outside Kuwait; however, most notably, his strategic and leading role as a Chief Executive Officer during the past 17 years. Mr. Al Soqabi was successful in transforming Kuwaiti companies into leading companies operating inside and outside Kuwait, thus encompassing under numerous subsidiaries through both inorganic and organic growths, which have been undertaking several activities at the local, regional and international markets, such as Gulf Cooperation Council (GCC) States, Turkey, and Hong Kong. Currently, he holds the Group CEO position for Mazaya Holding. Mr. Al Soqabi held several board positions in reputable listed companies such as First Dubai Real Estate, Al Tijaria Commercial Real Estate, Al Enma' Real Estate (ERESCO), Kuwaiti Manager Co. for Contracting, Baitek Real Estate, and Al Masaken Real Estate. He is currently the Chairman of Mazaya Real Estate Development Co., KSC.



Mr. Abdullah Al Nafisi | Deputy CEO

Educational Background & Work Experience

Mr. Al Nafisi received his MSc in Financial Decision Analysis from the University of Portsmouth, United Kingdom and his bachelor's in accounting from the American University in Dubai, United Arab Emirates. Mr. Al-Nafisi also holds many certificates, including Corporate Restructuring Course, Activity Investment Program, Anti-Money Laundering, Investment Portfolio Management, Wealth Management, Company Evaluation - Financial Analysis, Mergers and Acquisitions, Financing for Non-Financial Executives, Leadership and Strategic Planning, Decision making strategies under risk and uncertainty.

Mr. Abdullah Al-Nafisi has many high-ranking positions that resulted in the growth of experiences that reflected to his successes, Mr. Al-Nafisi also held various positions in Corporate Finance, Direct Investment Department, Investment Banking Services, Private Equity, External Audit and Business Development. He currently holds the position of Group Deputy CEO at Al Mazaya Holding Company, and he is a member of the Board of Directors of MedCell Medical Company."



Dr. Abdulaziz M. Jarkas, Ph.D., P.Eng., CEng MIED, Int.PE, MASPE, FSPE | Group Chief Projects Officer

Educational Background & Work Experience

Dr. Jarkas received his Bachelor and Master of Science Degrees in Civil Engineering from The University of South Carolina, Columbia, USA, and a Doctor of Philosophy (Ph.D.) Degree in Construction Engineering and Projects Management from the University of Dundee, Scotland, UK. He is a Fellow of the UK Society of Professional Engineers, Registered Chartered Engineer (CEng) by the UK Engineering Council (ECUK), and a Registered International Professional Engineer (Int.PE) by the UK Engineering Council. He is also an active member in several International Professional Associations, Engineering Institutes/Societies, and Arbitration Tribunal Panels. Dr. Jarkas is an authority in Projects and Construction Management with an extensive research record of over 40 peer-reviewed publications in the area of Projects and Construction Management, particularly, in the fields of Constructability, Buildability, Construction Productivity, Lean Construction, Benchmarking, Bidding Practices, Construction Complexity, Learning Phenomenon in Construction, and Motivation.

His practical experience spans over twenty five years and encompasses: Planning and Design Management; Structural Design; Structural Damage Assessment; Risk Analysis and Management; Constructability Analysis; Value Engineering; Mediation, Arbitration and Alternate Dispute Resolution (ADR); in addition to Projects, Contracts and Construction Management. His Managerial and Technical skills are specifically suited for Management of Real Estate Developments, Projects and Complex Construction Management. Currently, Dr. Jarkas serves as the Vice Chairman of Al Mazaya Real Estate Development Co., KSCC.



Mr. Ahmed Harfoush, CPA | Group Chief Financial Officer

Educational Background & Work Experience

Mr. Harfoush received his Bachelor of Science in Accounting with honors, English section from Tanta University -Egypt. He is also a Certified Public Accountant (CPA) from the State of New Hampshire, USA.

Mr. Harfoush has held remarkable senior positions in various sectors and mainly in the Real Estate Market with over 25 years of experience. He served as the CFO of National Real Estate Company in Kuwait, where he worked for 8 years. The Company held consolidated assets of more than USD 1.8 Billion and had more than 40 direct and indirect regional subsidiaries in real estate activity at that time. Mr. Harfoush also held a notable position as the Chief Audit Executive for NREC in Kuwait for 1 year during the initial stage of compliance with the guidelines and requirements of Capital Markets Authority of Kuwait. Moreover, Mr. Harfoush's served for 3.5 years in RSM Auditing Firm in Kuwait with a last position as a Director of Quality Assurance & technical assistance for the office as well as providing inhouse training to the auditors about the financial reporting and international auditing standards. He worked for almost 3 years at Commercial International Bank, Egypt, being one of the largest banks in Egypt. This makes him retain a diverse range of experience in various fields such as finance, accounting, auditing and banking.



Mr. Jasem Al Ghanim | Executive Director - Property Management

Educational Background & Work Experience

Mr. Jasem Al Ghanim holds a Bachelor of Science in Business Administration with a major in International Business from the University of San Francisco, California, USA, and an Associate Degree in Marketing from Santa Barbara City College, California, USA. Additionally, he has undergone Executive Training Programs at the prestigious Harvard Business School, further enriching his knowledge and skills.

Mr. Jasem Al Ghanim has an over 24 years of professional experience in Real Estate. Working as Executive Director for Property Management Dept. in Al Mazaya Holding Co. Throughout his career, Mr. Al Ghanim has played a pivotal role in real estate development and management across various projects in Kuwait, Dubai, Saudi Arabia, Bahrain, Qatar, Oman, and Turkey. His proactive approach to conducting in-depth real estate research, tracking competitors' activities, and analyzing industry trends has contributed significantly to the success of the organizations he has been associated with.

Currently serving as the Vice Chairman at Waterfront Real Estate Co., General Manager at Kuwaiti Saudi Real Estate Investment Co. in Riyadh, Saudi Arabia, and a Member of the Kuwait Public Relations Association, Mr. Al Ghanim's leadership and strategic vision have been instrumental in driving business growth and fostering valuable partnerships.

Company Establishment



Al Mazaya Is Widely Recognized As One **Of The Most Prominent And Highly** Thought-Of **Real Estate Development Companies** In GCC & **Middle East Market**, With Numerous Impressive **Projects**.

The company was established in 1998 and started operation as Al Mazaya Holding Company in 2004 with a paid up capital of KD 15 million to reach KD 52.6 million - approximately USD 170.3 million. Al Mazaya is a publicly-traded company dually listed on both the Boursa Kuwait since 2005 and Dubai Financial Market since 2006. Since its inception, Al Mazaya has adopted a balanced expansion strategy allowing mitigating risk, while maximizing investment and by doing so have witnessed strong growth.

Al Mazaya prides itself in providing various comprehensive real estate products and services in several fields, among them housing projects such as deluxe villas and high-class residential buildings, commercial projects such as office and retail buildings, and health projects such as medical centers and hospitality projects. Al Mazaya is engaged in several other real estate fields such as purchasing, ownership, and selling of lands and its development for the company within Kuwait and abroad.

Furthermore, Al Mazaya handles the management of third parties' properties and management, operation and investment, leasing and rent of hotels, health clubs, recreational parks, gardens, exhibition grounds, restaurants, residential and commercial complexes, and touristic and health resorts.

Al Mazaya's Investments have always focused on building strategic alliances and partnerships that allow for developing the company's competitive edge.

Capital Structure

NUMBER OF SHARES	PAID-UP CAPITAL
525,516,170 Share	KD 52,556,117

Al Mazaya Listing

Dubai Financial Market	Boursa Kuwait
2006	2005

Operations Services

PROPERTY MANAGEMENT



PROJECT MANAGEMENT



REAL ESTATE DEVELOPMENT



MARKETING & SALES MANAGEMENT



PORTFOLIO MANAGEMENT

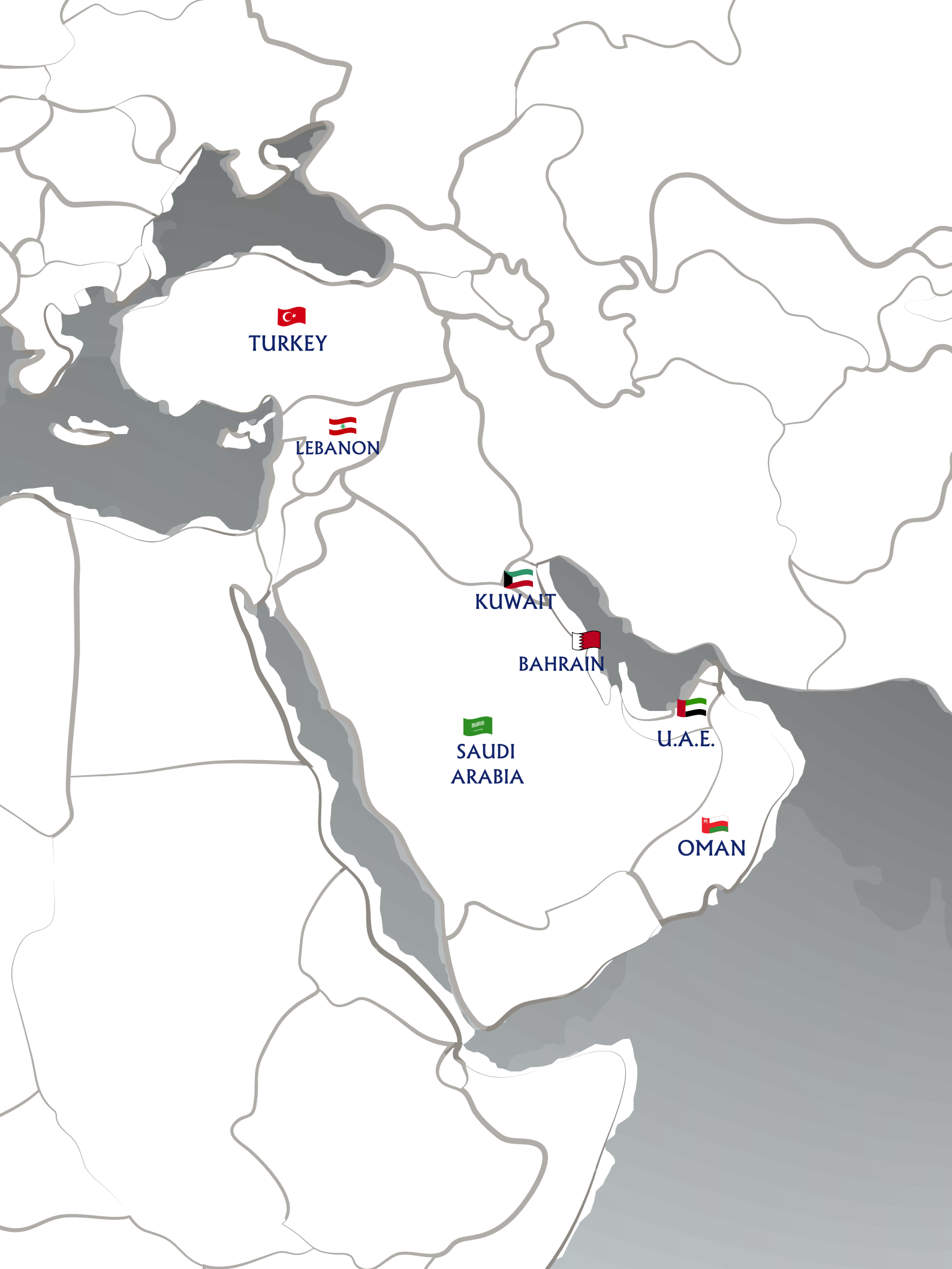


AL MAZAYA RESEARCH



Subsidiaries Associates

Kuwait	Al Mazaya Real Estate Development Co. K.S.C.C.
	Future International Project Management W.L.L.
	Waterfront Real Estate Company K.S.C.C.
	Mezzan Combined For General Trading W.L.L.
	United Circle General Contracting and Building Company O.P.C
	AL Mazaya Prime Project Management O.P.C
	Prime Medical Company for Studying, Implementing & Managing Projects Health O.P.C
Lebanon	Al Mazaya Lebanon S.A.L. (Holding)
	Al Mazaya Lamartin S.A.L.
KSA	Kuwaiti Saudi Real Estate investment Limited Co. O.P.C
Oman	Mazaya Real Estate Development W.L.L.
Bahrain	Bilsaan Real estate O.P.C
UAE/Dubai	Mazaya Al Ghad L.L.C- SO
	Al Mazaya Real Estate FZ L.L.C
	Advantage General Trading L.L.C
	Al Mazaya Emirates Realestate Development L.L.C
	Mazaya Administration Office DMCC
	Altelal Alkhadraa Real Estate Development L.L.C
	Almurooj Alkhadraa Real Estate Development L.L.C
	View Point Real Estate Development Co.L.L.C
	Tayeed Real Estate L.L.C


TURKEY
LEBANON
KUWAIT
BAHRAIN
U.A.E.
SAUDI
ARABIA
OMAN

Kuwait Projects



MAZAYA TOWERS @ KUWAIT CITY

Mazaya Towers 1, 2 & 3 each soaring to more than 26 floors encompass a fully integrated development for executive commercial use and are strategically located in the Heart of Kuwait City offering world class office buildings. The Towers cater to the diverse business needs bringing a futuristic trend to the corporate sector in Kuwait.



SEVEN ZONES
DESIGN CENTER

Seven Zones is a concept introduced by Al Mazaya to create a state-of-the-art design center, a 'depot of diversity' under one roof. Our exclusive design center offers an assortment of distinctive showrooms and office spaces for interior designers, contractors and consultants giving the center a competitive edge by hosting all aspects of design.



Combining the charm of Moroccan architectural style with state-of-the-art amenities, Al Maha villas are a unique residential project strategically located along the Gulf Road in Salwa. The project features 30 villas and each unit hosting four separate individual elements that guarantee complete privacy to the occupants.



Al Roya project is a prominent residential complex conveniently located in Al Mahboulah area in Kuwait, and consists of 61 residential apartments and 10 villas overlooking a swimming pool. The residential units come in varying sizes and exclusive interior designs to suit the diverse needs of the individual clients seeking their perfect living space.



Mazaya Villas

Mazaya Villas built to uncompromising standards in terms of engineering and architectural detailing are individual bespoke villas located in selected areas across prime locations in Kuwait. Each villa is built to meet high class specifications, and is set in lushly landscaped gardens with exquisite swimming pools.



KAMCO INVEST

Strategically located in the heart of Kuwait City to provide easy access to key landmarks in the area and rising up to 22 floors. The Tower is a business-oriented high-rise building located in one of Kuwait's leading financial & commercial hubs. It comprises well-appointed office spaces built in contemporary style and are adaptable to the specific professional requirements of the occupant.

Medical Projects



Clover Center

Clover Center is Al Mazaya's first venture into the medical sector providing world-class medical services soaring to 19 floors and embracing a wide selection of clinics and specialties under one roof in a very prime location. The clinics are exclusively designed with an upmost pleasant ambience and equipped with the latest medical technology that caters to all the needs of the doctors & visitors.



WARA HOSPITAL

Wara Hosptial is the second successful investment for AL Mazaya in the medical sector in Sabah Al Salem in Kuwait . The project is fully designed on a land size of 2,000 m2 and consists of 17 floors . The project is fully completed , leased out , and was licensed to a hospital integrated from the Ministry of Health «Wara Hospital».



MAZAYA CLINIC III

Mazaya Clinic III is the third investment for AL Mazaya in the medical sector in Bneid Al-Gar in Kuwait. The project is fully designed on a land size of 4,000 m2 and consists of 25 floors to serve more than 72 clinics . The project reflects a world-class medical center featuring an array of specialties , laboratory , radiology unit with the latest medical technologies . The project has reached 100 % occupancy rate and is fully operational with high Caliber doctors in Kuwait.



MAZAYA CLINIC IV

Mazaya Clinic IV is the Fourth investment for AL Mazaya in the medical sector in Hawally in Kuwait. Mazaya Clinic IV aims to bring forth a high quality healthcare tower and delivers world class healthcare and clinical excellence to Kuwait's private healthcare sector. The Tower consists of a high-rising development rising up to 16 floors and featuring multi-speciality Clinics, Pharmacy, Physiotherapy Unit ,Laboratory Unit , Cafe and many other unique services.



MAZAYA
CLINIC V

Mazaya Clinic V is the Fifth investment for AL Mazaya in the medical sector in Jabriya in Kuwait on the 4th ring road . Mazaya Clinic V aims to bring forth a high quality & world class medical healthcare tower to Kuwait's private healthcare sector. The Tower consists of a high-rising development soaring up to 19 floors with multi-specialization clinics , Pharmacy , Physiotherapy Unit ,Laboratory Unit , Cafe and an array of exclusive services. The tower features a unique one day surgery unit.



MAZAYA
CLINIC VI

Mazaya Clinic VI is the sixth investment for AL Mazaya in the medical sector in Ras Al-Ard, Salmiya. Mazaya Clinic VI aims to bring forth a high quality & world class medical healthcare tower to Kuwait's private healthcare sector. The Project Consists of 3 high rise towers soaring up to 24 floors featuring multi-specialization clinics , Pharmacy , Physiotherapy Unit ,Laboratory Unit , Cafe and an array of exclusive services. The tower features a unique one day surgery unit.



MAZAYA
CLINIC VII

Mazaya Clinic VII is the 7th investment of Al Mazaya Company in healthcare projects. The project is located in Al Jahra area and consists of 13 clinics , one Clinic in each floor. The project aims to provide a healthcare destination with high quality and international levels of service in this sector. Al Mazaya seeks to include a wide range of the most important Names and brands in the medical field and a group of unique and new specialties in Kuwait and the region



MAZAYA
CLINIC VIII

Mazaya Clinic VIII is the eighth investment of Al Mazaya Company and is the company's latest project in healthcare. It is an integrated medical center that combines many specialties and expertise under one roof. The project is located in the Sabah Al-Salem area and consists of 20 floors and includes 39 clinics.
The Project is fully operational with high Caliber doctors in Kuwait.

UAE- Dubai Projects



sky gardens
PARK AVENUE DIFC

Sky Gardens is a luxurious residential tower strategically located at the entry to the prestigious Dubai International Financial Center (DIFC) Soaring up to 40 floors with more than 600 Apartments and is fully complemented by the modern conveniences with designer furniture & state-of-the art fit-outs from FENDI CASA and set against a stunning backdrop. Sky Gardens reinvents fine living in Dubai & introduces a stylish new aesthetic to Dubai's dazzling urban skyline.



AVENUE
MAZAYA BUSINESS AVENUE

Mazaya Business Avenue rises to an imposing 45 floors & encompasses three exquisite commercial and office towers primarily located in Jumairah Lake Towers. The Towers offer ultra-modern office spaces, business centers, self-contained business world with state-of-the-art recreation centers, vast conference halls, meeting rooms, seminar rooms, retail plazas, cafes and restaurants.



The Villa

The Villa project spanning an area of 29 million sq.ft. with more than 500 villas & ideally located within Dubai Land in the middle of an innovative entertainment & leisure development to become one of the world's top tourism destinations, is an enchanting residential retreat that offers exclusive outdoor living with its Spanish style courtyard housing. The Villa is a unique combination of luxury, space and affordability.



DUBAI HEALTHCARE CITY

Dubai Healthcare City (DHCC) comprises of seven buildings exclusively developed by AL Mazaya & primarily located in the heart of Dubai with a very close proximity to Dubai Airport. DHCC offers the latest in the healthcare service & provides world-class medical education, health care systems and for innovative health care management, education, and research.



THE ICON

The Icon Tower soaring up to 45 floors and strategically located in Jumeirah Lake Towers is a distinctive residential tower that consists of 400 exquisite studio, 1 &2 bedroom apartments and is Dubai's newest master-planned waterfront development overlooking a stunning lake view on one side and a spectacular view of Jumeirah Islands on the other. The Icon encompasses parks and restaurants & retail outlets.



INDIGO BUILDING

The Indigo project Comprises office space, retail zone & Gym area with a wide selection of area sizes and strategically located on Sheik Zayed Road, after the intersection with Al Manara Road on a total built up area of 24,016 square feet. Indigo is registered with the Dubai Land Department as Freehold land available for GCC citizens and companies.



QUEUE POINT

FOR THOSE WHO VALUE GOOD LIVING AT LIWAN

Q-line

A GREAT PLACE TO CALL HOME

Queue Point & Q-line are ideally located in Liwan, At Dubailand, and directly on SH Mohammed Bin Zayed Road & Al Ain Road. Queue Point & Q-line spread on 13 million sq.ft. and comprise of more than 52 medium housing buildings of Studio, one, two, & three bedroom freehold apartments. The apartments have been constructed and handed over to clients. The residents enjoy key attractions in the neighborhood that includes schools , supermarkets, gym, shopping outlets, and many future entertainment projects.



Q-Zone

Q-Zone is one of Al Mazaya's Projects, in the center of the inspiring Dubai area located in the heart Liwan at Dubai land with an upscale yet affordable freehold residential community.Featuring studios, 1 & 2 bedroom apartments exquisitely designed to seek comfort & style infused with lush greenery. Q-Zone has been designed for modern life living encompassing exquisite apartments in various sizes. Residents enjoy close proximity to main attractions ,schools , supermarkets , gym , shopping outlets , and many other entertainment projects .

Regional Projects



AL MA'ATHAR

KSA

Al Maathar is located in one of the most important commercial streets in the city of Riyadh, where the majority of banks and investment companies in the city are based. The tower is part of a 3 towers complex characterized by a unique design and architectural features. Al Maathar consists of G + 9 floors, all with flexible floor plans and view overlooking the main road.



MAZAYA
OLAYA

KSA

The project is located on one of the most important commercial streets in the economic heart of the city of Riyadh, where the majority of banks and investment companies are based and ideally located on the main Olaya Road parallel to King Fahed Road .Olaya Tower rises up to 7 floors and comprises a ground floor, three large retails shops, and 55 commercial office spaces. The tower features the latest trends in technology and security systems. Moreover, Olaya includes a prayer room, gym and parking lot to accommodate the needs of the tenants & visitors.



tala residence

Qatar

Tala Residence is a 346-unit housing project being developed for the employees of the Qatar National Convention Centre (QNCC) .The QNCC is the first project of its kind to be built with the standards of the Gold Category Certification of the Leadership in Energy and Environmental Design (LEED). It constitutes conferences, Exhibitions Center. It's a result of understanding between Mazaya Qatar & Qatar foundation.



MAZAYA LOGISTICS

Bahrain

Al Mazaya Logistics is a concept initiated and wholly owned by Al Mazaya in the world of industry to conduct, develop & operate ideal key storage solutions with a state of the art management system. The land totaling 27,605 sq.m. is primarily located at the Bahrain Investment Wharf (BIW) and makes it the key choice for many local international companies.



MAZAYA Residence AL MAWALEH

Oman

Mazaya Residence - Oman Is Strategically Located In Al Seeb Province, Muscat Near The New Commercial Centers And Behind Muscat City Center With A Total Plot Area Of 23,194 Sq.m. The Project Consists Of 3 Zones That Comprise Residential & Retail Units And Offer A Wide Selection Of Areas.the Residential Units Consist Of 1,2 &3 Bedroom Apartments That Are Set For Sale Or Rent . The Project Features Various Facilities Including A Beautiful Pool Surrounded By Gardens And Kids Playground. Al Mazaya Residence Project Has Been Fully Completed And A Householders' Association Has Been Established And Registered With Competent Authorities In The Sultanate.



Ritim İstanbul

Turkey

Ritim Istanbul Is The First Real Estate Development For Al Mazaya In Istanbul. The Project Is Strategically Located On The Asian Side Over An Area Of 39,000 M2 And Consists Of 863 Residential Units, 363 Offices, And 147 Commercial Units. The Project Accommodates An Array Of Exquisite Facilities Including 3 Swimming Pools, High-Tech Gym, State-Of The Art Gallery And Exhibition Center. The Project Is Achieved 100 % Sales.



CORPORATE GOVERNANCE REPORT

- First Rule	:	Building A Balanced Structure Of The Board Of Directors.
- Second Rule	:	Proper Identification Of Tasks And Responsibilities.
- Third Rule	:	Selection Of Competent Persons For The Membership Of The Board Of Directors And Executive Management.
- Fourth Rule	:	Ensuring The Integrity Of Financial Reports.
- Fifth Rule	:	Laying Down Proper Systems For Risk Management And Internal Control.
- Sixth Rule	:	Promoting Professional Conduct And Ethical Values.
- Seventh Rule	:	Accurate Disclosure And Transparency In The Right Time.
- Eighth Rule	:	Observing Shareholders' Rights.
- Ninth Rule	:	Recognizing The Role Of Stakeholders.
- Tenth Rule	:	Promoting And Enhancing Performance.
- Eleventh Rule	:	Focusing On The Significance Of Social Responsibility.

Introduction

Corporate governance rules are represented in the principles, systems and procedures which achieve the best protection and balance between the Company's interests, its shareholders and other stakeholders related to it. The fundamental objective of implementing the corporate governance rules is underlined by the Company's being in line with the shareholders' goals which promotes the investors' confidence in the efficiency of the Company's performance and its ability to face crises, as the corporate governance rules regulate the methodology of taking all decisions within the Company and motivate the existence of transparency and credibility for such decisions.
Among the most significant corporate government rules are the protection of shareholders and separating the executive authority which directs the Company's businesses from the board of directors which prepares and reviews the Company's plans and policies, and thus adds assurance and promotes the feeling of confidence in dealing, as well as enable shareholders and stakeholders to efficiently control the Company.

On 27 June 2013, the Capital Markets Authority issued decree No.25 of 2013 in connection with issuing the governance rules for companies subject to its supervision. The issuing of such rules comes under the framework of the provision of article No.(40) of the executive regulation of law No.7 of 2010 in connection with establishing the Capital Markets Authority and Regulation of Securities Activity, that the Authority issues a special system for governance. This is in addition to the provisions of article No.217 of the decree law No.25 of 2012 promulgating the Companies Law and its amendments, which stipulated that "the concerned regulatory bodies shall lay down the corporate governance rules for companies subject to their control, in order to achieve the best protection and balance between the interests of the Company's management, its shareholders and other related stakeholders. Further, it illustrates the requirements which should be fulfilled by the independent members of the board of directors.

Such rules were amended by decree No.48 of 2015 passed on 30 / 06 / 2015, which have been re-enacted within Part Fifteen of the executive regulation of law No.7 of 2010 in connection with establishing the Capital Markets Authority and Regulation of Securities Activity. These rules have been applied on 30 / 06 / 2016 and the amendments thereafter.

The corporate governance rules addressed a number of fundamental principles and requirements upon which the principles of corporate government are established, as well as the methodology of implementing such rules and principles. The methodology illustrates the guideline methods for the mechanism of proper activation of the governance principles, including the existence of a balanced structure of the board of directors which comprises non executive and independent members, outlining the responsibilities and terms of reference of the members of both the board of directors and executive management, method of selection of candidates to the membership of the board of directors and executive management, ensuring the integrity of the financial reports, the necessity of availability of proper systems for risks management and internal control, keenness to foster professional conduct and ethical values, the significance of the existence of mechanisms for disclosure and transparency mechanisms, protection of the shareholders' rights, recognizing the role of stakeholders and controlling the conflict of interests, promoting and enhancing performance, as well as stressing on the significance of the social responsibility shouldered by companies.

Keeping in line with the positive moves taken by the Capital Markets Authority through the rules, regulations and decrees through which it seeks to enhance the work environment, transparency and protection of shareholders, and as the Company is keen to implement all the laws, legislations, decrees and practices which are in line with its principles and professional foundations leading the Company's work for the interest of its valuable shareholders, the Company always aims at focusing its efforts through the integrated team to implement all the laws and decrees in the required professional manner in the specified time.

First Rule

Building a Balanced Structure of the Board of Directors

• The board of directors' role represents the balance point which acts to achieve the objectives of the shareholders and follow up the executive management of the Company. The board of directors aims at achieving the Company's strategic objectives through the executive management's undertaking of the tasks entrusted to it in a perfect manner. Whereas the board of directors' decisions has a large effect on the Company's performance and the safety of its financial position, therefore the Company addressed concern that its board of directors consists of a sufficient number of members (five members) to permit it to form the required number of committees emanating from it under the framework of the corporate governance rules. The composition of the board of directors has taken into consideration the diversity in experiences and specialized skills to contribute in fostering competence in taking decisions. Further, all members of the board of directors are non executive members. The board comprises two independent members (which fulfils 20% of the board of directors composition). The Company board of directors assigns the sufficient time to undertake its mandated tasks and responsibilities, including preparation for the meetings of the board and the board committees, keenness for attending these meetings, as well as organize meetings of the Company board of directors according to the provisions of the law and the corporate governance rules. Further, a special register has been created in which the minutes of the board meetings are written in serial numbers for the year in which the meeting was held, indicating the venue of the meeting, its date, starting and ending hour. The board has appointed the board secretary from among the Company personnel and determined his tasks according to the corporate governance rules in line with the responsibilities mandated to him. Further, the tasks and responsibilities of each of the board of directors and executive management were clearly outlined in the policies and regulations approved by the board which reflect the balance in the powers and authorities between each of the board of directors and executive management, and so that none of the parties has absolute authority, in order to facilitate the Company's operations.

The current board of directors consists of five members and one secretary as follows:

Name	Member classification	Academic qualifications and work experience	Election date
Mr. Rashid Yaccoub Al Nafisi Chairman	Non executive	Bachelor's degree in accounting	20/ 03 / 2025
Mr. Mohammad Mahmoud Al Fulaij Vice chairman	Non executive	Bachelor of Business Administration	20/ 03 / 2025
Mr. Fahad Abdulmohsen Al Nafisi Board member	Non executive	Bachelor of Business Administration	20/ 03 / 2025
Mr. Abdulhamid Mohammad Mihrez Board member	Independent	Bachelor of Science and Master of Business Administration (Finance major)	20/ 03 / 2025
Mr. Mohamed Khaled Al Othman Board member	Independent	Bachelor of Business Administration	20/ 03 / 2025
Eng. Ibrahim Abdulrahman Al Soqabi Group CEO	BOD Secretary	Bachelor of Civil Engineering and Master of Business Administration	20/ 03 / 2025

Summary of the members of the Board of Directors, including the academic qualifications and work experience:

1- Mr. Rashid Al Nafisi (Chairman)

Received his Bachelor's in Commerce Emphasis in (Accounting) from the Faculty of Commerce, Economics & Political Science - Kuwait University. In more than 46 years of business administration, real estate development and management, Mr. Rashid Al Nafisi has a track record of diverse achievements. The multiple roles he has taken on over the past decades underline the breadth of his scientific and practical experience, as well as his distinct management skills. He has previously served as the General Manager of Al Nafisi United Group and the Director of Real Estate Loans Administration at the Kuwait Real Estate Bank. He has also served on the board of a number of companies and banks, including Kuwait business town real estate Co., the Commercial Bank of Kuwait, Kuwait Asia bank, Kuwait Airways Corporation, Mr. Rashid Al Nafisi was also the Chairman of the Board of Directors of the National Investments Company.
A member of the Board of Directors of Mazaya Qatar Real Estate Company and Majan Development Company. He has extensive experience in the field of real estate development and contracting and he is managing his own business, Currently, Mr. Rashid is the Chairman of Al Mazaya Holding Company since its inception.

2- Mr. Mohammad Mahmoud Yousef Al Fulaij (Vice Chairman)

Mr. Mohammad Al Fulaij holds a bachelor's degree in business administration from California State University, Los Angeles, and possesses several professional certifications in credit management, debt restructuring, and anti-money laundering. He is an expert in the banking and financial sector, with over 17 years of experience in strategic finance, governance, and credit portfolio management, with a particular focus on the oil and gas sectors.Throughout his career, he has held various positions in which he supervised logistics and services operations and provided strategic direction to ensure sound governance and drive business development.Mr. Al-Falbej previously held leadership positions at Boubyan Bank between 2019 and 2021, where he served as Senior Manager in the Acquisitions and Trading Management Department. Prior to that, he spent 12 years at Gulf Bank, managing corporate credit portfolios for major clients and contributing to the development of credit products and banking strategies.

3- Mr. Abdul Hamid Mihrez (Board Member- Independent)

Holds the designation for CFA Since 2005 and received his MBA (Emphasis in Finance) from the Lebanese American University (LAU) & holds a Bachelor of Science from the American University of Beirut (AUB).
Abdulhamid Mihrez is a GCC-focused investment executive with over two decades of experience in asset management, private equity, investment banking, and special situations. His expertise lies in capital strategy, restructuring, and value creation in transitional and growth-stage businesses. He has led investment banking transactions totaling approximately USD 800 million and successfully managed the wind-down of complex asset portfolios exceeding USD 850 million. Throughout his career, he has worked closely with boards, management teams, and shareholders on complex transactions, turnarounds, and capital restructuring mandates across multiple sectors. Abdulhamid brings strong governance insight and strategic perspective to the Board, particularly in areas where capital structure, operational performance, and long-term value creation intersect.

4- Mr. Mohammad Al Othman (Board Member- Independent)

Mr. Al-Othman received his degrees in Business Management from the Australian College of Kuwait, and holds a number of professional Certificates Specifically related Administration to the real estate sector such as Real-Estate evaluation, Theoretical Methods and Operational Implementation, International School of Professional Development, Effective Sales Tools and Techniques in Real Estate Perspectives, Strategic Sales Skills For Real Estate Professionals, and Essential Sales Skills For Real-estate Professionals from different professional real-estate institutions. Mr. Al-Othman is currently the Managing Director of Shether Group Company. Previously, Mr.Mohammad was the Marketing & Leasing Manager for Al Hamra Real-Estate Company responsible for marketing the commercial components of Al Hamra Project. Also, Mr.Al-Othman was a board member in Al Hamra Cinema Company. He conducted many Real- Estate market research and analysis in both the retail and office space segment for Ajial Real-Estate & Entertainment Company and Al Jal Real-Estate Services Company.

5- Mr. Fahad A. Al Nafisi (Board Member)

Holds a Bachelor's degree in Business Administration from the American University of Sharjah, in addition to several executive certificates from Harvard and INSEAD in leadership and negotiation.

Specialized in wealth management and banking services, Mr. Fahad served as a Senior Relationship Manager at The Family Office, where he provided investment advisory services to high-net-worth clients, with a focus on private credit, real estate, and private equity.

He previously held several leadership positions at Kuwait Finance House (KFH), where he served as Executive Manager of the Commercial Banking Unit between 2018 and 2022, managing a specialized team in real estate and corporate financing. He has also served as a Board Member at Abar Water Company and as Vice Chairman of the Board at Gulf Investment House. Mr. Fahad brings extensive experience in banking relationships and financing, having held multiple positions at Kuwait Finance House and the National Bank of Kuwait since 2007.

6- Eng. Ibrahim Abdulrahman Al Soqabi (Group CEO / BOD Secretary)

Holds a Master of Business Administration (MBA) from Maastricht University and a Bachelor of Science in Civil Engineering from George Washington University, DC, USA, and He has further participated in several Executive Training Programs provided by Harvard Business School and INSEAD. Overall, he possesses a cumulative practical experience of 26 years, diversified among the fields of Civil Engineering, Real estate developing, Corporate and project management, Risk Analysis, Enterprise and Corporate Governance, within and outside Kuwait; however, most notably, his strategic and leading role as a Chief Executive Officer during the past 17 years. Mr. Al Soqabi was successful in transforming Kuwaiti companies into leading companies operating inside and outside Kuwait, thus encompassing under numerous subsidiaries through both inorganic and organic growths, which have been undertaking several activities at the local, regional and international markets, such as Gulf Cooperation Council (GCC) States, Turkey, and Hong Kong. Currently, he holds the Group CEO position for Mazaya Holding. Mr. Al Soqabi held several board positions in reputable listed companies such as First Dubai Real Estate, Al Tijaria Commercial Real Estate, Al Enma' Real Estate (ERESCO), Kuwaiti Manager Co. for Contracting, Baitek Real Estate, and Al Masaken Real Estate. He is currently the Chairman of Mazaya Real Estate Development Co., KSC.

• The Company board of directors held 13 meetings during 2025 whereby meetings, all were held at the company premises and also through using the electronic communication tools . Total resolutions issued are (19) in addition to 3 resolutions by circulation detailed as follows:

Name	Board Meetings 2025												
	Meeting No.1 date on 16/01/2025	Meeting No.2 date on 22/01/2025	Meeting No.3 date on 19/02/2025	Meeting No.4 date on 20/03/2025	Meeting No.5 date on 2025/04/20	Meeting No.6 date on 28/04/2025	Meeting No.7 date on 02/06/2025	Meeting No.8 date on 30/06/2025	Meeting No.9 date on 30/07/2025	Meeting No.10 date on 13/10/2025	Meeting No.11 date on 03/11/2025	Meeting No.12 date on 12/11/2025	Meeting No.13 date on 25/12/2025
Mr. Rashid Al Nafisi Board Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Eid Abdallah Al Rashidi Vice Chairman - Previously	✓	✓	✓										
Mr. Mohammad M. AlFulaij Vice Chairman - New				✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Mr. Ali Abdulrahman AlShaya Board Member- independent previously	✓	✓	✓										
Mr. Fahad A. Al Nafisi Board Member - New				✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdul Hamid Mihrez Board Member - independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohamed Al Othman Board Member - independent	✗	✗	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓

• Implementation of the registration and coordination requirements and keeping the Company board of directors meeting minutes

The board of directors' secretary assists the board of directors on continuous and constant basis to ensure that they receive all the required information. Further, he assists the chairman with all matters related to the preparation of the agendas of the board meetings, issuing invitations to the board members, forwarding all the documents and information relevant to the agenda through the Board vantage program or by Email or delivery by hand at least three working days in advance of the meeting date, registering all the decrees and discussions held between the members, registering the results of voting of the members on the decrees, and coordinate and keep all the documents discussed during the meetings.

The declaration of the independent member.

• The independent member, Mr. Abdulhamid Mohammed Deeb Mihrez, has signed a declaration affirming that he meets the independence criteria stipulated in the Executive Bylaws of the Capital Markets Authority Law.

• The independent member, Mr. Mohamed Khaled Al Othman, has signed a declaration affirming that he meets the independence criteria stipulated in the Executive Bylaws of the Capital Markets Authority Law.





Second Rule

Proper Identification of Tasks and Responsibilities

- The corporate governance framework approved by the board of directors reflects the current tasks and responsibilities of the board of directors, in line with the corporate governance rules, which are summarized in the following for the year 2025:

1) Approval of the significant goals, strategies, plans and policies of the Company, including:
   a. Laying down the comprehensive strategy for the Company for the main action plans, their revision and direction.
   b. Preparation of the Company capital structure and its financial objectives.
   c. Laying down performance objectives, control of execution and comprehensive performance of the Company.
   d. Regular review and update of the organizational and job structures of the Company.

2) Approval of the annual estimated budgets and approval of the interim and annual financial statements.
3) Review of the periodical reports received from the executive management in connection with the progress achieved in the Company activity in light of the Company's strategic plans and objectives.
4) Supervising the major capital expenditures of the Company, acquisition and disposal of assets.
5) Verify the extent of the Company's compliance with the policies and procedures which ensure the Company's observance of the applicable internal systems and regulations, with support of the Board of Directors' Audit Committee and Risk Management Committee.
6) Ensure the accuracy and soundness of the information and data which should be disclosed according to the applicable disclosure and transparency policies and rules.
7) Overall supervision over the company governance system which is approved by the board of directors and controlling the extent of its efficiency and amending it if required in a manner which does not contradict with the corporate governance rules issued by the Capital Markets Authority.
8) Follow up the performance of each member of the board of directors and executive management according to the objective key performance indicators (KPIs), with the support of the Board's Nominations and Remunerations Committee.
9) Preparing and reading the Company Corporate governance report in the annual general assembly of the Company, which comprises the requirements and procedures for completing the corporate governance rules and extent of compliance with them.
10) The Board Audit Committee, Risk Management committee, Nomination & Remuneration committee and Strategic financial planning committee were re-formed on 20 / 04 / 2025 in accordance with a charter that clarifies the committee's duration, authorities, responsibilities. Furthermore, the committee's composition resolutions include the members names, outlining their duties, rights and tasks, in addition to the evaluation and performance and works of such committees and their key members according to the details set forth under this report.
11) Follow up the work in accordance with the financial and administrative authorities delegated to the executive management.

- **The Company governance framework, approved by the board of directors, reflects the current tasks and responsibilities of the chairman for 2025 in line with the corporate governance rules, summarized in the following;**

1) Ensure the board's discussion of all fundamental matters efficiently and in the proper time.
2) Support and assist the executive management and almost daily coordination with the CEO to follow up the operations of the holding company and subsidiary companies.
3) Represent the Company towards third parties, as stipulated under the Company articles of association.
4) Encourage all members of the board of directors to participate completely and efficiently in transacting the Board affairs to ensure the Board's undertaking of actions in favour of the Company.
5) Ensure actual communication with the shareholders and convey their opinions to the board of directors.
6) Encourage constructive relations and efficient participation between each of the board and the executive management.
7) Create a culture encouraging constructive criticism on the issues on which there is a disagreement in views between the board members.

The Company has a qualified executive management team with a high standard of competence. The corporate governance framework reflects the current tasks and responsibilities of the executive management, with which it complies, in light of the powers and authorities granted and approved by the board of directors. The following are the major achievements of the current executive management during the year 2025:

- Execute all the Company internal policies, rules and regulations, as approved by the board of directors.
- Execute the annual strategy and plan approved by the board of directors which includes for example, the following tasks:

- Distribution of interim dividends to the company's shareholders, distributed as free bonus shares from treasury shares.
- Restructuring of the Company's debt with one of the local banks.

- Prepare periodical reports (financial and non financial) in connection with the projects and progress made in the Company's business, present such reports to the board of directors including feasibility studies, financial and technical reports on the company's current and emerging projects and activities, including:

- Q-Point
- Oman Residence Project Zone 1 & Zone 2 – Sultanate of Oman.
- Mazaya Clinic 2 (Subah Al Salem)– Kuwait.
- Mazaya Clinic 3 (Bnaid AlQar) -Kuwait
- Mazaya Clinic 4 Hawally – Kuwait
- Mazaya Clinic 5 Jabriya – Kuwait
- Mazaya Clinic 6 Salmiyah – Kuwait
- Mazaya Clinic 7 Jahra – Kuwait.
- Mazaya Clinc 8 (Sabah Al Salem) – Kuwait
- Mazaya Towers – Kuwait
- Mazaya logistics – Kingdom of Bahrain
- Sky Gardens – UAE
- Indigo – UAE
- Almaather Towers – KSA
- AlOlayya Tower – KSA

- Lay down an integrated accounting system which keeps records, registers and accounts that reflect in detail and accurately the financial statements and income accounts, which permit preserving the Company's assets and preparation of the financial statements according to the international accounting standards approved by the Capital Markets Authority. The advanced accounting system (Microsoft D365 F&O) provides the ability to issue consolidated financial statements at the company and subsidiary level with high efficiency and quality.
- Manage daily work and direction of the activity, in addition to the management of the Company resources in the optimum manner, gratify profits and reduce costs, in line with the Company goals and strategy.
- Efficient participation in the building and development of ethical values culture in the Company.
- Lay down internal control systems and risks management, and ensure the efficiency and sufficiency of such systems, and ensure compliance with the risks appetite approved by the board of directors.
- Development of the infrastructure for information technology to provide the required data and information to take decisions in line with the Company expansion requirements and strategy The Company has developed an IR Application that allows them to quickly access information about the company's current performance, as well as access to historical information and latest development.

- Lay down a clear working mechanism in connection with following up the regulatory decrees and law relevant to the Company's nature of work in order to ensure strict compliance and implementation of the same.
- Prepare the key performance indicators (KPIs) for all the Company personnel and evaluate their accomplished tasks in a periodical manner.
- Follow up on the works of Employees Relations Committee (ERC) which reviews the grievances submitted by personnel and submits recommendation in this respect to the Group CEO in the right time and in strict confidence.

• Board of Directors Committee

1) Audit Committee:

The Audit Committee is formed of three members according to the board of directors' decree dated 20 April 2025 for a period of three years.

Committee members	Post	Member classification	Committee Meetings								
			1/2025	2/2025	3/2025	4/2025	5/2025	6/2025	7/2025	8/2025	9/2025
Mr. Abdulhameed Mohamed Mihrez	Committee chairman	Non executive	✓	✓	✓						
Mr. Abdulhameed Mohamed Mihrez	Committee chairman	Independent				✓	✓	✓	✓	✓	✓
Mr. Mohamed Khaled Al Othman	Committee member	Independent	✗	✗	✓	✓	✓	✓	✗	✓	✓
Mr. Eid Abdallah Al Rasheedi	Committee member - Previously	Non executive	✓	✓	✓						
Mr. Mohammad Mahmoud Al Fulaij	Committee member- Currently	Non executive				✓	✓	✓	✓	✓	✓
Committee duties	- Review of the periodical financial statements before presenting them to the board of directors, express the opinion and recommendation in this respect to the board of directors for the purpose of ensuring the fairness and transparency of financial reports, ensure the soundness and integrity of the financial reports and the Company internal control systems. The Committee held its periodical meetings in which the financial reports issued by the Company Finance Division and the external auditor's office were discussed. The Committee submitted a recommendation for their approval to the board of directors. The financial reports guarantee and integrity mechanism forms were signed for each quarter - Follow up of the external auditors' works and ensure that they only submit the services required by the auditing profession to the Company. - Study the external auditors' remarks on the Company financial statements and follow up the developments in this respect. - Study the applicable accounting policies and express the opinion and recommendation to the board of directors in this respect. - Evaluate the extent of adequacy of the internal control systems applied in the Company and prepare a report comprising the opinion and recommendation of the Committee in this respect. - Technical supervision over the Internal Audit Unit in the Company in order to verify the extent of its efficiency in executing the works and tasks outlined by the board of directors. - Reviewing the internal audit reports submitted by the internal auditor and providing feedback. The committee reviewed the progress of the internal audit work for the various divisions / departments of the company. The Committee also reviewed the responses of the concerned divisions/departments and verified that the necessary corrective measures have been taken in connection with the observations raised in the reports - Review of the annual report of the Compliance Department. - Recommend to the Board of Directors the appointment and reappointment of external auditors or change them and determine their fees. The committee recommended to approve reappointing of Mr. Nayef Musaed Bazie Al Yassin (RSM Al-Bazie & Co.) Certified Public Accountants as an external auditor to the company, taking into consideration the mandatory auditor rotation period. - Recommend the reappointment of BDO for Economic, Administrative, Industrial and computer consultancy and Opening Private Training Institutes Company (BDO) to the Board of Directors to conduct the internal audit service in accordance with the regulations and laws. - Recommend the appointment of Allinial Global- Suliman Al Bassam & Partners - to the Board of Directors to conduct the ICR of the Company in accordance with the regulations and laws. - Reviewing the report issued by Al Waha Auditing Office – a member of Nexia International – regarding the review and performance evaluation of the Internal Audit function for the years 2022, 2023, and 2024 in the company. - Recommending to the Board of Directors the replacement of the current Internal Audit firm, BDO for Economic, Administrative, Industrial and Computer Consultancy and Opening of Private Training Institutes LLC (BDO)									

2. Risk Management Committee

The Risk Management Committee is formed of three members according to the board of directors' decree issued on 20 April 2025 for a three years period.

Committee members	Post	Member classification	Committee Meetings							
			1/2025	2/2025	3/2025	4/2025	5/2025	6/2025	7/2025	8/2025
Mr. Eid Abdallah Al Rasheedi	Committee chairman - Previously	Non executive	✓	✓						
Mr. Mohammad Mahmoud Al Fulaij	Committee chairman - Currently	Non executive			✓	✓	✓	✓	✓	✓
Mr. Ali Abdulrahman Al Shaya	Committee member - Previously	Independent	✓	✓						
Mr. Mohamed Khaled Al Othman	Committee member	Independent	✗	✗	✓	✓	✓	✓	✓	✓
Mr. Fahad Abdulmohsen Al Nafisi	Committee member- Currently	Non executive			✓	✓	✓	✓	✓	✓
Committee duties	- Prepare and review the Risk Management Unit's strategies and work methodology and submit them to the board of directors, ensure the execution of such strategies and policies and that they are suitable with the nature and size of the Company's activities. - Ensure the availability of the sufficient resources and systems for risk management. - Evaluate the systems and mechanisms for determining, measuring and following up the various types of risks to which the Company may be exposed, in order to determine their shortcomings. - Assist the board of directors to identify and evaluate the acceptable level of risks in the Company, ensure that the Company does not exceed this level of risks following its approval by the board of directors. - Review of the transactions and dealings with the related parties and submit suitable recommendations in this respect to the board of directors. - Review the organizational structure of the Risk Management Unit and lay down the recommendations in this respect and submit them to the board of directors. The Risk Management unit now reports directly to the Risk Management Committee in accordance to the latest amendment issued by the Capital Markets Authority. It has been recommended to mandate the tasks of the Risks management to Boubyan Consulting to prepare periodical reports concerned with the management and assessment of the Company risks. - To ensure that the entity in charge of management has full understanding of the risks surrounding the Company. - Prepare reports on the nature of risks to which the Company is exposed and submit such reports to the Company board of directors.								

3. Nominations and Remunerations Committee:

The Nominations and Remunerations Committee is formed of three members according to the board of directors' decree issued on 20 April 2025 for a three years period.

Committee members	Post	Member classification	Committee Meetings			
			1/ 2025	2/ 2025	3/ 2025	4/ 2025
Mr. Rashid Yaccoub Al Nafisi	Committee chairman	Non executive	✓	✓	✓	✓
Mr. Mohamed Khaled Al Othman	Committee member	Independent	✗	✗	✗	✓
Mr. Abdulhameed Mohammad Mihrez	Committee member	Non executive	✓	✓	✓	
Mr. Abdulhameed Mohammad Mihrez	Committee member	Independent				✓
Committee duties	1) Recommend the acceptance of the nomination and re-nomination of members of the board of directors and executive management. 2) Review the remunerations policy of the board of directors and executive management members, determine the various segments of remunerations to be granted to employees such as the fixed remunerations segment, performance related segment, remunerations in the form of shares segment, end of service indemnities, benefits, advantages and other allowances segment, and review of the employees annual evaluation reports. 3) Lay down the job description for the non executive members and independent members. 4) Ensure that the independence status of the independent board member is maintained. 5) Prepare the remunerations report including the total of the remunerations offered to members of the Board of Directors, executive management and managers, whether they are in the form of amounts, benefits or privileges, regardless of their type and name, direct or indirect, through the company or its subsidiaries					

4. Strategic Financial Planning committee:

The Committee has been composed of three members according to the board of directors' resolution issued on 20 April 2025 and for a period of three years.

Committee members	Post	Member classification	Committee Meetings				
			1/ 2025	2/ 2025	3/ 2025	4/ 2025	5/ 2025
Mr. Rashid Yaccoub Al Nafisi	Committee chairman	Non executive	✓	✓	✓	✓	✓
Mr. Abdulhameed Mohammad Mihrez	Committee member	Non executive	✓				
Mr. Abdulhameed Mohammad Mihrez	Committee member	Independent		✓	✓	✓	✓
Mr. Ali Abdulrahman Al Shaya	Committee member - Previously	Independent	✓				
Mr. Fahad Abdulmohsen Al Nafisi	Committee member - Currently	Non executive		✓	✓	✓	✓
Committee duties	1) Assist in the development and implementation of strategy, operational plans, and budgets. 2) Reviewing the operational and financial performance. 3) Contribute to pprioritize and allocate resources. 4) Studying entry into proposed new projects and approving them. 5) Studying exit from projects/investments. 6) Facilitate decision-making on matters of importance that require immediate decisions.						

The Board of Directors obtains the information and data of the company and the Board meetings from the Board Secretary and the Chairman through the board vantage program or through e-mail or delivery by hand at least three working days before the date of the meeting and at any time the board member wishes to obtain Information and data.

Third Rule

Selection of Competent Persons for the Membership of the Board of Directors and Executive Management

• Nominations and Remunerations Committee

The nomination mechanism to the membership of the board of directors and executive management ensures the continuation of attracting and selecting competent staff to join the membership of the board and executive management. Further, the Company's mechanism of offering remunerations was laid down by a professional company specialized in this field., which is approved by the board of directors and the Company general assembly, in order to keep competent staff and attract new competencies and to assist in fulfilling the Company's objectives and its progress. The Company board of directors has re-composed the Nominations and Remunerations Committee to consist of three non executive members of the Board, with one of its members as independent member. The board has specified the Committee membership tenure and its working method, as well as indicated the powers and responsibilities of the Committee in its charter, approved by the board. Further, the Company articles of associations stipulates a clear policy for offering remunerations to the chairman and members of the board of directors. Further, the Company remunerations policy is based on the following principles:
- Compliance with the provisions of the Companies Law and the relevant laws.
- Taking into consideration attracting and maintaining the best competent personnel.
- Ensure equality within the Company and competitiveness outside the Company.
- Transparency in offering remunerations

Board Members' Remunerations:
- The applicable remunerations and incentives system in the Company, particularly those related to the board members, has the highest transparency criteria, as stipulated by the governance rules, whereby the following are adhered to:
- The Board remunerations system complies with the provision of article 198 of the Companies Law No.1 of 2016 that it is inadmissible to estimate the total remunerations of the board of directors members by more than ten percent of the net profit after deducting depreciation, reserves and distribution of a profit not less than five percent of the capital to shareholders or any higher percentage stipulated by the Company memorandum
- The board members' remunerations shall be approved by the general assembly, pursuant to the recommendation of the Nominations and Remunerations Committee
- The independent board of directors member may be exempted from the aforesaid remunerations maximum limit pursuant to the approval of the ordinary general assembly.

Executive management remunerations and incentives:

The remunerations system of the executive management is associated with the key performance indicators (KPIs) for the executive management and the results realized by the Company, and includes the following:

Fixed remunerations:
- The level of the responsibilities entrusted to the employee, his/ her occupational progress, experiences and competences are taken into consideration.
- Fixed remunerations are determined, including the amounts, allowances, benefits and privileges, according to the job grades approved by the board of directors.

Performance related remunerations:
- Performance related remunerations are associated with achieving predetermined goals for each of the executive management and the Company.

- Performance related remunerations were laid down to motivate the executive management to double up the efforts and achieve the required goals.
- Performance related remunerations are reviewed and determined annually

Remunerations in the form of shares:

- As per the remunerations and incentives system approved by the general assembly, remunerations related to performance are offered to the executive management in the form of shares for specific job grades.

Remunerations given to the Board of Directors and executive management and managers:

Remunerations and benefits for board members						
	Remunerations and benefits through the parent company			Remunerations and benefits through subsidiaries		
Total number of members	Fixed Remunerations and benefits (KD)	Variable Remunerations and Benefits (KD)		Fixed Remunerations and benefits (KD)	Variable Remunerations and Benefits (KD)	
	Monthly car Rental & Medical Insurance (total during the year)	Annual Remunerations	Committees Remunerations	Monthly salaries and fixed remunerations (total during the year)	Annual Remunerations	Committees Rewards
5	6000	-	100,000	-	-	-

The total remunerations and benefits granted to five of the senior executives who received the highest remunerations, in addition to the CEO and the Chief Financial Officer or whoever acts in their capacity if they are not among the senior executives.												
	Remunerations and benefits through the parent company						Remunerations and benefits through subsidiaries					
Total number of executive positions	Fixed Remunerations and benefits (KD)					Variable Remunerations and Benefits (KD)	Fixed Remunerations and benefits (KD)					Variable Remunerations and Benefits (KD)
	Monthly salaries (total during the year)	health insurance	Annual tickets	Trans-portation allowance	Children's education allowance	Annual bonuses	Monthly salaries (total during the year)	health insurance	Annual tickets	Trans-portation allowance	Children's education allowance	Annual bonuses
5	410,040	9,180	13,000	12,000	17,000	159,971	-	-	-	-	-	-

There are no material deviations from the remuneration policy approved by the Board of Directors

Fourth Rule

Ensuring the Integrity of Financial Reports

• Board of directors and executive management undertakings for the soundness and integrity of the financial reports
The soundness and integrity of the Company financial statements are among the most significant indicators of the integrity and credibility of the Company in presenting its financial position, which increases the confidence of shareholders and investors in the statements and information provided and disclosed by the Company to its shareholders. The Company executive management undertakes to the Company board of directors in writing that the Company financial reports are presented fairly and properly, and that they reviewed all financial aspects of the Company for the operational data and results, as well as being prepared according to the approved international accounting standards by the Authority. Further, the annual report submitted to shareholders by the Company board of directors comprises the undertaking of the soundness and integrity of all the financial statement as well as the reports relevant to the Company's activity. The said undertakings contribute in fostering accountability, whether the executive management's accountability by the board of directors or the board of directors' accountability by the shareholders.

• Audit Committee Composition
The Internal Audit Committee was reformed on April 20, 2025, consisting of three members from the Board of Directors: two independents' members and one non-executive member. These individuals possess specialized expertise that aligns with the nature of the company's activities. The committee is completely independent, and one of its members holds academic qualifications and practical experience in accounting and finance. The Board has defined the committee's membership tenure and its working method, as well as outlined the committee's powers and responsibilities in its charter, which was approved by the Board. Furthermore, the committee held nine meetings during the year 2025, regularly convening, including meetings with the company's external auditors and internal auditor.

• During the Committee's work, there was no contradiction between the Audit Committee's recommendations and the board resolutions.

• Independence and neutrality of the Company external auditor

- The Company ordinary general assembly appoints/re-appoints the Company auditor pursuant to the board of directors' resolution. The nomination of the auditor is pursuant to the recommendation of the Audit Committee. The Audit Committee takes into consideration that the auditor is registered in the Authority's special register, whereby he satisfies all the requirements of the Authority decree in connection with the auditors registration system, as well as ensure that the external auditor is independent of the Company and its board of directors, and does not undertake additional works for the Company which are not included within the auditing works, which may affect impartiality or independence. The Audit Committee holds discussion with the external auditor before submitting the annual accounts to the board of directors to take the decision in this respect.

- The external auditor prepares the annual ordinary general assembly meetings of the Company and reads the report prepared by it to the Company shareholders.

Fifth Rule

Laying Down Proper Systems for Risk Management and Internal Control

• Risk Management Unit

The Company contracted with Boubyan Consulting, which is an independent external office for risk management in order to identify and measure the risks to which the Company is exposed. The Company organizational structure (approved by the board of directors) comprises the independent unit for risk management, which operates basically for measuring, following up and controlling all types of risks facing the Company and is directly accountable for the Risk Management Committee. The external office laid down the effective systems and procedures for risk management by preparing the working methodology of the Risks Department and the job description of the risk officers in order for the Company to be capable of performing its main tasks represented in measuring and following all types of risks to which the Company is exposed. Further, the external office worked to develop the periodical reports system, as it is considered as one of the significant tools in the process of following up risks and controlling their occurrence. The personnel in charge of the external office enjoy independence as they are accountable directly to the board of directors. Furthermore, they enjoy a great extent of authorities in order to carry out their tasks in a perfect manner, and have no financial powers or authorities. The external office has available the qualified staff possessing the professional competencies and technical capacities. In the event of the existence of transactions or dealings carried out by the Company with related parties, the external office reviews the transactions and dealings and presents the suitable recommendations in this respect to the board of directors.

• Risk Management Committee

The Risk Management Committee consisting of three non executive members of the board of directors, including one independent member, have been re-composed. The board has outlined the membership tenure of the Committee membership and its working method. Further, it has stipulated the powers and duties of the Risk Management Committee within its charter, approved by the board. The Committee met eight times in 2025 and discussed several topics related to its powers and duties, including the review and study of risks related to a number of the Company projects and submission of reports in this respect.

• Control systems and internal control:

- The Company has control systems and internal control covering all the Company's activities, which operate to preserve the financial integrity of the Company, accuracy of its data and efficiency of its operations from the various aspects. Further, the Company organizational structure considered the internal control principles for the double control process (Four Eyes Principles), represented in the sound identification of responsibilities and powers, complete segregation in duties and non conflict of interests, inspection and double control, and dual signature, by providing the financial and administrative authorities structure, policies and procedures for the Company's operations, in addition to the information technology systems prepared and designed pursuant to the principle of segregation in duties across the various departments and concerned functions.
- The Company contracted with an independent office Allinial Global – Sulaiman Al Bassam & Partners to evaluate and review the internal control systems and prepare a report in this respect (Internal Control Report), whereby the office will prepare the ICR report on the operations of year 2025, which will be submitted to the Capital Markets Authority within 90 days after the end of the fiscal year.
- The Committee has recommended to the board of directors to approve reappointing of Mr. Nayef Musaaed bazie Al Yaseen (RSM Albazie & Co.) as an external auditor to the company certified Public Accountants, taking into consideration the mandatory auditor rotation period.

• Internal Audit Unit:

The company contracted with BDO to carry out internal auditing of the company in accordance with the rules and regulations. It is an independent and highly experienced office in the field of internal auditing. The Company organizational structure (approved by the Board of Directors) comprises of an internal audit unit that reports to the Audit Committee and hence to the Board of Directors. The assigned Audit Office had prepared internal audit reports on the operations of the Company's divisions and departments, including the observations, the resulting impact and the recommendations, in addition to the departmental responses and specific action plans and presented the same to the Audit Committee.

Al Waha Audit Office, appointed by the Company, has reviewed and evaluated the performance of the Internal Audit Unit (QAR) and submitted its report to both the Audit Committee and the Board of Directors.

Sixth Rule

Promoting Professional Conduct and Ethical Values

• Professional conduct and ethical values criteria and determinants:

Establishing the professional conduct and ethical values culture within the Company reinforces the investor's confidence in the integrity of the Company and soundness of its financial statements. The board of directors and executive management, as well as all the Company personnel, complied with the internal policies, regulations, legal and regulatory requirements, leading to the fulfilment of the interests of all parties related to the Company, particularly shareholders, without conflict of interests, and with high level of transparency. The Company governance framework approved by the board of directors comprises a number of determinants and criteria addressing the establishment of the principle of the compliance of each of the board of directors and executive management's members with all the laws and instructions, represent all shareholders and compliance with achieving the interest of the Company, the interest of shareholders and interest of other stakeholders and not only the interest of a specific group. Further, it comprises the board of directors or executive management member's non use of the job influence of the position in order to fulfil a personal interest or any personal goals for him or others, as well as avoiding the use of the Company resources and assets to achieve personal interests, use such assets and resources in the optimum manner to fulfil the objectives of the Company. Further, the Company has laid down a tight system and a clear mechanism preventing the board members and personnel from exploiting the information they accessed by virtue of their position for their personal benefit, in addition to prohibiting the disclosure of information and data of the Company except in the cases permitted by the law, as well as confirming the laying down of procedures regulating operations with the related parties and that there should be a clear segregation between the Company's interest sand those associated with the board of directors member through the board's laying down of mechanisms for having the Company interests dominate over the interests of its members. Further, the board member shall comply with disclosure to the board if he has any common interests with the Company, whether directly or indirectly. The board member is also prohibited from participating in the discussion or expressing the opinion or vote on any topics presented to the board in which he has a direct or indirect common interest with the Company. Furthermore, the Company personnel may internally report their doubts on any improper practices or matters raising suspicions in the financial reports, internal control systems or any other matters. The Company permits undertaking an independent and fair investigation of any matter presented to it and guarantee to offer the informer in good faith the confidentiality which ensures his protection against any negative reaction or damage which he may sustain as a result of his reporting of such practices.

• Policies and mechanisms for controlling cases of conflict of interests

The Company board has laid down the mechanisms and policies in connection with controlling the cases of conflict of interests, methods of addressing and handling them and updated them as part of the corporate governance framework, taking into consideration the content of the Companies Law.

The policies have indicated that member of the board may notify the board of his personal interest in the businesses and contracts concluded for the Company's account, and that such reporting is confirmed in the minutes of the meeting. The member holding the interest may not participate in voting on the decision passed in this respect.

Furthermore, the chairman shall notify the general assembly upon convening of the businesses and contracts in which one of the board members has a personal interest in. This notification shall be enclosed with a report from the auditor as mentioned within the "Related parties Report".

Seventh Rule

Accurate Disclosure and Transparency in the Right Time

- **Mechanisms of accurate and transparent presentation and disclosure which outline the aspects, fields and features of disclosure**

Accurate disclosure is one of the fundamental features and methods for follow up of the Company activities and evaluate its performance, as it contributes in informing the shareholders and investors of the Company structures and activities, as well as the applicable policies by the Company, in addition to evaluating the Company's performance in connection with the ethical criteria. Through the corporate governance framework, the Company board laid down the mechanisms for accurate and transparent presentation and disclosure which outline the aspects, fields and features of disclosure, whether in connection with the topics or elements which should be disclosed. The disclosure method comprise the financial and non financial information and data related to the Company financial position, performance and equity, through disclosure to Boursa Kuwait, the Capital Markets Authority, Dubai Financial Market and the Securities and Commodities Authority (Dubai), in a manner assisting stakeholders to view the Company status in an integrated manner. Further, the Company discloses with complete transparency and accuracy all the information and data in the right time for all the parties and stakeholders without discrimination, as per the disclosure forms approved by the Capital Markets Authority.

The board is keen to review all the Company applicable disclosure and transparency systems and mechanisms periodically, and ensure that they are in line with the best leadership practices applicable in this respect, in addition to being consisting with those applicable by the Capital Markets Authority. Further, the Company has prepared the compliance checklist which comprises the identification of the information which should be disclosed, their classification mechanism in terms of their nature or in terms of the periodicity of disclosing them, as per the disclosure and transparency mechanisms and systems of the Company.

- **Board of directors and executive management members' disclosures:**

The Company has a register for the disclosures of the board of directors, executive management members and managers, whereby it includes the disclosures of the percentages of equities and dealing on the Company's shares in addition to the declarations and undertakings submitted in their capacities as insiders, which are updated according to the provisions of the executive regulation of the Capital Markets Authority Law. This register includes all data related to remunerations, salaries, incentives and other financial benefits that were granted directly or indirectly by the company or its subsidiaries. All the Company shareholders are entitled to access this register during the company's working hours. without any fee. Further, the Company updates the details of this register periodically which reflects the reality of the positions of the related parties.

- **Investors Affairs Regulation Unit**

The Company has an Investors Affairs Regulation Unit, which is responsible for providing and making available the required financial data and information and reports to the potential investors. The Investors Affairs Unit enjoys the appropriate independence in a manner permitting it to provide the reports, data and information in the right time and accurately, by directly contacting the Unit through the Company website and the website of Boursa Kuwait and Dubai Financial Market.

- **Development of the information technology infrastructure and reliance on it extensively for disclosure processes**

The Company developed the infrastructure of the information technology it uses and relies upon for all its operations, whereby it uses several programs in its various departments, including for example (Microsoft D365 F&O) in the Finance Department, (Menaitech) in the Human Resources and Administrative Affairs Department, (CRM- Property Management), (Primavera) in the Projects Department, (Boardvantage) program in connection with the board of directors meetings)TEAMWORK(program in all departments, (Sharepoint) program in the Documents Control Department and purchasing management, it has also been updated by adding the facilities management application, where the application is designed to collect complaints and requests from tenants and for preventive maintenance tasks for building maintenance employees. The application can be used on a computer browser or on a mobile phone., also the DIEHL metering software is used to read electricity consumption electronically in addition to other programs for the use by the Information Technology Department. Further, the Company has a dynamic and effective website which comprises all the information, data and disclosures in connection with the Company's businesses and the latest developments, in addition to a special section on corporate governance as the Company maintains and updates the website periodically.

Eighth Rule

Observing Shareholders' Rights

• Protection of the general rights of shareholders to ensure justice and equality among all shareholders.

The implementation of the governance rules achieves balance between the Company's objectives and the objectives of its shareholders, protects the rights of shareholders and establishes justice and equality among them. The Company treats all shareholders equally without any discrimination. Under no condition the Company conceals any information or any of the shareholders' rights. In this respect, the Company complies with all the provisions of the law and executive regulation, as well as the instructions and regulatory conditions. Further, the Company's articles of association and the corporate governance framework approved by the board of directors, its internal regulations, procedures and controls required to ensure that all the shareholders exercise their rights to achieve justice and equality, in a manner which does not contradict with the applicable laws and regulations, decrees and instructions issued in this respect. Among the general rights of shareholders guaranteed by the Company are the following:

- Register the value of the shareholders' equity in the Company's records.
- The shareholders' right to transact with the shares including the registration of ownership, its transfer and/or assignment.
- The right of shareholders to obtain the determined share in the profits distributions.
- The right of shareholders to obtain a share of the Company assets in the event of liquidation.
- The right of shareholders to obtain the data and information concerned with the Company activity, operational and investment strategy in a regular and convenient manner.
- The right of shareholders to access the shareholders' register.
- The right of shareholders to participate in the meetings of the general assembly of shareholders and voting on its decrees.
- The right of shareholders to elect members of the board of directors.
- The right of shareholders to control the Company's performance generally and the board of directors' operations in particular.
- The right of shareholders to hold the members of the Company board of directors or executive management accountable, in the event they fail to perform the tasks entrusted to them.

• Taking into consideration precision and continuous follow up of the shareholders' data

- For the purpose of continuous follow up of all matters related to the shareholders' details, the Company keeps a register kept with the clearing agency, in which the names of shareholders, their nationalities, domicile and the number of shares owned by each one of them are recorded. The shareholders' register is marked with any changes on the details recorded therein according to the details received by the Company or clearing agency. Every concerned party may request the Company or clearing agency to furnish it with details from this register.
- The details set forth in the Company shareholders' register are dealt with the maximum degrees of protection and confidentiality, in a manner which does not contradict with the law and executive regulation and the instructions and regulatory controls issued by the Authority.

• Encourage shareholders to participate and vote in the Company general assembly meetings.

The Company regulates a mechanism of participation in the shareholders general assembly meetings, whereby it takes the following into consideration upon organizing the general meetings of shareholders:

- Address the invitation to shareholders to attend the general assembly meeting, comprising the agenda, time, and venue of organizing the meeting, through announcement according to the mechanism outlined in the executive regulation of the Companies Law and in accordance to the Capital Markets Authorities law and its executive regulations.
- The Company illustrates and indicates to shareholders that the shareholder is entitled to authorize another person to attend the general assembly meeting according to a particular power of attorney or authorization prepared by the clearing agency for this purpose.
- The Company permits shareholders before convening the general assembly meeting by a sufficient time to obtain all the information and details relevant to the agenda items to enable shareholders to take their decisions properly.

- The Company permits the shareholders to effectively participate in the general assembly meetings and discuss the topics listed on the agenda with the associated inquiries related to the aspects of the various activities and address questions in connection with them to members of the board of directors and external auditor. The board of directors or external auditor shall answer the questions by the extent which does not expose the Company interests to damage.
- To enable shareholders holding five percent of the Company capital to add items on the agenda of the general assembly meetings.
- The Company provides the opportunity to all shareholders to exercise the right of voting without placing any hurdles leading to the prohibition of voting, as voting is a genuine right of the shareholder and may not be canceled by any means. The Company guarantees the exercise by all shareholders of this right through the following:

• Shareholders enjoy the rights of voting granted to them, and with the same treatment by the Company.
• The shareholders are able to vote personally or by proxy and giving the same rights and duties to shareholders whether personally or by proxy.
• Inform the shareholders of all the rules controlling the voting procedures.
• Provide all the information concerned with voting rights to each of the current shareholders and potential investors.
• All shareholders are permitted the right of voting on any changes relevant to the shareholders' rights by invitation to the meeting of the general assembly of shareholders.
• Voting to select members of the board of directors takes place in the general assembly through the mechanisms stipulated by the Company memorandum and articles of association under the framework stipulated under the Companies and Capital Markets Authority laws and their executive regulation, in addition to the Company 's provision of a profile on the Board of Directors membership candidates and the capacity on which he/ she wishes to nominate himself/ herself (executive / non-executive / independent) before voting, which provides to shareholders a clear idea on the professional and technical skills of the candidates, their experiences and other qualifications.
• All categories of shareholders are provided with the opportunity to call into account the board of directors for the tasks entrusted to them.
• Not impose any fees for the attendance of any category of shareholders of the general assembly meeting or offer any preferential advantage to any category over the other categories of shareholders.
• The candidate, as an independent member, must submit a declaration to the Ministry of Commerce and Industry acknowledging that he/she meets the criteria for independence.
• If it is not possible to meet the minimum required number of independent members of the board of directors through the board of directors members elections at the general assembly meeting, the required number shall be met by replacing the non-independent members of the board of directors who obtained the least votes with independent members who have lost in the election process and this should be completed through a separate election process and the replacement should take place during the same meeting. In case that the members of the Board of Directors were appointed in accordance with the Article 188 of Law No. 1 for the year 2016 of Companies Law, the shareholders who have representatives on the Board of Directors may participate with other shareholders in electing the remaining independent members of the Board of Directors only within the limits of what exceeded the percentage used in appointing their representatives to the board of directors.

Ninth Rule

Recognizing the Role of Stakeholders

• **Systems and policies guaranteeing the protection of stakeholders' rights**

The Company observes and protects the rights of stakeholders in all its dealings, internal and external transactions. Thus, the Company laid down under the framework of the corporate governance framework policies which include the rules and procedures guaranteeing protection and recognition of the stakeholders' rights, and permit them to obtain compensations if any of their rights are abused, as established by the laws passed in this respect.

The policy approved by the Company in this respect includes the following:

- Dealing with members of the board of directors and stakeholders is carried out according to the same conditions applied by the Company with the various parties of stakeholders without discrimination or preferential conditions.
- The unity and ease of the procedures followed in the event of any default on any parties of its obligations. There is no discrimination between one contract and the other between the stakeholders and the Company.
- Compensate stakeholders if their rights determined by the regulations and protected by the contracts are abused.
- Maintain good relations with the clients and suppliers and preserve the confidentiality of information.
- The mechanism of settlement of any complaints or disagreements which may arise between the Company and stakeholders.

• **Encourage stakeholders to participate in following up the Company's various activities**

For avoiding the conflict of the transactions of stakeholders, whether contracts or transactions with the Company, with the interest of shareholders, it should be taken into consideration that none of the stakeholders receive any advantage through dealing in contracts and transactions which fall within the Company's normal activities. Further, the Company lays down internal policies and regulations which comprise a clear mechanism for awarding contracts and transactions of various types, through the various tenders or purchase orders.

The Company has also laid mechanisms and frameworks to ensure maximum benefit from the contributions of stakeholders in the Company and urge them to participate in following up its activity, in line with fulfilling its interests in a perfect manner. The Company permits stakeholders the ability to obtain all the information and data relevant to their activities, whereby they may be relied upon in the right time and on regular basis. The Company has also facilitated to stakeholders informing the Company board of directors of any improper practices to which they may be exposed by the Company, and provide the suitable protection to the reporting parties.

Tenth Rule

Promoting and Enhancing Performance

• **Training courses and programs of members of the board of directors and executive management**

Continuous training and qualification of members of the board of directors and the executive management is among the cornerstones of the rules of corporate governance, as it largely contributes in promoting the Company's performance, through the board of directors and executive management's exercise of the duties and responsibilities entrusted to them in a perfect manner.

• The Company laid down a clear policy under the framework of corporate governance to permit members of the board of directors and the executive management to obtain internal and external training programs and course on continuous basis. For promoting and enhancing performance, it presented an orientation report to the board members in order to ensure that they have appropriate understanding of the Company's progress of work and operations. This statement included the Company's strategy and objectives, in addition to the financial and operational aspects of all the Company's activities. Further, the Company has submitted an orientation report on the legal and regulatory obligations shouldered to the members of the board of directors and the Company, a statement of the responsibilities and tasks entrusted to them, in addition to the authorities and rights available to them and a clarification of the role of the committees emanating from the board of directors.

• The Company arranged a training program for the Board of Directors and the Executive Management about Corporate Governance with the mechanisms for determining the material of information, the key updates issued by regulatory authorities. in order to develop their skills and expertise and keeping them updated with the latest developments to help them to perform their assigned responsibilities.

• Performance evaluation of members of the board of directors and executive management:

The Company laid down systems and mechanism for performance evaluation of members of the board of directors and the executive management on periodical basis, through a number of key performance indicators (KPIs), connected with the extent of achieving the strategic objectives of the Company, the quality of risk management, and sufficiency of the internal control systems. Such procedures are written clearly and characterized by transparency and disclosed to all personnel, whereby it laid down the key performance indicators (KPIs) to evaluate the Board of Directors as a whole, and the contribution of each Member of the Board of Directors and each of its committees, as well as the key performance indicators (KPIs) to evaluate the executive management and all the Company personnel, on periodical basis, in order to indicate and determine the weaknesses and strengths and propose addressing them in a manner conforming with the interest of the Company.

• Institutional value creation among the Company personnel
The board of directors creates values in the Company on the short, medium and long term, by laying down and providing the mechanisms and procedures to achieve the Company strategic objectives, as well as enhance the performance rates to efficiently contribute in creating the institutional values among personnel and motivate them to work continuously in order to preserve the financial integrity of the Company.

Eleventh Rule

Focusing on the significance of social responsibility

• **Develop a policy that ensures achieving a balance between each of the company's goals and the goals of society**.
The company has a policy aimed to achieve a balance between the objectives of the company and the objectives that the community seeks to achieve as per the framework of corporate governance, which includes the enhancement of the social and economic conditions of the community in which it operates in accordance with the corporate governance rules.

• **Programs and mechanisms that highlight the company's efforts and role in the social work field.**
The corporate governance framework stipulates the continuous obligation of the Company to act ethically according to the requirements of the laws and general customs, and sustainable contribution by the Company to achieve social and economic development by attracting national manpower and enhance the quality of living conditions for the workers and their families in the local community and the society as a whole. The social responsibility has become one of the main pillars within the policies of "Al Mazaya Holding" and its annual practices, and as a belief in the social responsibility, the company supported the persons in need from the society members and the employees and their relatives by participating in paying the costs of their medication and study expenses for their family members as well as providing settlement of some of their financial obligations. Additionally, the company provided iftar meals for the maintenance, security, and service workers during the holy month of Ramadan. Moreover, one of the Group's companies organized an (Open Medical Day) event, during which a range of high quality medical services was offered to visitors and Group employees. This initiative reflects the company's ongoing commitment to supporting public health and enhancing quality of life in the workplace. The event contributed to raising health awareness, facilitating access to reliable medical services, and reinforcing the company's role in promoting the well being of its employees and serving the surrounding community.

The approval of the General Assembly has been taken to allocate a special amount to be utilized towards social services and projects. The Company is keen to educate its employees on the social responsibility objectives of the company, which contributes to the improvement of the performance of the company and respects all applicable laws and regulations and abide by them.


AUDIT

AUDIT COMMITTEE'S REPORT

For the period ended 31/12/2025

1. The establishment of the Audit Committee
2. The members of the Audit Committee
3. The purpose of the establishment of the Audit Committee
4. Audit Committee characteristics
5. Meetings
6. Authorities and responsibilities of the Commission and the tasks completed

1. The establishment of the Audit Committee:

The Audit Committee has been reformed on 20 April, 2025 based on Al Mazaya holding Board resolution. Meeting No. (5/2025) where the membership of the audit committee members has been determined for a period up to 3 years, extendable by the Board. The Chairman of the committee has been elected at the meeting held on the same day and the committee charter was approved by the new members.

2. Members of the Audit Committee:

The committee consists of three members: two independents' members and one non-executive.

- Mr. / Abdul Hamid Mihrez - Chairman – independent member
- Mr. / Mohammad K. Al-Othman – Independent member
- Mr. / Mohammad Mahmoud Al Fulaij- Non-Executive member

Secretary of the Committee:

Mr. / Ibrahim Abdulrahman Al Soqabi, is handling the position of the Audit Committee secretary in addition of his role as a BOD secretary. He was re-appointed during the board meeting No. 4/2025 held on March 20, 2025, Mr. Al Soqabi is responsible for maintaining and coordinating the Committee meetings.

3. Purpose of establishing the Audit Committee

The primary purpose of the establishment of the Audit Committee of the Board of Directors is to support and backup the Board of Directors in the performance of its supervisory responsibilities related to the safety and integrity of the financial reporting, the internal control systems of the company, and the independence of the internal audit. Moreover, the purpose is to also evaluate the performance of the external auditor and the internal auditor's work.

4. Audit Committee characteristics

1- All members of the Committee have the qualifications required in addition to practical experience in the field of accounting and finance.
2- The Audit Committee may consult any independent advisory body on the company's expenses.
3- With regard to the Audit Committee recommendations raised to the board during the year 2025, there was no conflict between the committee's recommendations and the Board resolutions.

5. Meetings

The Audit Committee must meet on a regular basis, at least four times during the year on a quarterly basis. The Audit Committee held nine meetings during 2025 including meetings with the external and internal auditors. All members of the Committee shall be notified of the agenda at least three working days before the meeting to have enough time to review and research the agenda and tasks of the meeting. The Committee has documented the minutes of its meetings as follows:

Meeting No.	Meeting Date	Venue
(1/ 2025)	16/01/2025	Corporate Headquarters
(2/ 2025)	22/01/2025	Corporate Headquarters
(3/ 2025)	19/02/2025	Corporate Headquarters
(4/ 2025)	20/04/2025	Corporate Headquarters
(5/ 2025)	28/04/2025	Corporate Headquarters
(6/ 2025)	30/06/2025	Corporate Headquarters
(7/ 2025)	30/07/2025	Corporate Headquarters
(8/ 2025)	03/11/2025	Corporate Headquarters
(9/ 2025)	25/12/2025	Corporate Headquarters

6. Authorities and responsibilities of the Committee and tasks completed:

The Audit Committee reviewed its work charter and approved the items contained therein and evaluated the performance of the Committee during 2025. The most important achievements and tasks of the Committee during the year 2025 include the following:

1- Review of the periodical financial statements before presenting them to the board of directors, express the opinion and recommendation in this respect to the board of directors for the purpose of ensuring the fairness and tranparency of financial reports, ensure the soundness and integrity of the financial reports and the company internal control systems. The Committee held its periodical meetings in which the financial reports issued by the Company Finance Division and the external auditor's office were discussed. The Committee sub mitted a recommendation for their approval to the board of directors. The financial reports guarantee and integrity mechanism forms were signed for each quarter

2- Follow up of the external auditors' work and ensure that they only submit the services required by the auditing profession to the Company.

3- Study the external auditors' remarks on the Company financial statements and follow up the developments in this respect.

4- Study the applicable accounting policies and express the opinion and recommendation to the board of directors in this respect.

5- Evaluate the extent of adequacy of the internal control systems applied in the Company and prepare a report comprising the opinion and recommendations of the Committee in this respect.

6- Technical supervision over the Internal Audit Unit in the Company in order to verify the extent of its efficiency in executing the works and tasks outlined by the board of directors.

7- Reviewing the internal audit reports submitted by the internal auditor and providing feedback. The committee reviewed the progress of the internal audit work for the various divisions / departments of the company. The Committee also reviewed the responses of the concerned divisions/departments and verified that the necessary corrective measures have been taken in connection with the observations raised in the reports

8- Review of the annual report of the Compliance Department

9- Recommend to the Board of Directors the appointment and reappointment of external auditors or change them and determine their fees. The committee recommended to approve reappointing of Mr. Nayef Musaed Bazie Al Yassin (RSM Al-Bazie & Co.) Certified Public Accountants as an external auditor to the company, taking into con sideration the mandatory auditor rotation period.

10- Recommend the reappointment of BDO for Economic, Administrative, Industrial and computer consultancy and Opening Private Training Institutes Company (BDO) to the Board of Directors to conduct the internal audit service in accordance with the regulations and laws.

11- Recommend the appointment of Allinial Global- Suliman Al Bassam & Partners - to the Board of Directors to conduct the ICR of the Company in accordance with the regulations and laws.

12- Reviewing the report issued by Al Waha Auditing Office – a member of Nexia International – regarding the review and performance evaluation of the Internal Audit function for the years 2022, 2023, and 2024 in the company.

13- Recommending to the Board of Directors the replacement of the current Internal Audit firm, BDO for Economic, Administrative, Industrial and Computer Consultancy and Opening of Private Training Institutes LLC (BDO)

Based on the above mentioned and presented with regard to the work of the Audit Committee for 2025, the members of the Audit Committee affirm their full keenness to implement the tasks entrusted to them by the Board of Directors in line with leading practices in this area and in accordance with the instructions and regulations of concerned supervisory authorities, in particular, the Capital Markets Authority.


21.00%
3.50%



FINANCIAL REPORT 2025

- AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC) AND ITS SUBSIDIARIES.
- CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 WITH INDEPENDENT AUDITOR'S REPORT

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RSM

INDEPENDENT AUDITORS' REPORT

The Shareholders
Al-Mazaya Holding Company - K.S.C. (Public)
State of Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al-Mazaya Holding Company - K.S.C. (Public) "the Parent Company" and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS accounting standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We would like to draw attention to Note (25-B) to the consolidated financial statements, which refers to the lawsuits filed by the Group against third parties and by third parties against the Group. Our opinion is not modified in respect to this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We identified the following key audit matter:

Valuation of investment properties

Investment properties as of December 31, 2025, amounting to KD 110,634,265 form a significant part of the total assets of the Group. The determination of the fair value of such properties is a subjective area and is highly dependent on judgements and estimates. Accordingly, the valuation of investment properties is considered a key audit matter. The Group performs an annual valuation exercise through licensed valuers to determine the fair value of the investment properties. These valuations are dependent on certain key assumptions such as estimated rental revenues, discount rates, occupancy rates, market knowledge, developers' risk and historical transactions. In estimating the fair value of investment properties, valuers used the comparable market price, income capitalization and discounted cash flow techniques and had considered the nature and usage of the investment properties. We reviewed the valuation reports on a sample basis from the licensed valuers and checked the adequacy of disclosures in the consolidated financial statements, which is included in (Note 9).

Other Information included in the Group's annual report for the year ended December 31, 2025

Management is responsible for the other information. "Other information" consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditors' report thereon. We obtained the consolidated financial statements included in the report of the Parent Company's Board of Directors prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Group's 2025 Annual Report after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the parent company's management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations, as amended; and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out; and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of association, as amended, have occurred during the financial year ended December 31, 2025, that might have had a material effect on the business or financial position of the Parent Company.

Furthermore, we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the year ended December 31, 2025 that might have had a material effect on the Group's financial position or results of its operations.

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
February 12, 2026

Consolidated Statement of Financial Position

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

As of December 31, 2025 (All amounts are in Kuwaiti Dinars)

ASSETS	Note	2025	2024
Current assets:			
Cash and cash equivalents	4	3,483,046	6,230,305
Wakala investments		-	1,535,900
Financial assets at fair value through profit or loss		31,070	-
Accounts receivable and other debit balances	5	1,534,768	1,677,621
Properties held for trading	6	9,787,541	10,510,642
Total current assets		14,836,425	19,954,468
Non-current assets:			
Financial assets at fair value through other comprehensive income	7	1,247,320	1,998,903
Investment in an associate	8	157,352	204,373
Property, plant and equipment		75,648	73,326
Investment properties	9	110,634,265	116,371,106
Total non-current assets		112,114,585	118,647,708
Total assets		126,951,010	138,602,176
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable and other credit balances	10	5,360,069	6,932,307
Advances from customers		829,379	803,209
Lease liabilities	11	2,386,920	2,297,799
Islamic bank facilities	12	424,000	2,363,320
Total current liabilities		9,000,368	12,396,635
Non-current liabilities:			
Accounts payable and other credit balances	10	3,049,195	2,848,110
Lease liabilities	11	24,176,080	26,563,000
Islamic bank facilities	12	41,789,470	47,350,993
Employees' end of service benefits		1,831,260	1,750,096
Total non-current liabilities		70,846,005	78,512,199
Total liabilities		79,846,373	90,908,834
Equity:			
Share capital	13	52,556,117	52,556,117
Treasury shares	14	(1,610,174)	(2,009,998)
Statutory reserve	15	1,035,173	857,775
Fair value reserve		(14,208,713)	(13,470,099)
Other reserves	8	69,745	-
Foreign currency translation adjustments		129,694	399,103
Retained earnings		8,062,504	8,271,796
Equity attributable to the shareholders of the Parent Company		46,034,346	46,604,694
Non-controlling interests		1,070,291	1,088,648
Total equity		47,104,637	47,693,342
Total liabilities and equity		126,951,010	138,602,176

The accompanying notes (1) to (28) form an integral part of the consolidated financial statements.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

Consolidated Statement of Profit or Loss

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

For the year ended December 31, 2025 (All amounts are in Kuwaiti Dinars)

	Note	2025	2024
Revenue:			
Revenue from sale of properties held for trading	17	**513,957**	795,622
Rental Income	17	**11,274,278**	12,371,492
Net management fees and commission income		**89,833**	89,959
Total revenue		**11,878,068**	13,257,073
Cost of revenue:			
Cost of sale of properties held for trading	6	**(399,103)**	(826,017)
Cost of rental		**(2,255,712)**	(2,483,932)
Total cost		**(2,654,815)**	(3,309,949)
Gross profit		**9,223,253**	9,947,124
(Impairment loss) reversal of impairment loss on properties held for trading	6	**(238,955)**	3,014
Partial gain from termination of sale of a subsidiary		**-**	1,125,000
Share of results from an associate	8	**(116,766)**	(272,633)
Gain on sale of investment properties		**780,116**	941,116
Depreciation		**(39,601)**	(47,843)
Change in fair value of investment properties	9	**(1,097,837)**	150,491
Selling and marketing expenses		**(30,382)**	(47,228)
General and administrative expenses		**(2,559,471)**	(2,663,676)
Operating profit		**5,920,357**	9,135,365
Net gain on financial assets	18	**34,887**	128,556
Net other income (expenses)	19	**192,173**	(2,085,244)
Amortization of finance costs related to lease liabilities	11	**(1,474,913)**	(1,584,471)
Finance costs		**(2,899,883)**	(3,767,256)
Profit for the year before National Labor Support Tax and Contribution to Zakat		**1,772,621**	1,826,950
National Labor Support Tax		**(41,751)**	(335,632)
Contribution to Zakat		**-**	(78,971)
Profit for the year		**1,730,870**	1,412,347
Attributable to:			
Shareholders of the Parent Company		**1,732,225**	1,216,395
Non-controlling interests		**(1,355)**	195,952
		1,730,870	1,412,347
Total basic and diluted earnings per share attributable to shareholders of the Parent Company – (Fils)	21	**3.47**	2.46

The accompanying notes (1) to (28) form an integral part of the consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

For the year ended December 31, 2025 (All amounts are in Kuwaiti Dinars)

	2025	2024
Profit for the year	**1,730,870**	1,412,347
Other comprehensive loss for the year:		
Items to be reclassified subsequently to consolidated statement of profit or loss:		
Foreign currency translation adjustment	**(273,442)**	(1,047,230)
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income	**(751,583)**	(1,873,368)
Other comprehensive loss for the year	**(1,025,025)**	(2,920,598)
Total comprehensive income (loss) for the year	**705,845**	(1,508,251)
Attributable to:		
Shareholders of the Parent Company	**724,202**	(1,598,251)
Non-controlling interests	**(18,357)**	90,000
	705,845	(1,508,251)

The accompanying notes from (1) to (28) form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES

for the year ended December 31, 2025 (All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company									
	Share Capital	Treasury Shares	Statutory reserve	Fair value reserve	Other Reserves	Foreign currency translation adjustments	(Accumulated losses) retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as at January 1, 2024	48,474,817	(1,151,108)	186,270	(11,645,322)	463,988	5,729,070	(1,681,968)	40,375,747	11,055,152	51,430,899
Profit for the year	-	-	-	-	-	-	1,216,395	1,216,395	195,952	1,412,347
Other comprehensive loss for the year	-	-	-	(1,824,777)	-	(989,869)	-	(2,814,646)	(105,952)	(2,920,598)
Total comprehensive (loss) income for the year	-	-	-	(1,824,777)	-	(989,869)	1,216,395	(1,598,251)	90,000	(1,508,251)
Effect of merging with subsidiary (Note 3)	4,081,300	-	-	-	(463,988)	(4,340,098)	10,293,301	9,570,515	(9,570,515)	-
Transferred to statutory reserve	-	-	671,505	-	-	-	(671,505)	-	-	-
Distribution of dividends as free bonus shares from treasury shares (Note 23)	-	884,427	-	-	-	-	(884,427)	-	-	-
Purchase of treasury shares	-	(1,743,317)	-	-	-	-	-	(1,743,317)	-	(1,743,317)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(485,989)	(485,989)
Balance as at December 31, 2024	52,556,117	(2,009,998)	857,775	(13,470,099)	-	399,103	8,271,796	46,604,694	1,088,648	47,693,342
Profit (loss) for the year	-	-	-	-	-	-	1,732,225	1,732,225	(1,355)	1,730,870
Other comprehensive loss for the year	-	-	-	(738,614)	-	(269,409)	-	(1,008,023)	(17,002)	(1,025,025)
Total comprehensive (loss) income for the year	-	-	-	(738,614)	-	(269,409)	1,732,225	724,202	(18,357)	705,845
Effect of change in an associate's equity (Note 8)	-	-	-	-	69,745	-	-	69,745	-	69,745
Transferred to statutory reserve	-	-	177,398	-	-	-	(177,398)	-	-	-
Distribution of dividends as free bonus shares from treasury shares (Note 23)	-	1,764,119	-	-	-	-	(1,764,119)	-	-	-
Purchase of treasury shares	-	(1,364,295)	-	-	-	-	-	(1,364,295)	-	(1,364,295)
Balance as at December 31, 2025	**52,556,117**	**(1,610,174)**	**1,035,173**	**(14,208,713)**	**69,745**	**129,694**	**8,062,504**	**46,034,346**	**1,070,291**	**47,104,637**

The accompanying notes from (1) to (28) form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

For the year ended December 31, 2025 (All amounts are in Kuwaiti Dinars)

	Note	2025	2024
Cash flows from operating activities:			
Profit for the year before National Labor Support Tax and Contribution to Zakat		**1,772,621**	1,826,950
Adjustments:			
Net gain on financial assets	18	**(34,887)**	(128,556)
Allowance for expected credit losses	19	**956,515**	1,001,645
Allowance for expected credit losses no longer required	19	**(525,806)**	(164,310)
Impairment loss (reversal of Impairment loss) on properties held for trading	6	**238,955**	(3,014)
Share of results from an associate	8	**116,766**	272,633
Depreciation		**39,601**	47,843
Change in fair value of investment properties	9	**1,097,837**	(150,491)
Partial gain from termination of sale of a subsidiary		**-**	(1,125,000)
Amortization of finance cost related to lease liabilities	11	**1,474,913**	1,584,471
Finance costs		**2,899,883**	3,767,256
Gain on sale of investment properties		**(780,116)**	(941,116)
Provision for employees' end of service indemnity		**158,384**	185,210
		7,414,666	6,173,521
Change in operating assets and liabilities:			
Accounts receivable and other debit balances		**(287,856)**	(459,966)
Properties held for trading		**392,571**	761,686
Accounts payable and other credit balances		**(1,101,907)**	770,190
Advances from customers		**33,485**	(655,609)
Cash flows generated from operations		**6,450,959**	6,589,822
Zakat paid		**(91,166)**	-
Employees' end of service indemnity paid		**(76,055)**	(92,020)
Net cash flows generated from operating activities		**6,283,738**	6,497,802
Cash flows from investing activities:			
Net movement in restricted cash balances		**565,862**	5,519,967
Net movement in Wakala investment		**1,535,900**	(1,535,900)
Paid for purchase of financial assets at fair value through profit or loss		**(1,223,096)**	-
Proceeds from sale of financial assets at fair value through profit or loss		**1,210,901**	-
Paid for additions on property, plant and equipment		**(42,127)**	(18,446)
Paid for additions on investment properties	9	**(156,954)**	(207,465)
Proceeds from sale of investment properties		**5,362,441**	13,650,377
Cash dividend received		**16,097**	135,498
Net cash flows generated from investing activities		**7,269,024**	17,544,031

Consolidated Statement of Cash Flow

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

For the year ended December 31, 2025 (All amounts are in Kuwaiti Dinars)

	Note	2025	2024
Cash flows from financing activities:			
Lease liabilities paid	11	**(3,772,712)**	(3,554,711)
Net movement in Islamic bank facilities		**(7,491,728)**	(11,825,340)
Dividend paid		**(2,148)**	(25,861)
Purchase of treasury shares		**(1,364,295)**	(1,743,317)
Finance costs paid		**(3,117,651)**	(4,106,638)
Net cash flows used in financing activities		**(15,748,534)**	(21,255,867)
Net (decrease) increase in cash and cash equivalents		**(2,195,772)**	2,785,966
Cash on hand and at banks related to disposed subsidiaries		**-**	(140,560)
Foreign currency translation adjustments		**14,375**	(386,383)
Cash and cash equivalents at the beginning of the year	4	**5,315,512**	3,056,489
Cash and cash equivalents at the end of the year	4	**3,134,115**	5,315,512

Non-cash transactions:	**2025**	2024
Accounts receivable and other debit balances	**-**	(150,000)
Disposal of investment properties	**-**	6,850,000
Accounts payable and other credit balances	**-**	(3,825,000)
Islamic bank facilities	**-**	(4,000,000)
Settlement of the termination of a subsidiary's sale	**-**	1,125,000
	-	-

The accompanying notes (1) to (28) form an integral part of the consolidated financial statements.

Notes To The Consolidated Financial Statements

AL MAZAYA HOLDING K.S.C.P. AND ITS SUBSIDIARIES

December 31, 2025 (All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti Public shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry number 75203 dated April 30, 2025 under which amending the principal activities of the Parent Company was notarized (Notes 23) to be:

- Holding Companies' activities.
- Managing subsidiaries or participating in the management of other companies in which it holds shares and providing the necessary support.
- Investing funds through trading in stocks, bonds, and other financial securities.
- Ownership of real estate and movable assets necessary to carry out its operations, within the limits permitted by law.
- Financing or granting loans to companies in which it holds shares or stocks and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%.
- Ownership of intellectual property rights, including patents, trademarks, industrial models, franchises, and other intangible rights, and exploiting or leasing them to its subsidiaries or other companies.
- Ownership of shares exclusively for the company's own account.
- Establishing an office for managing holding activities.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The consolidated financial statements were authorized for issue by the Parent Company's Board of Directors on February 12, 2026. The consolidated financial statements are subject to the approval of the Annual General Assembly of the shareholders of the Parent Company. The Shareholders Annual General Assembly has the power to amend these consolidated financial statements after issuance.

2. Material accounting policies information

The accompanying consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Significant accounting policies are summarized as follows:

a) Basis of preparation:

The consolidated financial statements are presented in Kuwaiti Dinars ("KD") which is the functional currency of the Parent Company and are prepared under the historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL"), Financial assets at fair value through other comprehensive income ("FVTOCI"), and Investment properties which are stated at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Group's accounting policies. Significant accounting judgments, estimates and assumptions are disclosed in Note 2(ae). The key sources of estimation uncertainty are consistent with the annual audited consolidated financial statements of the Group for the year ended December 31, 2024.

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New and revised Standards that are effective for the current year

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the previous year except for the changes due to implementation of the following new and revised International Financial Reporting Standards as of January 1, 2025:

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

An entity is required to recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. These amendments are not expected to have a material impact on the consolidated financial statements.

New and revised Standards issued but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 18 Presentation and Disclosures in Financial Statements

The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- improve aggregation and disaggregation.

IFRS 18 requires retrospective application with specific transition provisions. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. These amendments are not expected to have a material impact on the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The new standard, IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity is required to apply IFRS 19 for annual reporting periods beginning on or after 1 January 2027. These amendments are not expected to have a material impact on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

An entity is required to apply these amendments for annual reporting periods beginning on or after 1 January 2026.The amendments include:

- A clarification that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

These amendments are not expected to have a material impact on the consolidated financial statements.

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Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

The amendments are required to be applied retrospectively with specific transition provisions. The amendment are applicable for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

These amendments are not expected to have a material impact on the consolidated financial statements.

b) Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Parent Company and the following subsidiaries (together the "Group"):

Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding 2025	Percentage of holding 2024
Al Mazaya Real Estate Development Company K.S.C (Closed)	State of Kuwait	Real estate	99.78%	99.78%
Gulf Turkey for General Trading and Contracting Company W.L.L (a)	State of Kuwait	Real estate	-	98%
Mezzan Combined For General Trading Company – W.L.L	State of Kuwait	Real estate	99%	99%
Waterfront Real Estate Company K.S.C (Closed) (b)	State of Kuwait	Real Estate	93.58%	-
Al Mazaya Lebanon Company- S.A.L (Holding)	Lebanon	Real estate	99.85%	99.85%
Al Mazaya Real Estate Development Company L.L.C	Oman	Real estate	100%	100%
Mazaya Al Ghad – S.P.C.	UAE	Real estate	100%	100%
Al Mazaya Prime for Project Management – O.P.C	State of Kuwait	Real estate	100%	100%
Kuwait Saudi Real Estate Investment - O.P.C.	KSA	Real estate	100%	100%
Future International Project Management – W.L.L.	State of Kuwait	Property management	99%	99%
Prime Medical Company for Studying, Implementing & Managing Health Projects O.P.C	State of Kuwait	Studying, Implementing, and Managing Health Projects	100%	100%

(a) During the financial year ended December 31, 2025, the Group had liquidated Gulf Turkey for General Trading and Contracting Company W.L.L. The liquidation did not result in any gain or loss that would have an impact on the Group's consolidated statement of profit or loss or consolidated statement of equity.

(b) Waterfront Real Estate Company K.S.C (Closed) is a former subsidiary of Future International Project Management – W.L.L. (a subsidiary of the Parent Company). During the financial year ended December 31, 2025, Future International Project Management – W.L.L. (Subsidiary to the Parent Company) had transferred its entire ownership interest in Waterfront Real Estate Company K.S.C (Closed) to Al Mazaya Holding Company - K.S.C. (Public) (Parent Company). The ownership transfer did not result in any gain or loss arose that would affect the Group's consolidated statement of profit or loss or consolidated statement of equity.

Subsidiaries are those enterprises controlled by the Parent Company. Control is achieved when the Group:

- Has power over the investee.
- Is exposed, or has rights to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns.

The Parent Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary. All inter-company balances and transactions, including inter-company profits and unrealized profits and losses are eliminated in full on consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. The carrying amounts of the group's ownership interests and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and fair value of the consideration paid or received is recognized directly in equity and attributable to owners of the Parent Company. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

c) Current vs non-current classification:

The Group presents assets and liabilities in the consolidated statement of financial position based on current / non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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The group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

d) Financial instruments:

The Group classifies its financial instruments as "financial assets" and "financial liabilities. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains, and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, Wakala investments, accounts receivable, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, Islamic bank facilities, lease liabilities and accounts payable.

d – 1) Financial assets:

d - 1/1) Classification of financial assets

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives and in order to generate contractual cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVTPL. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the 'SPPI test'). 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition that may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

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The Group reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Initial recognition

Purchases and sales of those financial assets are recognized on settlement date – the date on which an asset is delivered to or by the Group. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at FVTPL.

Derecognition

A financial asset (in whole or in part) is derecognized either when: the contractual rights to receive the cash flows from the financial asset have expired; or the Group has transferred its rights to receive cash flows from the financial asset and either

a) Has transferred substantially all the risks and rewards of ownership of the financial asset, or
b) Has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset. Where the Group has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

Measurement categories of financial assets

The Group classifies its financial assets upon initial recognition into the following categories:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI), with gains or losses recycled to statement of profit or loss on derecognition.
- Equity instruments at FVTOCI, with no recycling of gains or losses to statement of profit or loss on derecognition.
- Financial assets at fair value through profit or loss FVTPL.

Debt instruments at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments measured at amortized cost are subsequently measured at amortized cost using the effective yield method adjusted for impairment losses if any. Gain and losses are recognized in consolidated statement of profit and loss when the asset is derecognized, modified or impaired.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Cash and cash equivalents, Wakala investments and trade receivables are classified as debt instruments at amortized cost.

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- Cash and cash equivalents
  Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

- Wakala investments
  Wakala investments are placed with banks and have a contractual maturity of more than three months.

- Trade receivables
  Receivables are amounts due from customers and tenants for units sold or rent or services performed in the ordinary course of business and is recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit losses.

Equity instruments at FVTOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity instruments at FVTOCI when they are neither held for trading nor a contingent consideration arising from a business combination. Such classification is determined on an instrument-by- instrument basis.

Equity investments at FVTOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognized in other comprehensive income and presented in the cumulative changes in fair values as part of equity. Cumulative gains and losses previously recognized in other comprehensive income are transferred to retained earnings on derecognition. Gains and losses on these equity instruments are never recycled to consolidated statement of profit or loss. Dividends are recognized in consolidated statement of profit or loss when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment. Upon disposal, cumulative gains or losses are reclassified from cumulative changes in fair value to retained earnings in the statement of changes in equity.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment as at FVTOCI on initial recognition (see above).
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Changes in fair value, gain on disposal, interest income and dividends are recorded in consolidated statement of profit or loss according to the terms of the contract, or when the right to payment has been established.

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d – 1/2) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. Accordingly, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. Exposures were segmented based on common credit characteristics such as credit risk grade, geographic region and industry, delinquency status and age of relationship, where applicable.

In applying this forward-looking approach, the Group applies a three stage assessment to measuring ECL as follows:

- Stage 1 - financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and
- Stage 2 (not credit impaired) - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low
- 'Stage 3' (credit impaired) - financial assets that have objective evidence of impairment at the reporting date and assessed as credit impaired when one or more events have a detrimental impact on the estimated future cash flows have occurred.

In assessing whether the credit quality on a financial instrument has deteriorated significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

'12-months expected credit losses' are recognized for Stage 1 while 'lifetime expected credit losses' are recognized for Stage 2 and 3. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. ECLs for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and charged to consolidated statement of profit or loss. For debt instruments at FVOCI, the loss allowance is charged to consolidated statement of profit or loss and is recognized in OCI.

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The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

d – 2) Financial liabilities:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. All financial liabilities are subsequently measured at FVTPL or at amortized cost using effective interest rate method.

Financial liabilities at amortized cost

Financial liabilities that are not at FVTPL as above are measured subsequently at amortized cost using the effective interest method.

- Accounts payable

  Accounts payable include trade and other payables. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective return method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non - current liabilities.

- Borrowings

  Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

  Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

- Islamic bank facilities

  Islamic bank facilities represent tawarruq, ijara and musharaka facilities which represent the amounts due to pay for purchased assets on deferred basis as per the credit facility agreements. Their balances are reported with full credit balances after deducting finance charges amounts pertaining to future periods. Those finance charges are amortized on a time apportionment basis using effective cost method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in consolidated statement of profit or loss. If the modification is not substantial, the difference between of the carrying amount of the liability before the modification; and the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

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d – 3) Offsetting of financial assets and liabilities:

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

e) Inventory:

Inventories are valued at the lower of cost or net realizable value after providing allowances for any obsolete or slow-moving items. Costs comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses. Write-down is made for obsolete and slow-moving items based on their expected future use and net realizable value.

f) Properties held for trading:

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as properties held for trading and are measured at lower of cost or net realizable value.

Cost includes freehold and leasehold rights for land, amount paid to contractors for construction, borrowing costs, planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated cost of sale. Non refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of properties held for trading recognized in consolidated statement of profit or loss on disposal is determined with reference to the specific cost incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold. Write down of properties held for trading is charged to other operating expenses.

g) Investment properties:

Investment properties comprise completed property, property under construction or re-development and rights to use real estate assets (Note 2 – w) that are held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost including purchase price and transaction costs. Subsequent to initial recognition, investment properties are stated at their fair value at the end of reporting period. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss for the period in which they arise.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses arising on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss.

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Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

h) Investment in associates

Associates are those entities in which the Group has significant influence which is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies. Under the equity method, investment in associates are carried in the consolidated statement of financial position at cost as adjusted for changes in the Group's share of the net assets of the associate from the date that significant influence effectively commences until the date that significant influence effectively ceases, except when the investment is classified as held for sale, in which case it is accounted as per IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The Group recognizes in its consolidated statement of profit or loss for its share of results of operations of the associate and in its other comprehensive income for its share of changes in other comprehensive income of associate.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Gains or losses arising from transactions with associates are eliminated against the investment in the associate to the extent of the Group's interest in the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment in associates and is assessed for impairment as part of the investment. If the cost of acquisition is lower than the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities, the difference is recognized immediately in consolidated statement of profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired and determine if necessary, to recognize any impairment loss with respect to the investment. If there is such evidence, the entire carrying amount of the investment (including goodwill) is tested for impairment and the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in consolidated statement of profit or loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in consolidated statement of profit or loss.

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i) Joint Arrangements:

The Group classifies its interests in joint arrangements as joint ventures depending on the Group's right to the assets and obligations for the liabilities of the arrangements.

a) Joint Ventures

A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investment in Joint Ventures is accounted based on equity method similar to associates.

b) Joint Operations

A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

j) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Non-current assets once classified as held for sale are not depreciated or amortized. Assets classified as held for sale are presented separately as current items in the consolidated statement of financial position.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

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When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in the consolidated statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Non-current assets that cease to be classified as held for sale (or cease to be included in a disposal group classified as held for sale) are measured at the lower of:

a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale, and

b) its recoverable amount at the date of the subsequent decision not to sell.

k) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date and the resulting gain / loss is included in consolidated statement of profit or loss or other comprehensive income as appropriate.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IFRS 9: Financial Instruments. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting in incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

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l) Property, Plant and equipment:

The initial cost of Property, Plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the Property, Plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to consolidated statement of profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of Property, Plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of Property, Plant and equipment. Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off.

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in consolidated statement of profit or loss for the period. The carrying values of Property, Plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Land is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of other Property, Plant and equipment as follows:

	Years
Right of use assets	10 - 15
Computer equipment	3
Furniture and fixtures and others	5

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of Property, Plant and equipment.

An item of Property, Plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

m) Impairment of assets:

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

n) End of service indemnity:
Provision is made for amounts payable to employees under the Kuwaiti Labor Law in the private sector, employees' contracts and the applicable labor laws in the countries where the subsidiaries operate. This liability, which is unfunded, represents the amount payable to each employee as a result of involuntary termination at the end of the reporting period, and approximates the present value of the final obligation.

o) Share capital:
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

p) Share premium:
This represents cash received in excess of the par value of the shares issued. The share premium is not available for distribution except in cases stipulated by law.

q) Treasury shares:
Treasury shares consist of the Parent Company's own shares that have been issued, subsequently reacquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under the cost method, the weighted average cost of the shares reacquired is charged to a contra equity account. When the treasury shares are reissued, gains are credited to a separate account in shareholders' equity (treasury shares reserve) which is not distributable. Any realized losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings, reserves, and then share premium respectively.

Gains realized subsequently on the sale of treasury shares are first used to offset any recorded losses in the order of share premium, reserves, retained earnings and the treasury shares reserve account. No cash dividends are paid on these shares. The issue of bonus shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

Where any Group's company purchases the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Parent Company's shareholders.

r) Other reserve:
Other reserve is used to record the effect of changes in ownership interest in subsidiaries, without loss of control.

s) Share-based payment transaction:
The Group operates an equity-based payment plan to its employees. Under the terms of the plan, shares are granted to permanent employees. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of the shares is measured based on market prices available taking into account the terms and conditions upon which those shares were granted.

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The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

t) Revenue from contracts with customers:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group applies a five-step model are as follows to account for revenue arising from contracts:

- Step 1: Identify the contract with the customer – A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify the performance obligations in the contract – A performance obligation is a promise in a contract with the customer to transfer goods or services to the customer.
- Step 3: Determine the transaction price – The transaction price is the amount of consideration to which the Group expects to be entitled in exchange of transferring promised good or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contracts – For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group recognizes revenue either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group transfers control of a good or service over time (rather than at a point in time) when any of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The Group's performance creates or enhances an asset (e.g., work in process) that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Control is transferred at a point in time if none of the criteria for a good or service to be transferred over time are met. The Group considers the following factors in determining whether control of an asset has been transferred:

- The Group has a present right to payment for the asset.
- The customer has legal title to the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

Incremental costs of obtaining a contract with a customer are capitalized when incurred as the Group expects to recover these costs and such costs would not have incurred if the contract has not been obtained. Sales commission incurred by the Group is expensed as the amortization period of such costs is less than a year.

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Revenue for the Group arises from the following activities:

Sale of properties held for trading
Revenue is recognized when control over the property has been transferred to the customer either at a point in time or over time. The properties have generally no alternative use for the Group due to contractual restrictions, and control is deemed to be transferred to the customer during the development period when the Group had an enforceable right to payment for performance completed to date. Therefore, revenue is recognized and measured at the transaction price agreed under the contract according to the performance completed.

Rent
Rental income is recognized, when earned, on a time apportionment basis.

Medical services
Medical services income is recognized when earned as the service is rendered.

Management fees
Management fees income is recognized, when earned, on a time apportionment basis.

Other income
Other income are recognized on an accrual basis.

u) Provisions:
A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities recognised in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount recognized initially less cumulative amount of income recognized in accordance with the principles of IFRS 15.

Onerous contracts
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.

Provisions are not recognized for future operating losses.

v) Borrowing costs:
Borrowing costs consist of interest, finance cost and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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All other borrowing costs are expensed in consolidated statement of profit or loss in the period in which they are incurred.

w) Leases:

Group as a lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All other leases are classified as finance leases. The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Finance lease:

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

(ii) Operating lease:

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is the lessee.

(i) Right to use assets:

The Group recognizes right to use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right to use assets includes the amount of lease liabilities recognized (which represents the present value of the lease payments to be made over the lease team discounted using lessee's increment borrowing rate at the commencement date of the lease contract), initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequent to initial recognition, the right to use assets is measured in accordance with the accounting policy followed by the Group to measure similar assets.

Right of use assets that meet the definition of property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Rights to use assets that meet the definition of investment properties are recorded as investment properties for the Group and are measured at fair value which reflects the expected cash flows during the lease term that excludes the lease payments to be made over the lease term which is measured and included in the Group's liabilities within the consolidated statement of financial position.

(ii) Lease liabilities:

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of related finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(iv) Significant judgment in determining the lease term of contracts with renewal options:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercise.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercises an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event of significant change in circumstance occurs which affects this assessment and that is within the control of the lessee.

x) National Labor Support Tax (NLST):

National Labor Support Tax (NLST) is calculated at 2.5% of the profit attributable to the shareholders of the Parent Company before contribution to KFAS, NLST, Zakat, and Board of Directors' remuneration, and after deducting the Parent Company's share of profit from associates listed in Boursa Kuwait, share of NLST paid by subsidiaries listed in Boursa Kuwait, and cash dividends received from companies listed in Boursa Kuwait in accordance with Law No. 19 of 2000 and Ministerial resolution No. 24 of 2006 and their Executive Regulations.

y) Zakat:

Zakat is calculated at 1% of the profit attributable to the shareholders of the Parent before contribution to KFAS, NLST, Zakat, and Board of Directors' remuneration, and after deducting the Company's share of profit from Kuwaiti shareholding associates and subsidiaries, share of Zakat paid by Kuwaiti shareholding subsidiaries and cash dividends received from Kuwaiti shareholding companies in accordance with Law No. 46 of 2006 and Ministerial resolution No. 58 of 2007 and their Executive Regulations. No Zakat has been provided since there was no financial profit on which Zakat could be calculated for the year ended December 31, 2025.

z) Foreign currencies:

Foreign currency transactions are translated into Kuwaiti Dinars at rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency as at the end of reporting year are retranslated into Kuwaiti Dinars at rates of exchange prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in consolidated statement of profit or loss for the period. Translation differences on non-monetary items such as equity instruments which are classified as financial assets at FVTPL are reported as part of the fair value gain or loss. Translation differences on non-monetary items such as equity instruments classified as FVTOCI are included in "cumulative changes in fair value" in other comprehensive income.

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The assets and liabilities of the foreign subsidiary are translated into Kuwaiti Dinars at rates of exchange prevailing at the end of reporting period. The results of the subsidiary are translated into Kuwaiti Dinars at rates approximating the exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising on translation are recognized directly in other comprehensive income. Such translation differences are recognized in the consolidated statement of profit or loss in the period in which the foreign operation is disposed off.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

aa) Contingencies:

Contingent liabilities are not recognized in the consolidated financial statements unless it is probable as a result of past events that an outflow of economic resources will be required to settle a present, legal or constructive obligation; and the amount can be reliably estimated. Else, they are disclosed unless the possibility of an outflow of resources embodying economic losses is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits as a result of past events is probable.

ab) Segment reporting:

A segment is a distinguishable component of the Group that engages in business activities from which it earns revenue and incurs costs. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is identified as the person being responsible for allocating resources, assessing performance and making strategic decisions regarding the operating segments.

ac) Dividend distribution to shareholders:

The Group recognizes a liability to make cash and non-cash distributions to shareholders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders of the Parent company at the Annual General Meeting. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of profit or loss.

Distributions for the year that are approved after the reporting date are disclosed as an event after the date of consolidated statement of financial position.

ad) Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

ae) Critical accounting estimates and judgments:

The Group makes judgments, estimates and assumptions concerning the future. The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates.

a) Judgments

In the process of applying the Group's accounting policies which are described in Note 2, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements.

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- Revenue Recognition
  Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The determination of whether the revenue recognition criteria as specified under IFRS 15 and revenue accounting policy explained in Note (2 - r) are met requires significant judgment.

- Determination of contract cost
  Determination of costs which are directly related to the specific contract or attributable to the contract activity in general requires significant judgment. The determination of contract cost has a significant impact upon revenue recognition in respect of long term contracts. The Group follows guidance of IFRS 15 for determination of contract cost and revenue recognition.

- Classification of Land
  Upon acquisition of land, the Group classifies the land into one of the following categories, based on the intention of the management for the use of the land:

  a) Properties under development
  When the intention of the Group is to develop land in order to sell it in the future, both the land and the construction costs are classified as properties under development within properties held for trading.

  b) Work in progress
  When the intention of the Group is to develop a land in order to rent or to occupy it in the future, both the land and the construction costs are classified as work in progress within investment properties or property, plant and equipment respectively.

  c) Properties held for trading
  When the intention of the Group is to sell land in the ordinary course of business, the land is classified as properties held for trading.

  d) Investment properties
  When the intention of the Group is to earn rentals from land or hold land for capital appreciation or if the intention is not determined for land, the land is classified as investment property.

- Allowance for expected credit losses
  The determination of expected credit losses and the factors determining the impairment of the receivable involve significant judgment.

- Classification of financial assets
  On acquisition of a financial asset, the Group decides whether it should be classified as "at fair value through profit or loss", "at fair value through other comprehensive income" or "at amortized cost". IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Group's business model for managing the assets of the instrument's contractual cash flow characteristics. The Group follows the guidance of IFRS 9 on classifying its financial assets and is explained in Note (2 - d).

- Business combinations
  At the time of Group's acquisition to subsidiaries, the Group considers whether the acquisition represents the acquisition of a business or of an asset (or a group of assets and liabilities). The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets. More specifically, consideration is made to the extent of which significant processes are acquired. The significance of processes requires significant judgment.

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Where the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of an asset (or a group of assets and liabilities). The cost of acquisition is allocated to the assets and liabilities acquired based on their relative fair values, and no goodwill or deferred tax is recognized.

- Taxes
  The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

- Control assessment
  When determining control over an investee, management considers whether the Group has a 'de facto' power to control an investee if it holds less than 50% of the investee's voting rights. The assessment of the investee's relevant activities and the ability to use the Group's power to affect the investee's variable returns requires significant judgment.

- Material non-controlling interests
  The Parent Company's management considers any non-controlling interests which accounts for more than 10% of the related subsidiary's equity as material.

- Significant influence assessment
  When determining significant influence over an investee, management considers whether the Group has the power to participate in the financial and operating policy decisions of the investee if it holds less than 20% of the investee's voting rights. The assessment, which requires significant judgment, involves consideration of the Group's representation on the investee's board of directors, participation in policy making decisions and material transactions between the entities.

- Leases
  Critical judgements required in the application of IFRS 16 include, among others, the following:
  - Identifying whether a contract (or part of a contract) includes a lease;
  - Determining whether it is reasonably certain that an extension or termination option will be exercised;
  - Classification of lease agreements (when the entity is a lessor);
  - Determination of whether variable payments are in-substance fixed;
  - Establishing whether there are multiple leases in an arrangement;
  - Determining the stand-alone selling prices of lease and non-lease components.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Fair value of unquoted financial assets
  If the market for a financial asset is not active or not available, the Group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the Group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

- Useful lives of depreciable assets
  The Group reviews its estimate of useful lives of depreciable assets at each reporting date based on the expected utility of assets. Uncertainties in these estimates mainly relate to obsolescence and changes in operations.

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- Allowance for expected credit losses:
  The extent of allowance for expected credit losses involves estimation process. Allowance for expected credit losses is based on a forward looking ECL approach as explained in Note (6). Bad debts are written off when identified. The ECL allowance and write-down of accounts receivable are subject to management approval.

- Valuation of investment properties
  The Group carries its investment properties at fair value, with change in fair values being recognized in consolidated statement of profit or loss. The main methods used to determine the fair value of the investment properties are:

  a) Income approach, where the property's value is estimated based on its income produced and is computed by dividing the property's net operating income by the expected rate of return on the property in the market, known as 'Capitalization Rate'.
  b) Comparative analysis using values of actual deals transacted recently by other parties for properties in a similar location and condition and based on the knowledge and experience of the independent real estate appraiser.
  c) Formula based discounted cash flow is based on a series of projected free cash flows supported by the terms of any existing lease and other contracts and discounted at a rate that reflects the risk of the asset.

- Valuation of properties held for trading:
  Properties held for trading is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment. NRV in respect of Properties held for trading under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated costs to sell the property, and an estimate of the time value of money to the date of completion.

- Impairment of non-financial assets
  Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

- Employee stock option plan
  The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock option plan transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

- Taxes
  The Group recognizes a liability for the anticipated taxes levied in the jurisdictions of its activity based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Any changes in the estimates and assumptions may have an impact on the carrying values of the deferred taxes.

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- Leases

  Key sources of estimation uncertainty in the application of IFRS 16 include, among others, the following:
  - Estimation of the lease term.
  - Determination of the appropriate rate to discount the lease payments.
  - Assessment of whether a right-of-use asset is impaired.

3. Business combination

During the year ended December 31, 2023, an agreement was concluded between Al Mazaya Holding Company - K.S.C.P. (Parent Company) and First Dubai Real Estate Development Company - K.S.C.P. (Subsidiary at that time) to enter into a Merger by Amalgamation, where Al Mazaya Holding Company - K.S.C.P. will be the "Merging" company and First Dubai Real Estate Development Company - K.S.C.P. will be the "Merged" company. The merger contract has been approved by the Capital Markets Authority on September 24, 2023. Also, the Capital Markets Authority had approved the increase of Al Mazaya Holding Company's share capital from KD 48,474,817 to KD 52,556,117 via an in-kind increase amounting to KD 4,081,300 by issuing 40,813,008 new ordinary shares at 100 fils par value per share and without share premium. Those shares shall be assigned to the non-controlling shareholders of First Dubai Real Estate Development Company according to a "Share Swap Rate" of (0.497 shares) of Al Mazaya Holding Company in exchange for (1) share of First Dubai Real Estate Development Company.

During the year ended December 31, 2024, the Parent Company's Shareholders' Extraordinary General Assembly, held on January 4, 2024, approved the merger contract as well as the merger through amalgamation between Al Mazaya Holding Company and First Dubai Real Estate Development Company, after completing all approvals of the relevant regulatory authorities. That was notarized in the commercial registry No. 75203 dated February 27, 2024 Also, it approved the capital increase of Al Mazaya Holding Company from KD 48,474,817 to KD 52,556,117 distributed over 525,561,174 ordinary shares via an in-kind increase amounting to KD 4,081,300, distributed over 40,813,008 shares which are assigned to the non-controlling Shareholders of First Dubai Real Estate Development Company that are registered in shareholders' registry of First Dubai Real Estate Development Company as on the record date. It also approved the amendment of the Company's Memorandum of Incorporation and Articles of Association regarding the increase of the Company's capital as a result of the merger. (Note 23)

On March 20, 2024, the "Share Swap" transaction was executed, where Al Mazaya Holding Company issued 40,813,008 shares in exchange for 82,118,729 shares of First Dubai Real Estate Development Company's shares owned by the non-controlling interest other than the Parent Company according to a "Share Swap Rate" of 0.497 shares of Al Mazaya Holding Company in exchange for one share of First Dubai Real Estate Development Company, where the transfer of the merged company's assets legal title is under process. The execution of the Share Swap transaction had resulted in cancelling the Shareholders' registry of First Dubai Real Estate Development Company with Kuwait Clearing Company and increasing the Parent Company's capital by an amount of KD 4,081,300. The difference between the capital increase and the non-controlling interests acquired in addition to the amounts transferred from other reserves and foreign currency translation adjustments related to First Dubai Real Estate Development Company had amounted to KD 10,293,301 and was recorded in the retained earnings.

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The details of the assets and liabilities that were merged in the Parent Company according to the audited financial statements and before the required adjustments on the group level were as follows:

	March 19, 2024
Assets:	
Cash and cash equivalents	1,984,062
Financial assets at fair value through profit or loss	287
Accounts receivable and other debit balances	145,809
Properties held for trading	8,316,597
Financial assets at fair value through other comprehensive income	1,685,870
Due from related party	29,532,970
Investment properties	23,276,905
Investment in an associate	16,042,057
Total Assets	80,984,557
Liabilities:	
Accounts payable and other credit balances	1,070,431
Advances from customers	440,610
Provision for end of service indemnity	173,705
Total liabilities	1,684,746
Net assets	79,299,811

4. Cash and cash equivalents

	2025	2024
Cash on hand and at banks	3,483,046	6,229,221
Cash at portfolios	-	1,084
	3,483,046	6,230,305
Less: restricted cash and bank balances (a)	(348,931)	(914,793)
Cash and cash equivalents as represented for the consolidated statement of cash flows	3,134,115	5,315,512

a) Restricted bank balances represent escrow accounts restricted as collateral for some bank facilities of the Group (Note 12), which may not be available for use within 90 days.

5. Accounts receivable and other debit balances

	2025	2024
Trade receivables (a)	4,196,736	4,447,740
Advance payments and other receivables	8,556,802	8,151,768
	12,753,538	12,599,508
Allowance for expected credit losses (b)	(11,218,770)	(10,921,887)
	1,534,768	1,677,621

a- Trade receivables:
Trade receivables are non-interest bearing and are generally due within 30 days.

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, trade receivables have been assessed on a collective basis respectively and grouped based on shared credit risk characteristics and the days past due.

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The expected loss rates are based on the payment profile for transactions over the prior 48 months period as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery and therefore is considered as credit impaired.

The following table details the risk profile of trade receivables based on the Group's provision matrix:

	2025					
	Less than 30 days	31 – 60 days	61 – 90 days	91- 180 days	More than 180 days	Total
Expected credit loss rate	**12.93%**	**25.87%**	**38.80%**	**77.60%**	**100%**	-
Gross carrying amount	**374,379**	**236,811**	**17,073**	**311,880**	**3,256,593**	**4,196,736**
Allowances for expected credit loss	**48,418**	**61,254**	**6,624**	**242,014**	**3,256,593**	**3,614,903**

	2024					
	Less than 30 days	31 – 60 days	61 – 90 days	91- 180 days	More than 180 days	Total
Expected credit loss rate	11.95%	21.90%	32.85%	65.69%	100%	-
Gross carrying amount	540,301	369,824	43,259	642,875	2,851,481	4,447,740
Allowances for expected credit loss	64,560	80,981	14,209	422,313	2,851,481	3,433,544

b- Allowance for expected credit losses:

The movement in allowance for credit losses is as follows:

	Trade receivables	Other receivables	2025	2024
Balance at the beginning of the year	3,433,544	7,488,343	**10,921,887**	10,540,101
Effect of disposal of a subsidiary	-	-	-	(19,170)
Charged for the year (Note 19)	672,909	283,606	**956,515**	1,001,645
Utilized during the year	(77,729)	(449)	**(78,178)**	(463,353)
Allowance for expected credit losses no longer required (Note 19)	(405,191)	(120,615)	**(525,806)**	(164,310)
Foreign currency translation adjustments	(8,530)	(47,018)	**(55,648)**	26,974
Balance at the end of the year	3,614,903	7,603,867	**11,218,770**	10,921,887

6. Properties held for trading

The movement in properties held for trading is as follows:

	2025	2024
Balance at the beginning of the year	**10,510,642**	11,223,531
Additions	**6,532**	64,331
Disposals	**(399,103)**	(826,017)
(Impairment loss) reversal of impairment loss of on properties held for trading	**(238,955)**	3,014
Foreign currency translation adjustments	**(91,575)**	45,783
Balance at the end of the year	**9,787,541**	10,510,642

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Net realizable value of properties held for trading is based on valuations performed by independent valuers in compliance with the Executive Regulations of Capital Markets Authority regarding the valuation of real estate properties.

Properties held for trading mainly comprise of the following:

	2025	2024
Developed properties	9,787,541	10,510,642

As at December 31, 2025, there are no properties held for trading pledged as collateral against Islamic banking facilities (2024 – KD 1,475,698) - (Note 12).

7. Financial assets at fair value through other comprehensive income ("FVTOCI")

	2025	2024
Unquoted equity securities	334,216	877,072
Investment funds	913,104	1,121,831
	1,247,320	1,998,903

Financial assets at FVTOCI amounting to KD 152,422 (2024 – KD 400,000) are pledged as collateral against Islamic bank facilities (Note 12).

The financial assets above are denominated in the following currencies:

	2025	2024
Kuwaiti Dinar	334,216	877,072
US Dollar	913,104	1,121,831
	1,247,320	1,998,903

The valuation techniques and measurement levels of these financial assets are disclosed in (Note 27).

8. Investment in an associate

			Percentage of ownership		Amount	
Name of associate	Country of incorporation	Principal activities	2025	2024	2025	2024
MedCell Medical Company K.S.C. (closed)	Kuwait	Medical services	50%	50%	157,352	204,373

The movement during the year is as follows:

	2025	2024
Balance at the beginning of the year	204,373	272,400
Disposal of an associate (a)	-	(272,400)
Acquisition of associate (a)	-	484,048
Adjustments	-	(7,042)
Group's share of results from an associate	(116,766)	(272,633)
Group's share of change in associate's equity (b)	69,745	-
Balance at the end of the year	157,352	204,373

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(a) During the year ended December 31, 2024, the members representing the Parent Company in the Board of Directors of MedCell Medical Company K.S.C.C. (a former subsidiary) have been reduced resulting in the loss of control for Parent Company over that subsidiary and accordingly, it was reclassified as an associate company that is accounted for under the equity method. This had also resulted in the exclusion of Med White Images – Joint Venture from the Group's records during the year ended year ended December 31, 2024, as it is an associate of MedCell Medical Company K.S.C.C. (the former subsidiary).

(b) On 23 December 2024, Med Cell Medical Company – K.S.C. (Closed) (an associate) signed a sale agreement for 17% stake of its ownership interest in Salamtek Wholesale and Retail Trading Company – O.P.C. (a subsidiary of the associate). During the fiscal year ended 31 December 2025, the sale transaction was executed, and ownership of the shares was effectively transferred to the new buyer.

The associate's financial statements summarized as follows:

Consolidated financial position summarized as follows:

	2025	2024
Assets	1,700,846	2,096,608
Liabilities	1,385,511	1,687,043
Equity	315,335	409,565
Group ownership %	50%	50%
Carrying value	157,352	204,373

Consolidated statement of profit or loss and other comprehensive income summarized as follows:

	2025	2024
Revenues	1,910,071	2,898,161
Loss for the year	(234,000)	(546,357)
Share of results from an associate	(116,766)	(272,633)

9. Investment properties

	2025	2024
Balance at the beginning of the year	116,371,106	134,996,841
Additions	156,954	207,465
Net transfer from property, plant and equipment	-	1,271,002
Disposal	(4,582,325)	(19,559,261)
Change in fair value	(1,097,837)	150,491
Foreign currency translation adjustments	(213,633)	(695,432)
Balance at the end of the year	110,634,265	116,371,106

Investment properties mainly compromise the following:

	2025	2024
Land	10,761,945	9,787,251
Developed properties	68,062,736	72,572,296
Rights of use real estate assets	31,809,584	34,011,559
	110,634,265	116,371,106

The Group has complied with the Executive Regulations of Capital Markets Authority regarding the valuation of investment properties. Valuation of investment properties was conducted by independent appraisers with recognized and relevant professional qualification using recognized valuation techniques and principles.

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In estimating the fair value of investment properties, the valuers had used the valuation techniques listed in the following schedule and had considered the nature and usage of the investment properties:

		2025		
Class of investment property	Valuation technique	Level 2	Level 3	Total
Lands	Comparable market prices	10,761,945	-	10,761,945
Residential buildings	Comparable market prices	1,892,629	-	1,892,629
Commercial complexes	Income capitalization	-	66,170,107	66,170,107
Rights of use real estate assets	Discounted cash flows	-	31,809,584	31,809,584
Total		12,654,574	97,979,691	110,634,265

		2024		
Class of investment property	Valuation technique	Level 2	Level 3	Total
Lands	Comparable market prices	9,787,251	-	9,787,251
Residential buildings	Comparable market prices	6,249,064	-	6,249,064
Commercial complexes	Income capitalization	-	65,877,478	65,877,478
Commercial complexes	Comparable market prices	445,754	-	445,754
Rights of use real estate assets	Discounted cash flows	-	34,011,559	34,011,559
Total		16,482,069	99,889,037	116,371,106

Certain investment properties amounting to KD 57,733,692 (2024 - KD 60,535,508) are pledged as collateral against Islamic bank facilities (Note 12).

10. Accounts payable and other credit balances

	2025	2024
Trade payables	388,781	386,338
Litigations and claims provision	1,294,399	1,629,334
Provision for projects repair works	1,267,439	2,427,868
Refundable deposits	1,036,019	1,016,458
Advance rent	431,191	308,103
Accrued finance cost	294,323	597,344
Dividends payable to shareholders	196,615	198,763
Other payables and accrued expenses	3,500,497	3,216,209
	8,409,264	9,780,417

Classified as:

	2025	2024
Current portion	5,360,069	6,932,307
Non-current portion	3,049,195	2,848,110
	8,409,264	9,780,417

11. Lease liabilities

The movement of the lease liabilities during the year are as follows:

	2025	2024
Balance at the beginning of the year	28,860,799	30,948,539
Amortization of finance costs related to lease liabilities	1,474,913	1,584,471
Payments	(3,772,712)	(3,554,711)
Rental concessions during the year	-	(117,500)
Balance at the end of the year	26,563,000	28,860,799

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Lease liabilities are presented as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2025	2024	**2025**	2024
Leases liabilities:				
Within one year	**3,742,712**	3,772,712	**2,386,920**	2,297,799
Remaining liability till end of lease term	**30,385,573**	34,128,285	**24,176,080**	26,563,000
Total lease liabilities	**34,128,285**	37,900,997	**26,563,000**	28,860,799
Less: Unamortized future finance charge	**(7,565,285)**	(9,040,198)	**-**	-
Present value of minimum lease payments	**26,563,000**	28,860,799	**26,563,000**	28,860,799

The average lease term is from 10 to 15 years (2024 – from 10 to 15 years) and the average effective borrowing rate is from 5% to 6.75% for the year ended December 31, 2025 (2024 – from 5% to 6.75%). All leases are on a fixed repayment basis and no arrangements have been entered into for additional contingent rental payments.

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12. Islamic bank facilities

These facilities represent tawarruq and musharaka facilities as follows:

	Tawarruq facilities		Musharaka facilities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Gross payable amount	**42,261,241**	48,197,070	**-**	1,953,576	**42,261,241**	50,150,646
Less: Unamortized future finance charge	**(47,771)**	(317,610)	**-**	(118,723)	**(47,771)**	(436,333)
Carrying value	**42,213,470**	47,879,460	**-**	1,834,853	**42,213,470**	49,714,313

Classified as:

			Current		Non – current		Total	
	Due date	Currency	**2025**	2024	**2025**	2024	**2025**	2024
Tawarruq facilities from local banks	Various maturities ended at June 2033	Kuwait Dinars	**424,000**	2,363,320	**41,789,470**	45,516,140	**42,213,470**	47,879,460
Musharaka facilities from foreign bank	-	Omani Rial	**-**	-	**-**	1,834,853	**-**	1,834,853
			424,000	2,363,320	**41,789,470**	47,350,993	**42,213,470**	49,714,313

Tawarruq and Musharaka facilities from local and foreign banks carries effective finance cost rate from 6% to 6.5% (2024 – from 6.375% to 6.5%) per annum.

Islamic bank facilities are secured by pledging the following in favor of the lending banks:

	2025	2024
Restricted bank balances (Note 4)	**348,931**	447,911
Wakala investments	**-**	1,512,500
Properties held for trading (Note 6)	**-**	1,475,698
Financial assets at FVTOCI (Note 7)	**152,422**	400,000
Investment properties (Note 9)	**57,733,692**	60,535,508
	58,235,045	64,371,617

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13. Share Capital

The authorized, issued and paid up capital consist of 525,561,174 shares (2024 – 525,561,174 shares) with a nominal value of 100 fils each and all shares are in cash.

14. Treasury shares

	2025	2024
Number of shares (share)	**22,286,893**	28,007,941
Percentage of issued shares (%)	**4.241**	5.329
Market value (KD)	**1,649,230**	2,111,799
Cost (KD)	**1,610,174**	2,009,998

The Parent Company's management has allotted an amount equal to treasury shares balance from retained earnings as of December 31, 2025. Such amount will not be available for distribution during treasury shares holding period.

15. Statutory reserve

As required by the Companies Law and the Parent Company's Articles of Association, 10% of the profit for the year attributable to the Parent Company's shareholders before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), NLST, Zakat and Board of Directors' remuneration is transferred to the statutory reserve. The Parent Company may resolve to discontinue such annual transfers when the reserve exceeds 50% of the capital. This reserve is not available for distribution except in cases stipulated by Law and the Parent Company's Articles of Association.

16. Voluntary reserve

As required by the Parent Company's Articles of Association, 10% of the profit for the year attributable to the Parent Company's shareholders before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), NLST, Zakat and Board of Directors' remuneration is transferred to the voluntary reserve. Such annual transfers may be discontinued by a resolution of the Shareholders' Annual General Assembly of the Parent Company upon recommendation by the Board of Directors. The Parent Company's Board of Directors recommended at its meeting held on February 12, 2026 not to transfer any amounts to the voluntary reserve for the year ended December 31, 2025. This recommendation is subject to the approval of the Shareholders' Annual General Assembly of the Parent Company.

17. Revenues

The Group's revenue disaggregated by primary geographical markets is as follows:

	2025		
	Revenue from sale of properties held for trading	Rental Income	Total
State of Kuwait	-	**9,587,302**	**9,587,302**
United Arab Emirates	**159,229**	**232,076**	**391,305**
Oman	**354,728**	**94,505**	**449,233**
Kingdom of Saudi Arabia	-	**1,061,623**	**1,061,623**
Bahrain	-	**298,772**	**298,772**
Total	**513,957**	**11,274,278**	**11,788,235**

	2024		
	Revenue from sale of properties held for trading	Rental Income	Total
State of Kuwait	-	10,575,733	10,575,733
United Arab Emirates	-	266,677	266,677
Oman	795,622	221,071	1,016,693
Kingdom of Saudi Arabia	-	981,061	981,061
Bahrain	-	326,950	326,950
Total	795,622	12,371,492	13,167,114

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18. Net gain on financial assets

	2025	2024
Dividend income	16,097	135,498
Realized gain from sale of financial assets at FVTPL	16,981	-
Unrealized gain from changes in fair value of financial assets at FVTPL	1,894	-
Portfolios' management fees	(85)	(6,942)
	34,887	128,556

19. Net other Income (expenses)

This caption includes allowance for expected credit losses for trade receivable amounting to KD 956,515 (2024 – KD 1,001,645), in addition to provisions no longer required amounting to KD 525,806 (2024 – KD 164,310) and gifts received from certain banks due to some facilities' settlements during the year amounting to KD 51,893 (2024 – KD 473,719), It also includes net gain arising from the cancellation of properties sale contracts during the year amounting to KD 511,340 (2024: Nil). This caption also includes net tax expenses for the Parent Company's subsidiaries amounting to KD 203,228 (2024 - KD 192,830). This caption also includes net provisions no longer required for legal claims amounting to KD 259,712 (2024 - net provisions for legal claims amounting to KD 1,155,055) that was recognized during the year ended December 31, 2025 (Note 25 b – 3).

20. Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS):

Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) is calculated at 1% of the profit attributable to shareholders of the Parent Company before contribution to KFAS, National Labor Support Tax, Zakat, and Board of Directors' remuneration, and after deducting the Parent Company's share of income from Kuwaiti shareholding subsidiaries and associates and transfer to statutory reserve. The Parent Company had settled all the amounts due to Kuwait Foundation for the Advancement of Sciences till December 31, 2024.

No KFAS has been provided for since there was no eligible profit on which KFAS should be calculated for the year ended December 31, 2025.

21. Basic and diluted earnings per share

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the year is as follows:

	2025	2024
Profit for the year attributable to equity holders of the Parent Company	1,732,225	1,216,395
Number of shares outstanding:		
Number of issued shares at beginning of the year	525,561,174	484,748,166
Weighted average number of capital appreciation shares	-	34,998,552
Less: Weighted average number of treasury shares	(25,788,181)	(26,038,543)
Weighted average number of shares outstanding	499,772,993	493,708,175
	Fils	Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	3.47	2.46

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

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22. Related party disclosures

The Group has entered into various transactions with related parties, i.e. Major shareholders, Board of directors, executives of the group, key management personnel, associate, entities under common control and other related parties. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the consolidated statement of financial position:

	Associate Company	Key management personnel	2025	2024
Accounts receivable and other debit balances	459,518	14,852	**474,370**	331,830
Advances from customers	-	-	**-**	282,392
Lease liabilities (a)	-	5,138,720	**5,138,720**	5,819,445

Amounts due from / to related parties are interest free and are receivable or payable on demand.

a) The amounts recognized for this lease liability mentioned above that compose part of the Groups' consolidated lease liabilities can be presented as follows:

	2025	2024
Lease liability within one year	**918,000**	948,000
Remaining liability till end of lease term	**5,463,000**	6,381,000
Total lease liability	**6,381,000**	7,329,000
Less: Unamortized future finance charge	**(1,242,280)**	(1,509,555)
Present value of minimum lease payments	**5,138,720**	5,819,445

Transactions included in the consolidated statement of profit or loss:

	Associate Company	Key management personnel	2025	2024
Rental income	317,100	8,616	**325,716**	469,513
Cost of rental	-	-	**-**	(646,873)
Gain on sale of investment properties	-	15,552	**15,552**	9,468
Selling and marketing expenses	-	-	**-**	(16,900)
Amortization of finance cost related to lease liabilities	-	(267,275)	**(267,275)**	(296,859)

Key Management personnel	2025	2024
Short term benefits	**606,870**	598,152
End of service indemnity	**57,718**	57,530
BOD committees' remuneration	**100,000**	130,000
	764,588	785,682

Some key management personnel and their relatives own 33.3% of the Associate (MedCell Medical Company K.S.C. (closed)).

Related party transactions are subject to the approval of the Shareholders' Annual General Assembly of the Parent Company.

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23. Board of Directors recommendations and Shareholders' Annual General Assembly of the Parent Company

The Parent Company's Board of Directors, held on February 12, 2026 had decided to:

- Distribute dividends as free bonus shares from treasury shares at the rate of 2.5% to the Shareholders registered in the Parent Company's registry as at the record date according to their ownership interest. The related impact of those dividends will be recognized once approved by the Parent Company's Shareholders' General Assembly by reducing the retained earnings by KD 908,929 without increasing the Parent Company's capital or the number of issued shares on the record date of those dividends. This amount may change based on the actual number of treasury shares as at the record date which will be set subsequent to that Shareholders' General Assembly of the Parent Company.
- Renew the Board of Directors approval to distribute interim dividends (semi-annually or quarterly) and authorize the board to determine the interim dividends rates during the year ended December 31, 2026, provided that the distribution is from real profits in accordance with applicable accounting principles without impacting the Parent Company's paid-up capital.
- Not to pay Board of Directors remuneration for the year ended December 31, 2025

These decisions are subject to approval by the General Assembly of Shareholders of the Parent Company.

Based on the resolution of the Parent Company's ordinary General Assembly dated March 20, 2025 which authorized the Board of Directors to distribute interim dividends (semi-annually or quarterly) and to determine the percentages of such interim distributions to shareholders, The Parent Company's Board of Directors had decided during its meeting held on July 30, 2025 to distribute dividends as free bonus shares from treasury shares at the rate of 2.5% to the Shareholders registered in the Parent Company's registry as at the record date which is set on August 28, 2025 these distributions were approved and the related impact was recorded upon execution by reducing the retained earnings by an amount of KD 884,630 without any increase in either the Company's share capital or its issued shares on the record date of such distribution.

Based on the resolution of the Parent Company's ordinary General Assembly dated March 20, 2025 approving the recommendation of the Board of Directors to distribute dividends as free bonus shares from treasury shares for the financial year ended December 31, 2024 at a rate of 2.5% to the shareholders registered in the Parent Company's registry as at the record date according to their ownership interest. These distributions were approved and the related impact was recorded upon execution by reducing the retained earnings by an amount of KD 879,489 without any increase in either the Company's share capital or its issued shares on the record date of such distributions.

The Parent Company's Shareholders' Annual General Assembly, held on March 20, 2025, had approved the consolidated financial statements of the Group for the year ended December 31, 2024 as well as the following:

- Distribute dividends as free bonus shares from treasury shares at the rate of 2.5% to the Shareholders registered in the Parent Company's registry as at the record date according to their ownership interest. This distribution shall not result in an increase in the Parent Company's share capital or in the number of issued shares as of the record date of those dividends. The shareholders registered in the Parent Company's records by the end of the entitlement date, April 22, 2025, and were distributed on April 30, 2025. The Parent Company's Board of Directors is authorized to amend the milestones of share entitlements and to manage the shares' fractions.
- Approval to authorize the Board of Directors to distribute interim dividends (semi-annually or quarterly) and to determine the rates of such interim distributions to shareholders during the year ending December 31, 2025, provided that such distributions must be from real profits in accordance with applicable accounting principles and without impacting the Parent Company's paid-up capital.
- Not to pay Board of Directors remuneration for the year ended December 31, 2024.

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The Parent Company's Shareholders' Extraordinary General Assembly, held on March 27, 2025, approved the amendment of Clause 5 of the Articles of Association and Clause 4 of the Memorandum of Association related to principal activities of the Parent Company (Note 1), to be:

Holding Companies' activities.

- Managing subsidiaries or participating in the management of other companies in which it holds shares and providing the necessary support.
- Investing funds through trading in stocks, bonds, and other financial securities.
- Ownership of real estate and movable assets necessary to carry out its operations, within the limits permitted by law.
- Financing or granting loans to companies in which it holds shares or stocks and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%.
- Ownership of intellectual property rights, including patents, trademarks, industrial models, franchises, and other intangible rights, and exploiting or leasing them to its subsidiaries or other companies.
- Ownership of shares exclusively for the company's own account.
- Establishing an office for managing holding activities.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

These amendments were notarized in the commercial register on 30 April 2025.

The Parent Company's Shareholders' Annual General Assembly, held on March 26, 2024, had approved the consolidated financial statements of the Group for the year ended December 31, 2023 as well as the following:

- Not to distribute cash dividends or bonus shares for the year ended December 31, 2023.
- To authorize the Board of Directors to distribute interim dividends (quarterly or semi-annually) to the Shareholders of the Parent Company starting from the first interim financial statements of the Group following the completion of the merger with First Dubai Real Estate Development Company, and to authorize the Board of Directors to determine the dividends distribution rate, provided that such distribution must be from real profits in accordance with applicable accounting principles and without impacting the Company's paid-up capital.
- Not to pay Board of Directors remuneration for the year ended December 31, 2023.

Based on the resolution of the Parent Company's ordinary General Assembly dated March 26, 2024 which authorized the Board of Directors to distribute interim dividends (semi-annually or quarterly) and to determine the percentage of such interim distributions to shareholders, The Parent Company's Board of Directors in its meeting held on May 9, 2024 had decided to distribute dividends as free bonus shares from treasury shares at the rate of 2.5% to the Shareholders registered in the Parent Company's registry as at the record date according to their ownership interest. This distribution impact was recorded when executed by reducing the retained earnings by an amount of KD 884,427 without any increase in either the Company's share capital or its issued shares on the record date of such distributions.

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The Parent Company's Shareholders' Extraordinary General Assembly, held on January 4, 2024, had approved the merger contract as well as the merger through amalgamation between Al Mazaya Holding Company K.S.C.P and First Dubai Real Estate Development Company K.S.C.P, after completing all approvals of the relevant regulatory authorities. That was notarized in the commercial registry No. 75203 dated February 27, 2024. Also, it approved the capital increase of Al Mazaya Holding Company from KD 48,474,817 to KD 52,556,117 distributed over 525,561,174 ordinary shares via an in-kind increase amounting to KD 4,081,300, distributed over 40,813,008 shares which is assigned to the non-controlling shareholders of First Dubai Real Estate Development Company that are registered in First Dubai Real Estate Development Company shareholders' registry as on the record date, In addition, it approved approving the amendment of the Company's Memorandum of Incorporation and Articles of Association regarding the increase of the Company's capital as a result of that merger, which was notarized in the commercial register No. 75203 on February 22, 2024 (Note 3).

24. Segment reporting

For management purposes, the Group is divided into main geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), in addition to other segments, where the Group performs its main activities in the real estate segment. There are no income generating transactions between the Group's segments.

	2025				
	Kuwait	UAE	KSA	Others	Total
Revenue	9,612,484	398,411	1,119,169	748,004	11,878,068
Cost of revenue	(1,780,669)	(152,313)	(174,741)	(547,092)	(2,654,815)
Impairment loss on properties held for trading	-	-	-	(238,955)	(238,955)
Gain on sale of investment properties	-	772,209	-	7,907	780,116
Change in fair value of investment properties	(523,723)	(180,405)	(33,481)	(360,228)	(1,097,837)
General and administrative & selling and marketing expenses	(1,910,307)	(580,956)	(28,632)	(69,958)	(2,589,853)
Net other (expenses) income	(778,652)	746,639	91,348	132,838	192,173
Amortization of finance costs related to lease liabilities	(1,474,913)	-	-	-	(1,474,913)
Finance cost	(2,843,582)	-	-	(56,301)	(2,899,883)
Others	(123,641)	(13,518)	(25,653)	(419)	(163,231)
Segment profit (loss)	176,997	990,067	948,010	(384,204)	1,730,870
Total segment assets	92,698,959	13,558,145	13,773,686	6,920,220	126,951,010
Total segment liabilities	74,800,566	4,376,229	439,904	229,674	79,846,373

	2024				
	Kuwait	UAE	KSA	Others	Total
Revenue	10,598,264	280,936	1,034,230	1,343,643	13,257,073
Cost of revenue	(1,945,549)	(182,131)	(164,483)	(1,017,786)	(3,309,949)
Reversal of (impairment loss) on properties held for trading	-	69,828	-	(66,814)	3,014
Partial gain from termination of sale of a subsidiary	1,125,000	-	-	-	1,125,000
Gain (loss) on sale of investment properties	-	1,030,169	-	(89,053)	941,116
Change in fair value of investment properties	507,270	359,832	(1,255,239)	538,628	150,491
General and administrative & selling and marketing expenses	(1,820,444)	(779,848)	(34,629)	(75,983)	(2,710,904)
Net other income (expenses)	301,263	(1,980,218)	(116,995)	(289,294)	(2,085,244)
Amortization of finance costs related to lease liabilities	(1,584,471)	-	-	-	(1,584,471)
Finance cost	(3,543,046)	-	-	(224,210)	(3,767,256)
Others	(591,416)	(14,477)	-	(630)	(606,523)
Segment profit (loss)	3,046,871	(1,215,909)	(537,116)	118,501	1,412,347
Total segment assets	98,494,162	16,987,597	13,643,175	9,477,242	138,602,176
Total segment liabilities	82,726,648	5,785,139	316,699	2,080,348	90,908,834

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25. Contingent liabilities and legal cases

a) Contingent liabilities:

As at December 31, 2025, the Group has no contingent liabilities (2024 - KD 161,866).

b) Legal cases:

b-1) During the year ended December 31, 2020, two subsidiaries of the group had filed lawsuits before the courts of the Emirate of Dubai in the United Arab Emirates against some investors regarding the development of real estate projects in the Emirate of Dubai in the United Arab Emirates. During the year ended December 31, 2021, the Court of Cassation upheld the judgment issued by the Court of Appeal, which had previously upheld the judgment of the Court of First Instance issued in favor of the two subsidiaries of the group about their entitlement to a total amount of AED 19,780,852, in addition to the legal interest of 9% from the date of the judicial claim till full settlement, whereby the entitlement of those subsidiaries including the legal interest amounting to AED 25,068,603 (equivalent to KD 2,095,615) according to the latest calculations for that entitlement by the court, and hence, the management of those subsidiaries had decided to reverse the provisions recorded in their books against their full entitled amount according to the Court's verdict including the legal interest up till December 31, 2021 which is reported as provisions no longer required in the consolidated statement of profit or loss for the year ended December 31, 2021. The subsidiaries of the group initiated legal execution procedures against those investors for the fulfilment of that verdict along with its legal interest, which resulted in the collection of almost 98% from the total amount due to the two subsidiaries till December 31, 2025, whereas the remaining amount is currently under collection by the Group's two subsidiaries in the United Arab Emirates. As a result of those lawsuits, the defendants of the previous legal case filed a counter-lawsuit against the Parent Company, the two subsidiaries and others demanding them to pay an amount of AED 261,026,454 (equivalent to KD 21,735,438) in addition to the legal interest of 5% from the date of the judicial claim till full settlement, in addition to demanding payment of AED 50,000,000 (equivalent to KD 4,163,455) as compensation for lost profits. A court verdict was issued by the Court of First Instance in favor of the defendants (Parent Company, the two subsidiaries, and others) to disregard this lawsuit because of the previous judgement in that lawsuit and obliging the plaintiffs to pay the deferred fees yet to be paid for that lawsuit. The plaintiffs had appealed before the Court of Appeal against the Court of First Instance's verdict, and the lawsuit is still currently under hearing before the legal courts. The Group's independent legal counsel is of the opinion that it is probable that the Appeal Court will disregard or reject that filed by the plaintiffs based on the defences presented by the company as well as the ruling issued in the Group's favor by the Court of First Instance in addition to the availability of all the documentations that supports the Group's legal standing in that lawsuit based on which the previous lawsuit was ruled for in the Group's favor, and hence, no provisions were booked against those lawsuits as of the date of the accompanying consolidated financial statements.

b-2) During the year ended December 31, 2023, some buyers of real estate units in one of the Group's projects in the Emirate of Dubai filed a lawsuit demanding to terminate the booking forms of the subject real estate units and to refund an amount of AED 5,530,321 (equivalent to KD 462,308) in addition to the legal interest of 9% until full payment. During the year ended December 31, 2024, the Court of First Instance issued a judgment which was subsequently upheld by both the Court of Appeal and Cout of Cassation obliging the parent company and its subsidiary jointly to pay an amount of AED 2,944,130 (equivalent to KD 245,155) and the legal interest thereon at the rate of 5% annually from the date of the judicial claim until full payment. Hence, the Group had settled an amount of AED 3,293,048 (equivalent to KD 275,283) during the year ended December 31, 2025 in favor of the defendants which represents the amount ruled by the court along with its legal interest up to the settlement date.

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b-3) A subsidiary to the Parent Company in the Emirate of Dubai had filed a lawsuit (as a precautionary measure in order to avoid the statute of limitation related to the date of filing that lawsuit) against several parties demanding them to bear the costs of rectifying the defects and repairing some buildings in the Emirate of Dubai that they had previously developed for the benefit of the subsidiary during the period from 2007 to 2015, due to their responsibility for the development work and supervising the developments of those buildings for the benefit of the subsidiary as some defects that require repairs, where the Company demands to oblige the defendants with a total amount of AED 82,022,600 (equivalent to KD 6,856,697) in addition to the legal interest of 5% from the date of the judicial claim till full settlement date, in addition to demanding that some of the other defendants be obligated to an amount of AED 23,200,000 in solidarity with the first defendant parties (equivalent to the amount of KD 1,939,409) in addition to the legal interest of 5% from the date of the judicial claim till full settlement date, which represents the estimated budget of the repair costs for the subject buildings that resulted from development defects by the main contractor and subcontractors in addition to reserving the right to request compensation after assessing the damages and losses as well as obliging the defendants to pay the related fees, expenses, and attorney's fees. During the year ended December 31, 2024, the subsidiary amended its claim in that lawsuit by an additional claim amounting to AED 40,000,000 (equivalent to KD 3,330,764) as monetary and punitive compensation. During the year ended December 31, 2025, The Court of First Instance issued a verdict which was subsequently upheld by the Court of Appeal in favor of the subsidiary and obliged one of the defendants to pay a total amount of AED 27,598,079 (equivalent to KD 2,307,067) as compensation and punitive damage in addition to 5% legal interest from the date of final judgment until full settlement. The Court further ruled to reject the inclusion of certain other defendants as requested by the subsidiary. The subsidiary had appealed this verdict before the Court of Cassation to re-include those defendant parties in the lawsuit and to claim the full amount required to complete the repair works and the related compensation. The Court of Cassation ruled to accept the subsidiary's appeal and returning the case to the Court of Appeal to revisit the subsidiary's objections. Subsequent to the accompanying consolidated financial statements' date, the Court of Appeal ruled in the subsidiary's favor by revoking the previous verdict and accepting to re-include some defendants that were not included in that lawsuit in accordance with previous verdict. Additionally, the Court of Appeal ruled to oblige those defendants jointly to pay a total amount of AED 27,598,079 (equivalent to KD 2,307,067) to the subsidiary in addition to the legal interest of 5% from the date of the judicial claim till full settlement date. The subsidiary is currently working on the approach to be followed for claiming the additional amounts incurred by the subsidiary for those repair works after the calculation date of the amounts included in Court of Appeal's verdict.

In the same regard, there are some lawsuits filed against that subsidiary by some units' owners in those buildings that are being repaired to claim the termination of their unit contracts and compensation for damages, the independent legal counsel of the company believes that the subsidiary has the recourse right against the developing parties of these buildings with all these damages and compensations once ruled for by the Court against the company, which is the subject of the aforementioned lawsuit filed by the subsidiary. During prior years, the subsidiary recorded a provision against those lawsuits amounting to AED 13,811,544 (equivalent to KD 1,150,075) In addition to recording additional provisions during the year ended December 31, 2025 amounting to AED 607,095 (equivalent to KWD 50,750) .Some final judgements were issued for some of those lawsuits amounting to AED 10,609,863 (equivalent to KD 886,934) as of the date of the accompanying consolidated financial statements, while the remaining lawsuits are still under hearing before the Court till date.

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b-4) During the comparative year ended December 31, 2024, a subsidiary to the Group in Sultanate of Oman had filed a Criminal Complaint against some of its employees because of fraudulent activities related to collection of sales and rental proceeds for some units. The Public Prosecutor in Sultanate of Oman had appointed an independent certified accounting expert to inspect that complaint filed by the subsidiary to determine the resultant magnitude of those damages in order to complete the related legal procedures. Based on that, and during the year ended December 31, 2025, the Public Prosecutor in Sultanate of Oman had referred the case to the concerned courts since the accused employees had embezzled monetary amounts of OMR 706,207 (equivalent to KD 561,005). The embezzled amounts include an amount of OMR 372,578 (equivalent to KD 295,973) which was incurred by the subsidiary as provisions and actual costs in its financial statements during previous years, in addition to an amount of OMR 333,629 (equivalent to KD 265,032) that represents an opportunity cost for the subsidiary which will be booked in the subsidiary's financial statements when collected from the accused employees. Hence, there is no financial impact on that subsidiary as of the accompanying consolidated financial statements' date.

26. Financial risk management

In the normal course of business, the Group uses primary financial instruments such as cash and cash equivalents, Wakala investments, accounts receivable, financial assets at FVTPL, financial assets at FVTOCI, accounts payable, lease liabilities and Islamic bank facilities and as a result, is exposed to the risks indicated below. The Group currently does not use derivative financial instruments to manage its exposure to these risks.

a) Profit / finance cost rate risks

Financial instruments are subject to the risk of changes in value due to changes in the level of profit/finance cost rate for its financial assets and liabilities carrying floating profit/finance cost rate. The effective profit/finance cost rate and the periods in which profit / finance cost-bearing financial assets and liabilities are repriced or mature are indicated in the respective notes.

The following table demonstrates the sensitivity to a reasonably possible change in profit/finance cost rate with all other variables held constant, on the Group's profit:

	2025		
	Increase (Decrease) in profit / finance cost rate	Balance	Effect on consolidated statement of profit or loss
Islamic bank facilities	**± 0.5%**	**42,213,470**	**± 211,067**

	2024		
	Increase (Decrease) in profit / finance cost rate	Balance	Effect on consolidated statement of profit or loss
Wakala investments	± 0.5%	1,535,900	± 7,680
Islamic bank facilities	± 0.5%	49,714,313	± 248,572
			± 256,252

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge a contractual obligation causing the other party to incur a financial loss. Financial assets which potentially subject the Group to credit risk consist principally of cash and cash equivalents, Wakala investments and receivables. The Group's cash is placed with high credit rating financial institutions. Receivables is presented net of allowance for expected credit losses.

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Cash and cash equivalents and Wakala investments

The Group's cash and cash equivalents and Wakala investments measured at amortized cost are considered to have a low credit risk and the loss allowance is based on the 12 months expected loss. The Group's cash and cash equivalent are placed with high credit rating financial institutions with no recent history of default. Based on management's assessment, the expected credit loss impact arising from such financial assets are insignificant to the Group as the risk of default has not increased significantly since initial recognition.

Accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of activities and country, in which customers operate, has less of an influence on credit risk.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The Group's maximum exposure arising from default of the counterparty is limited to the carrying amount of cash and cash equivalents, Wakala investments and receivables.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Group periodically assesses the financial viability of customers.

The following table presents the Group's maturity analysis of the financial liabilities:

	2025			
	Less than 1 year	1-2 years	More than 2 years	Total
Accounts payable and other credit balances	**5,360,069**	**1,592,779**	**1,456,416**	**8,409,264**
Lease liabilities	**2,386,920**	**2,512,350**	**21,663,730**	**26,563,000**
Islamic bank facilities	**424,000**	**848,000**	**40,941,470**	**42,213,470**
Total	**8,170,989**	**4,953,129**	**64,061,616**	**77,185,734**

	2024			
	Less than 1 year	1-2 years	More than 2 years	Total
Accounts payable and other credit balances	6,932,307	1,411,054	1,437,056	9,780,417
Lease liabilities	2,297,799	2,386,920	24,176,080	28,860,799
Islamic bank facilities	2,363,320	2,363,320	44,987,673	49,714,313
Total	11,593,426	6,161,294	70,600,809	88,355,529

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Kuwaiti Dinar. The Group may reduce its exposure to fluctuations in foreign exchange rates through the use of derivative financial instruments.

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The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate between foreign currencies used by the group and Kuwaiti Dinar.

	2025	
	Increase (decrease) against Kuwaiti Dinar	Effect on consolidated statement of other comprehensive income
United Arab Emirates Dirham	±5%	± 691,608
Saudi Riyal	±5%	± 207,310
Omani Riyal	±5%	± 249,971
		± 1,148,889

	2024	
	Increase (decrease) against Kuwaiti Dinar	Effect on consolidated statement of other comprehensive income
United Arab Emirates Dirham	±5%	± 714,862
Saudi Riyal	±5%	± 160,984
Omani Riyal	±5%	± 230,193
		± 1,106,039

e) **Equity price risk**

Equity price risk is the risk that fair values of equity instruments decrease as the result of changes in level of equity indices and the value of individual stocks. To manage such risks, the Group diversifies its investments in different sectors within its investment portfolio and are continuously monitored. Currently, these risks do not have a significant impact in the Group.

27. Fair value measurement

The Group measures financial assets such as financial assets at FVTPL and financial assets at FVTOCI and non-financial assets such as investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The following table shows an analysis of the financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	**31,070**	-	-	**31,070**
Financial assets at FVTOCI	**-**	-	**1,247,320**	**1,247,320**
Investment properties	**-**	**12,654,574**	**97,979,691**	**110,634,265**
Total	**31,070**	**12,654,574**	**99,227,011**	**111,912,655**

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI	-	-	1,998,903	1,998,903
Investment properties	-	16,482,069	99,889,037	116,371,106
Total	-	16,482,069	101,887,940	118,370,009

There were no transfers between the Levels during the year.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

The management assessed that the fair values of cash and cash equivalent, Wakala investments, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

a) The fair values of the quoted notes and bonds are based on price quotations at the reporting date.

b) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by using several methods including the adjusted book value and price multiples as well as the discounting of future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

c) The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent accredited valuers having experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment and for the fair value details of investment properties are mentioned in Note (9).

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Movements in level 3 assets during the current and previous financial year are set out below:

	Financial assets ("FVTOCI")	Investment properties	Total
Balance as at January 1, 2024	3,872,271	105,859,794	109,732,065
Additions	-	199,524	199,524
Net transferred from property, plant and equipment	-	1,271,002	1,271,002
Disposals	-	(6,850,000)	(6,850,000)
Losses recognised in consolidated statement of profit or loss	-	(665,631)	(665,631)
(Losses) gains recognised in consolidated statement of other comprehensive income	(1,873,368)	74,348	(1,799,020)
Balance as at 31 December 2024	1,998,903	99,889,037	101,887,940
Additions	-	156,954	156,954
Losses recognised in consolidated statement of profit or loss	-	(1,893,856)	(1,893,856)
Losses recognised in consolidated statement of other comprehensive income	(751,583)	(172,444)	(924,027)
Balance as at 31 December 2025	**1,247,320**	**97,979,691**	**99,227,011**

Following are the unobservable inputs and sensitivity analysis for the assets measured under level 3:

a) Financial assets:

	Fair value as of		Valuation methods and main inputs	Significant unobservable inputs	Sensitivity of unobservable inputs to fair value
	2025	2024			
Financial assets at FVTOCI	**334,216**	877,072	Relative weight of price to book value, parallel market prices and adjusted NAV valuation methods	Price to book value multiple of 1, Illiquidity of 30% and lack of control discount 15%	The increase (decrease) of Price to book value multiple by 5% would increase (decrease) fair value by KD 6,176 assuming all other factors remain constant, while the increase (decrease) of illiquidity discount and lack of control discount by 5% would decrease (increase) fair value by KD 13,673 assuming all other factors remain constant.
Financial assets at FVTOCI	**913,104**	1,121,831	Price multiples and adjusted book value	Illiquidity discount 30% and lack of control discount 30%	The increase (decrease) of illiquidity discount by 5% would decrease (increase) fair value by KD 19,566 assuming all other factors remain constant, while the increase (decrease) of lack of control discount by 5% would decrease (increase) fair value by KD 19,566 assuming all other factors remain constant.

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b) Non-financial assets:

	Fair value as of 2025	Fair value as of 2024	Valuation methods and main inputs	Significant unobservable inputs	Sensitivity of unobservable inputs to fair value
Investment properties	**66,170,107**	65,877,478	Income approach	Capitalization rate from 7% to 9% according to the nature and property location and current rentals earned from the properties and the expected rentals for temporary vacancies	The increase (decrease) in the capitalization rate would (decrease) increase in the property's fair value, assuming all other factors remain constant. The increase (decrease) in the discount and vacancy rates (decrease) would increase in the properties' fair value, assuming all other factors remain constant. The increase (decrease) in the growth rate would increase (decrease) in the properties' fair value, assuming all other factors remain constant.
Investment properties	**31,809,584**	34,011,559	Discounted cash flows	Discount rate from 8% to 10%, vacancy rates from 5% to 20% as per the property nature and its expected occupancy, and a growth rate from 2% to 5%	

28. Capital Risk Management

The Group's objectives when managing capital resources are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for shareholders and to maintain an optimal capital resources structure to reduce the cost of capital.

In order to maintain or adjust the capital resources structure, the Group may adjust the amount of cash dividends paid to shareholders, return paid up capital to shareholders, issue new shares, sell assets to reduce debt, repay facilities or obtain additional facilities.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt facilities less cash and cash equivalents, and term deposits. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

For the purpose of capital risk management, the total capital resources consist of the following components:

	2025	2024
Islamic bank facilities	**42,213,470**	49,714,313
Lease liabilities	**26,563,000**	28,860,799
Less: cash and cash equivalents	**(3,483,046)**	(6,230,305)
Less: Wakala investments	**-**	(1,535,900)
Net debt	**65,293,424**	70,808,907
Total equity	**47,104,637**	47,693,342
Total capital resources	**112,398,061**	118,502,249
Gearing Ratio	**58.09%**	59.75%