

**Kamco Investment Company K.S.C.P.
and Subsidiaries**

**CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2025**



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAMCO INVESTMENT COMPANY K.S.C.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kamco Investment Company K.S.C.P. (the "Company") and subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the Central Bank of Kuwait ("CBK") for use by the State of Kuwait.

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, 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 basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying consolidated financial statements.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAMCO INVESTMENT COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Valuation of investment securities

Investment securities represent 35% of the Group's total assets and comprises of financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI).

Due to the size and estimation uncertainties in determination of the fair value of certain financial instruments which is subject to significant management judgements (including determination of price to book and price to earnings multiples from comparable companies, identification of recent sales transactions, calculated net asset value (NAV) and application of illiquidity discounts in certain cases), this matter was considered to be a key audit matter in our audit of the consolidated financial statements.

The Group's policies on valuation of investments securities are presented in Note 3 and investment securities are disclosed in Note 23 to the consolidated financial statements which comprise of financial assets at FVPL and financial assets at FVOCI.

Our audit procedures included, among others, the following:

- ▶ For a sample of level 1 securities, we have tested the fair valuations by comparing the fair values applied by the Group with publicly available market data.
- ▶ For a sample of level 2 and 3 valuations, we evaluated the models and the assumptions used by management and tested the source data used in the valuations, to the extent possible, to independent sources and externally available market data to evaluate the data's relevance, completeness and accuracy.
- ▶ We involved and acquired assistance from our internal valuation specialists, in assessing the appropriateness of the valuation methodology adopted by Group and comparing the key estimates and assumptions adopted in the valuation of investments, on a sample basis, including market multiples, discount factor and discount for lack of marketability.
- ▶ We further assessed that the main assumptions and related uncertainties including sensitivity to key inputs, are appropriately reflected in the disclosure in Note 23 of the consolidated financial statements.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAMCO INVESTMENT COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in the Group's 2025 Annual Report

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 auditor's report thereon. We obtained the report of the Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 as adopted by the CBK for use by the State of Kuwait 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, 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.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAMCO INVESTMENT COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

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 scepticism 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 our 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.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAMCO INVESTMENT COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- ▶ 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 consolidated 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, actions taken to eliminate threats or safeguards applied.

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 our auditors' 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.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Company and the consolidated financial statements, together with the contents of the report of the 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, as amended, and its executive regulations, as amended, and by the 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, as amended, and its executive regulations, as amended, or of the Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025, that might have had a material effect on the business of the Company or on its financial position.



Shape the future
with confidence

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
KAMCO INVESTMENT COMPANY K.S.C.P. (continued)**

Report on Other Legal and Regulatory Requirements (continued)

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority ("CMA") and organization of security activity and its executive regulations, as amended, during the year ended 31 December 2025 that might have had a material effect on the business of the Company or on its financial position.

A handwritten signature in blue ink, appearing to read 'BADER A. AL-ABDULJADER', is written over a horizontal dotted line.

BADER A. AL-ABDULJADER
LICENCE NO 207-A
EY
AL-AIBAN, AL-OSAIMI & PARTNERS

24 February 2026
Kuwait

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 KD	2024 KD
ASSETS			
Cash and cash equivalents	5	30,901,525	31,652,279
Loans and advances	6	1,796,670	1,761,710
Financial assets at fair value through profit or loss	23	35,211,709	32,386,129
Financial assets at fair value through other comprehensive income	23	13,196,227	10,748,139
Investment in associates	7	26,266,343	23,749,825
Accounts receivable and other assets	8	14,219,129	12,061,692
Investment properties	23	12,756,041	12,567,470
Property and equipment	9	2,508,376	2,097,698
Intangible assets	10	2,670,680	2,803,848
TOTAL ASSETS		139,526,700	129,828,790
LIABILITIES AND EQUITY			
Liabilities			
Term loans	11	48,100,000	46,400,000
Other liabilities	12	19,392,070	18,135,860
TOTAL LIABILITIES		67,492,070	64,535,860
Equity			
Share capital	13	34,233,263	34,233,263
Share premium	13	9,089,045	9,089,045
Statutory reserve	13	8,902,681	7,962,411
Voluntary reserve	13	3,501,462	2,561,192
Asset revaluation surplus		934,057	934,057
Fair value reserve		(6,251,613)	(6,116,069)
Foreign currency translation reserve		839,738	964,111
Retained earnings		18,238,477	12,628,513
Equity attributable to equity holders of the Company		69,487,110	62,256,523
Non-controlling interests		2,547,520	3,036,407
TOTAL EQUITY		72,034,630	65,292,930
TOTAL LIABILITIES AND EQUITY		139,526,700	129,828,790


Talal Ali Abdullah Al Jaber Al Sabah
Chairman


Faisal Mansour Sarkhou
Chief Executive Officer

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 KD	2024 KD
INCOME			
Fee and commission income	14	18,627,133	16,885,892
Net gain on financial assets at fair value through profit or loss	15	4,221,163	2,243,560
Dividend income		992,517	1,342,653
Interest income		842,872	1,353,490
Rental income	23	938,922	959,281
Net gain on fair valuation of investment properties	23	194,524	250,858
Share of results of associates	7	2,784,468	1,722,405
Other income	16	5,086,282	657,606
Foreign exchange gain (loss)		30,646	(29,758)
Total income		33,718,527	25,385,987
EXPENSES AND OTHER CHARGES			
General and administrative expenses	17	(22,784,985)	(16,948,512)
Finance costs		(2,570,865)	(3,108,425)
Reversal of allowance for expected credit losses on loans and advances	6	29,739	23,091
Provision for expected credit losses on other financial assets at amortised cost	8	(108,338)	(616,385)
Total expenses and other charges		(25,434,449)	(20,650,231)
PROFIT BEFORE TAX AND DIRECTORS' REMUNERATION		8,284,078	4,735,756
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		(84,625)	(42,088)
Zakat	27	-	(54,413)
National Labour Support Tax (NLST)	27	-	(136,435)
Directors' remuneration		(150,000)	(100,000)
PROFIT FOR THE YEAR		8,049,453	4,402,820
Attributable to:			
Equity holders of the Company		9,168,079	4,352,796
Non-controlling interests		(1,118,626)	50,024
		8,049,453	4,402,820
BASIC AND DILUTED EARNINGS PER SHARE (EPS)			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	18	26.78 fils	12.72 fils

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
PROFIT FOR THE YEAR		8,049,453	4,402,820
Other comprehensive (loss) income			
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		(65,950)	85,840
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods		(65,950)	85,840
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Share of other comprehensive loss of associates	7	(2,918)	(8,575)
Net loss on equity instruments designated at fair value through other comprehensive income		(151,967)	(140,933)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		(154,885)	(149,508)
Other comprehensive loss for the year, net of tax		(220,835)	(63,668)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,828,618	4,339,152
Attributable to:			
Equity holders of the Company		8,942,250	4,303,487
Non-controlling interests		(1,113,632)	35,665
		7,828,618	4,339,152

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Attributable to equity holders of the Company</i>										
	<i>Share capital</i> KD	<i>Share premium</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD	<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
As at 1 January 2025	34,233,263	9,089,045	7,962,411	2,561,192	934,057	(6,116,069)	964,111	12,628,513	62,256,523	3,036,407	65,292,930
Profit (loss) for the year	-	-	-	-	-	-	-	9,168,079	9,168,079	(1,118,626)	8,049,453
Other comprehensive (loss) income	-	-	-	-	-	(101,456)	(124,373)	-	(225,829)	4,994	(220,835)
Total comprehensive (loss) income for the year	-	-	-	-	-	(101,456)	(124,373)	9,168,079	8,942,250	(1,113,632)	7,828,618
Transfer to reserves	-	-	940,270	940,270	-	-	-	(1,880,540)	-	-	-
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	-	-	(1,250)	-	1,250	-	-	-
Transfer of fair value reserve on partial disposal of investment in associates	-	-	-	-	-	(32,838)	-	32,838	-	-	-
Dividends to equity holders of the Company (Note 13)	-	-	-	-	-	-	-	(1,711,663)	(1,711,663)	-	(1,711,663)
Changes in ownership interests in subsidiaries without change in control (Note 19)	-	-	-	-	-	-	-	-	-	652,788	652,788
Incorporation of subsidiary	-	-	-	-	-	-	-	-	-	1,336	1,336
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	(29,379)	(29,379)
At 31 December 2025	34,233,263	9,089,045	8,902,681	3,501,462	934,057	(6,251,613)	839,738	18,238,477	69,487,110	2,547,520	72,034,630

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Attributable to equity holders of the Company</i>										<i>Total equity KD</i>
	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Asset revaluation surplus KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	
As at 1 January 2024	34,233,263	9,089,045	7,493,838	2,092,619	934,057	(6,707,611)	881,756	11,647,732	59,664,699	4,937,751	64,602,450
Profit for the year	-	-	-	-	-	-	-	4,352,796	4,352,796	50,024	4,402,820
Other comprehensive (loss) income	-	-	-	-	-	(131,664)	82,355	-	(49,309)	(14,359)	(63,668)
Total comprehensive (loss) income for the year	-	-	-	-	-	(131,664)	82,355	4,352,796	4,303,487	35,665	4,339,152
Transfer to reserves	-	-	468,573	468,573	-	-	-	(937,146)	-	-	-
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	-	-	723,206	-	(723,206)	-	-	-
Dividends to equity holders of the Company (Note 13)	-	-	-	-	-	-	-	(1,711,663)	(1,711,663)	-	(1,711,663)
Changes in ownership interests in subsidiaries without change in control (Note 19)	-	-	-	-	-	-	-	-	-	(1,598,056)	(1,598,056)
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	(338,953)	(338,953)
At 31 December 2024	34,233,263	9,089,045	7,962,411	2,561,192	934,057	(6,116,069)	964,111	12,628,513	62,256,523	3,036,407	65,292,930

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
OPERATING ACTIVITIES			
Profit before tax and directors' remuneration		8,284,078	4,735,756
<i>Adjustments for:</i>			
Unrealized gain on financial assets at FVPL	15	(3,035,991)	(1,164,154)
Share of results of associates	7	(2,784,468)	(1,722,405)
Loss on disposal of associate		111,744	-
Dividend income		(992,517)	(1,342,653)
Interest income		(842,872)	(1,353,490)
Foreign exchange (gain) loss		(30,646)	29,758
Net gain on fair valuation of investment properties		(194,524)	(250,858)
Finance costs		2,536,103	3,074,690
Interest expense on lease liabilities		34,762	33,735
Depreciation of property and equipment	9	251,902	140,604
Depreciation of right-of-use assets	9	207,154	164,958
Amortisation of intangible assets	10	600,561	610,271
Provision for ECL on other financial assets at amortised cost	8	108,338	616,385
Reversal of allowance for ECL on loans and advances	6	(29,739)	(23,091)
Provision for employees' end of service benefits		978,126	968,222
		5,202,011	4,517,728
<i>Change in operating assets and liabilities:</i>			
Loans and advances		(33,196)	3,046,255
Financial assets at fair value through profit or loss		(847,715)	6,909,068
Accounts receivable and other assets		(1,165,022)	(290,605)
Other liabilities		1,098,886	1,693,987
Movement in restricted bank balances		(1,020,494)	163,153
Cash from operations		3,234,470	16,039,586
Dividend received		992,517	1,342,653
Employees' end of service benefits paid		(638,109)	(788,118)
KFAS paid		(42,088)	(7,201)
Taxes paid		(159,189)	(26,238)
Net cash flows from operating activities		3,387,601	16,560,682
INVESTING ACTIVITIES			
Purchase of financial assets at FVOCI		(2,644,492)	(5,057,601)
Proceeds from sale of financial assets at FVOCI		44,437	970,165
Net movement in deposits		(4,060,548)	3,913,383
Purchase of property and equipment	9	(881,954)	(288,113)
Purchase of intangible assets	10	(467,479)	(129,570)
Acquisition of investment in associates		-	(16,457,138)
Proceeds from disposal of investment in associates		7,945	17,280,978
Distributions received from investment in associates	7	71,514	382,298
Interest income received		800,252	1,333,803
Net cash flows (used in) from investing activities		(7,130,325)	1,948,205

The attached notes 1 to 27 form part of these consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 KD	2024 KD
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		84,900,000	116,400,000
Repayment of loans and borrowings		(83,200,000)	(118,750,000)
Dividends paid to equity holders of the Company		(1,712,744)	(1,735,746)
Payment of lease liabilities		(260,756)	(143,702)
Finance costs paid		(2,525,069)	(3,119,529)
Proceeds from subscription of units by non-controlling interests in consolidated funds		731,696	-
Redemption of units held by non-controlling interests in consolidated funds		(78,908)	(1,598,056)
Incorporation of subsidiary		1,336	-
Distributions paid to non-controlling interests		(29,379)	(338,953)
Net cash flows used in financing activities		(2,173,824)	(9,285,986)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		84,752	24,935
Cash and cash equivalents at 1 January		29,268,429	20,020,593
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	23,436,633	29,268,429
Non-cash items excluded from the consolidated statement of cash flows:			
Additions to right of use assets	9	-	(648,956)
Additions to lease liabilities		-	648,956

The attached notes 1 to 27 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1 CORPORATE INFORMATION

The consolidated financial statements of Kamco Investment Company K.S.C.P. (the “Company”) and Subsidiaries (collectively the “Group”) were authorized for issue in accordance with a resolution of the Board of Directors on 24 February 2026. The shareholders of the Company have the power to amend these consolidated financial statements at the Annual General Assembly (AGM).

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the shareholders of the Company at the AGM held on 27 April 2025. Dividends declared and proposed are disclosed in Note 13.

The Company is a Kuwaiti shareholding company registered and incorporated in Kuwait on 16 September 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto and is listed on Boursa Kuwait. The Company is registered with the Central Bank of Kuwait (“CBK”) as an investment company and is subject to the supervision of Capital Markets Authority (“CMA”).

The Company is a subsidiary of United Gulf Bank B.S.C. (the “Parent Company”). The Parent Company is a subsidiary of Kuwait Projects Company Holding K.S.C.P. (the “Ultimate Parent Company” or “KIPCO”) which is listed on Boursa Kuwait.

The Company’s registered head office is at Sharq, Al Shaheed Tower, Khalid Bin Al-Waleed Street, Kuwait City, P.O. Box 28873, Safat 13149, Kuwait.

The primary objectives of the Company are, as follows:

- ▶ Investing in different financial, industrial, real estate, agricultural, and services sectors as directly or indirectly by contribution in outstanding companies or establishment of specialised companies in the mentioned activities, or ownership of projects that fulfill that for the interest of the Company.
- ▶ Manager of investment portfolio.
- ▶ Brokerage in Lending and Borrowing Operations.
- ▶ Subscription agent.
- ▶ Providing loans for third parties with duly observing the ethics of financial solvency in granting such loans and at the same time preserving the continuity of the company’s financial position soundness according to the conditions, rules, and limitations set forth by the Central Bank of Kuwait.
- ▶ Dealing and trading in foreign currency market and precious metals market inside Kuwait and abroad for the interest of the Company or its clients.
- ▶ Purchase and sale of securities of local and international companies and governmental authorities for the interest of the Company or its clients.
- ▶ Manager of investment pooling.
- ▶ Ownership of properties and movables necessary for achieving its goals for the interest of the Company or its clients.
- ▶ Unregistered Broker of financial securities in the stock exchange market.
- ▶ Investment consultant.
- ▶ Custodian.
- ▶ Market maker.
- ▶ Financing export and import operations by direct financing or accepting transfers drawn on the Company for short terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared under the historical cost convention as modified to include the measurement at fair value of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties. The consolidated financial statements of the Group are presented in Kuwaiti Dinars (“KD”), which is the functional currency of the Company.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards (“IFRS”) with an amendment for measuring the expected credit loss (“ECL”) on credit facilities at the higher of ECL computed under IFRS 9 – ‘Financial Instruments’ in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures. This framework is hereinafter referred to as ‘IFRS Accounting Standards as adopted by CBK for use in the State of Kuwait’.

2.3 CHANGES IN MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the impact of each amendment is described below:

Lack of Exchangeability (Amendments to IAS 21) – 1 January 2025

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments did not have a material impact on the Group’s consolidated financial statements.

Several other amendments and interpretations apply for the first time in 2025, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements – 1 January 2027

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements* which are effective for reporting periods beginning on or after 1 January 2027. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On May 2024, the IASB issued *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments), which are effective from annual periods starting on or after 1 January 2026. The Amendments include:

- ▶ A clarification that a financial liability is derecognised on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognise 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 Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee;
- ▶ Rights arising from other contractual arrangements;
- ▶ The Group’s voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of consolidation (continued)

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries including Special Purpose Vehicles (“SPVs”) as at 31 December 2025. The material subsidiaries of the Group are:

<i>Entity name</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>% equity interest as at 31 December</i>	
			<i>2025</i>	<i>2024</i>
<i>Subsidiaries</i>				
Nawasi United Holding Company K.S.C. (Closed)	Holding Company	Kuwait	99.98%	99.98%
First Securities Brokerage Company K.S.C. (Closed) (“FSBC”)	Brokerage Services	Kuwait	93.23%	93.23%
KAMCO Investment Company DIFC Limited	Investment management	UAE	100.00%	100.00%
KAMCO Investment Company Saudi	Financial Services	KSA	100.00%	100.00%
Kuwait Private Equity Opportunities Fund (“KPEOF”) *	Fund	Kuwait	72.82%	72.82%
KAMCO Global Fund (“KGF”)	Fund	Bahrain	98.00%	96.85%
Al Jazi Money Market Fund*	Fund	Kuwait	50.86%	50.86%
KAMCO MENA Plus Fixed Income Fund OEIC Ltd. (“KMPFIF”)	Fund	UAE	53.54%	55.69%
<i>Held through Nawasi United Holding Company K.S.C. (Closed)</i>				
Al Tadamun United Holding Company K.S.C. (Closed)	Holding Company	Kuwait	99.53%	99.53%
<i>Held through FSBC</i>				
Global Investment House Company Limited - Jordan	Brokerage Services	Jordan	100.00%	100.00%
<i>Held through KAMCO Investment Company Saudi</i>				
Kamco Freestyle Saudi Equity Fund (Shariah)	Fund	KSA	95.18%	100.00%
Kamco SAR Murabaha Fund	Fund	KSA	74.16%	100.00%

* Under liquidation

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of consolidation (continued)

<i>Entity name</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>% equity interest as at 31 December</i>	
			<i>2025</i>	<i>2024</i>
<i>SPVs treated as subsidiaries</i>				
Kubbar United Real Estate Company (SPC)	Real Estate	Kuwait	100.00%	100.00%
Plans United Real Estate Company (SPC)	Real Estate	Kuwait	100.00%	100.00%
Buckeye Power Manager Limited	Investment management	Jersey	100.00%	100.00%
Buckeye Power Advisory Company LLC	Advisory Services	USA	47.83%	47.83%
KAMCO Capital Partners Ltd.	Investment management	Cayman Islands	100.00%	100.00%
KAMCO Capital Management Ltd.	Investment management	Cayman Islands	100.00%	100.00%
HP Plaza Investor Inc.	Investment management	USA	100.00%	100.00%
Centerstone Investor Inc.	Investment management	USA	100.00%	100.00%
Lawson Lane Investor Inc.	Investment management	USA	100.00%	100.00%
Martley Holdings GP Limited	Investment management	Jersey	100.00%	100.00%
Martley Finance GP Limited	Investment management	Jersey	100.00%	100.00%
Kamco Investment Advisor Limited	Investment management	Jersey	100.00%	100.00%
1925 Investor Inc.	Investment management	USA	100.00%	100.00%
American Boulevard Investor, Inc	Investment management	USA	100.00%	100.00%
Kamco Investment Company Ltd - UK	Investment management	UK	100.00%	100.00%
GCC Tech Invest Limited	Investment management	Jersey	100.00%	100.00%
Kamco European Logistics Company SARL ("KELC")	Investment management	Luxembourg	100.00%	100.00%
Solar Growth Capital Limited	Investment management	Jersey	100.00%	-
<i>Held through HP Plaza Investor Inc.</i>				
HP Plaza Advisor LLC	Advisory Services	USA	50.00%	50.00%
<i>Held through Centerstone Investor Inc</i>				
Centerstone Advisor LLC	Advisory Services	USA	50.00%	50.00%
<i>Held through KELC</i>				
EGLS Holdings, s.r.o.	Investment management	Czechia	60.00%	-
<i>Held through EGLS Holdings, s.r.o.</i>				
EGLS, s.r.o.	Real Estate	Czechia	100.00%	-
European Green Logistics Space Limited	Real Estate	UK	100.00%	-
European Green Logistics Space Germany GmbH	Real Estate	Germany	100.00%	-
European Green Logistics Space Poland Sp z o.o	Real Estate	Poland	100.00%	-
European Green Logistics Space France	Real Estate	France	100.00%	-
European Green Logistics Space Spain, S.L.	Real Estate	Spain	100.00%	-
EGLS CZ Project Co 1 s.r.o	Real Estate	Czechia	100.00%	-
EGLS CZ Project Co 2 s.r.o	Real Estate	Czechia	100.00%	-

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

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.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions in IAS 37 Provisions, Contingent Liabilities and Contingent Assets or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

3.3 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Investment in associates (continued)

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of income and is disclosed under 'Share of results of associates'.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as impairment loss on associates in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained 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 retained investment and proceeds from disposal is recognised in consolidated statement of income.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Receivables are measured at the transaction price.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in investment income. In those cases where fair value is based on models for which some inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the consolidated statement of income when the inputs become observable, or when the instrument is derecognised.

Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- ▶ Amortised cost
- ▶ Fair value through other comprehensive income (FVOCI)
- ▶ Fair value through profit or loss (FVPL)

Financial liabilities, other than commitments and guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

The Group determines the classification of financial assets based on the business model it uses to manage the financial assets and the contractual cash flow characteristics of the financial assets.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Financial instruments at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- ▶ 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.

The details of these conditions are outlined below.

Loans payable, bonds and other liabilities are classified as financial instruments at amortised cost.

Financial instruments categorized at amortised cost are subsequently measured at amortised cost and are subject to impairment. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest method (EIR). Gains and losses are recognised in consolidated statement of income when the asset is derecognised, modified or impaired.

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 objective. 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 FVPL. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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 amortisation 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. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

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

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.

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

Debt instruments at FVOCI

The Group classifies debt instruments at FVOCI if it meets both of the following conditions:

- ▶ The contractual terms of the financial asset meet the SPPI test.
- ▶ The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

Debt instrument classified as FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (“OCI”). Interest income and foreign exchange gains and losses are recognised in consolidated statement of income. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to the consolidated statement of income.

Equity instruments at FVOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognised in other comprehensive income and presented in the cumulative changes in fair values as part of equity. Cumulative gains and losses previously recognised in other comprehensive income are transferred to retained earnings on derecognition and are not recognised in the consolidated statement of income.

Dividends are recognised in consolidated statement of income 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 investments at FVOCI are not subject to impairment assessment.

Equity instruments at FVPL

The Group classifies equity instruments at fair value through profit and loss when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the consolidated statement of financial position at fair value. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair values, interest income and dividends are recorded in consolidated statement of income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are certain equity securities and funds.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and deposits.

Cash and cash equivalents in the consolidated statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less net of bank overdrafts.

Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition except under circumstances in which the Group acquires, disposes of, or terminates a business line.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCL. When assessing whether or not to derecognize a loan to a customer, amongst others, the Group considers the following factors:

- ▶ Change in currency of the loan
- ▶ Introduction of an equity feature
- ▶ Change in counterparty
- ▶ If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, 10%. For financial assets, this assessment is based on qualitative factors.

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Group has transferred the financial asset if, and only if, either:

- ▶ The Group has transferred its contractual rights to receive cash flows from the financial asset; Or
- ▶ It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- ▶ The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ▶ The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- ▶ The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- ▶ The Group has transferred substantially all the risks and rewards of the asset; or
- ▶ The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Derecognition of financial assets and liabilities (continued)

Financial assets (continued)

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include due to bank and other liabilities.

The Group has determined the classification and measurement of its financial liabilities as follows:

Loans and bonds

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method.

Other liabilities

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition of financial liabilities

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

Offsetting of financial instruments

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 realize the assets and settle the liabilities simultaneously.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

A financial liability is derecognised 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 recognised in the consolidated statement of income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Impairment of financial assets

Overview of the ECL principles

The Group records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

For accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, 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 its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3 and POCL, as described below:

The Group applies three-stage approach to measuring ECL on loans and advances. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

▶ Stage 1: 12 months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognised.

▶ Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

▶ Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. As this uses the same criteria as under IAS 39, the Groups methodology for specific provisions remains largely unchanged.

Determining the stage of Expected Credit Loss

At each reporting date, the Group assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date with the risk of default at the date of initial recognition. All financial assets that are 30 days past due are deemed to have significant increase in credit risk since initial recognition and migrated to stage 2 even if other criteria do not indicate a significant increase in credit risk.

At each reporting date, the Group also assesses whether a financial asset or group of financial assets is credit impaired. The Group considers a financial asset to be credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred or when contractual payments are 90 days past due. All credit impaired financial assets are classified as stage 3 for ECL measurement purposes.

Measurement of ECLs

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 Group considers a financial asset in default when contractual payment are 90 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 before taking into account any credit enhancements held by the Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Impairment of financial assets (continued)

Measurement of ECLs (continued)

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

However, in certain cases, the management 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.

Provisions for credit losses in accordance with CBK instructions

The Group is required to calculate provisions for credit losses on credit facilities in accordance with the instructions of CBK on the classification of credit facilities and calculation of provisions. Credit facilities are classified as past due when a payment has not been received on its contractual payment date or if the facility is in excess of pre-approved limits. A credit facility is classified as past due and impaired when the interest or a principal instalment is past due for more than 90 days and if the carrying amount of the facility is greater than its estimated recoverable value. Past due but not impaired and past due and impaired loans are managed and monitored as irregular facilities and are classified into the following four categories which are then used to determine the provisions.

Category	Criteria	Specific provisions
▶ Watch list	Irregular for a period of up to 90 days	-
▶ Substandard	Irregular for a period of 91- 180 days	20%
▶ Doubtful	Irregular for a period of 181- 365 days	50%
▶ Bad	Irregular for a period exceeding 365 days	100%

The Group may also include a credit facility in one of the above categories based on management's judgement of a customer's financial and/or non-financial circumstances.

In addition to specific provisions, minimum general provisions of 1% on cash facilities and 0.5% on non-cash facilities are made on all applicable credit facilities (net of certain restricted categories of collateral) which are not subject to specific provisioning.

3.5 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.6 Fair value measurement

The Group measures financial instruments such as, financial assets at fair value through profit or loss and certain financial assets at fair value through other comprehensive income, at fair value at each balance sheet 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.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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.

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Fair value measurement (continued)

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes.

For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

For assets and liabilities that are recognised 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.7 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, all investment properties are carried at fair value that is determined based on valuations performed by independent valuers at the end of each year using valuation methods consistent with the market conditions at the reporting date. Gains or losses from change in the fair value are recognised in the consolidated statement of income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of income in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. Transfer from properties under development are made upon completion of the work and the property being ready for its intended use at carrying value and subsequently fair valued at reporting date.

3.8 Property and equipment

Property and equipment including capital work in progress are stated at cost, net of depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Depreciation is provided on all property and equipment, except land and capital work in progress, at rates calculated to write off the cost of each asset on a straight-line basis to their residual values over its expected useful life which is between 3 to 5 years for all property and equipment except for certain building fixtures and fittings which are depreciated over expected useful life of 10 years and building civil structure which is depreciated over its expected useful life of 20 years.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation of these assets commences when the assets are ready for their intended use.

3.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite.

▶ Licenses	Indefinite
▶ Customer relationships	10 years
▶ Software	3-4 years

Intangible assets with finite lives are amortised to their residual values over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income within other expenses. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently if events or change in circumstances indicate the carrying value may be impaired, either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognised.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable, and reliably measurable.

3.11 End of service indemnity

The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period in accordance with relevant labor law and the employees' contracts. The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of involuntary termination on the reporting date.

In addition, with respect to its Kuwaiti national employees, the Group makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. These contributions are expensed when due.

3.12 Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to KD at rates of exchange prevailing on that date. Any resultant gains or losses are recognised in the consolidated statement of income.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to KD at the foreign exchange rates prevailing at the dates that the values were determined. In case of non-monetary assets whose change in fair values are recognised directly through other comprehensive income, foreign exchange differences are recognised directly in other comprehensive income and for non-monetary assets whose change in fair value are recognised in the consolidated statement of income are recognised in the consolidated statement of income.

Assets (including goodwill) and liabilities, both monetary and non-monetary, of foreign operations are translated at the exchange rates prevailing at the reporting date. Operating results of such operations are translated at average exchange rates for the year. The resulting exchange differences are accumulated in other comprehensive income (foreign currency translation reserve) until the disposal of the foreign operation. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.13 Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Fee and commission income

The Group earns fee and commission income from diverse range of asset management, investment banking, custody, advisory and brokerage services provided to its customers. Fee income can be divided into the following categories:

a. Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include management fees on asset management activities, custody fees and recurring retainer and advisory fees.

b. Fee income from providing transaction services

Fees arising for rendering specific advisory services, brokerage services, placement fees, equity and debt placement transactions for a third party or arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Incentive fees is recognised when crystallized or are no longer subject to claw back

c. Dividend income

Dividend income is recognised when the right to receive payment is established.

d. Rental income

The Group is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms.

e. Interest income

Interest and similar income are considered as an integral part of the effective interest of a loan receivable and is recognised using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

3.14 Taxation

Kuwait Foundation for the Advancement of Sciences (KFAS)

The Company calculates the contribution to KFAS at 1% of the profit for the year attributable to the Company in accordance with the modified calculation based on the Foundation's Board of Directors resolution, which states that the income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

National Labor Support Tax (NLST) and Zakat

National Labor Support Tax and Zakat was provided for in accordance with the applicable fiscal laws, rules and regulations. Consequent to the implementation of DMTT in the State of Kuwait, the Group is not liable to National Labor Support Tax and Zakat effective from 1 January 2025.

Domestic Minimum Top-up Tax (DMTT)

Income taxes arising from tax law enacted by the State of Kuwait (Law No. 157 of 2024) for implementation of DMTT on entities which are part of multinational group with annual revenues of EUR 750 million or more are provided for in accordance with the Executive regulations issued through Ministerial Resolution No. 55 of 2025. Refer Note 27 for further information.

Taxation on overseas subsidiaries

Taxation on overseas subsidiaries is calculated on the basis of the tax rates applicable and prescribed according to the prevailing laws, regulations and instructions of the countries where these subsidiaries operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.15 Contingencies

Contingent liabilities are not recognised in the consolidated statement of financial position but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated statement of financial position but are disclosed when an inflow of economic benefits is probable.

3.16 Segment information

A segment is a distinguishable component of the Group that engages in business activities from which it earns revenues and incurs costs. The operating segments are used by the management of the Group to allocate resources and assess performance is consistent with the internal reports provided to the chief operation decision maker. Operating segments exhibiting similar economic characteristics, product and services, class of customers where appropriate are aggregated and reported as reportable segments.

3.17 Fiduciary assets

Assets and related deposits held in trust or in a fiduciary capacity are not treated as assets or liabilities of the Group and accordingly are not included in the consolidated statement of financial position.

3.18 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognizes in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4 SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the amount of the asset or liability reported in future periods.

4.1 Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of financial assets

The Group determines the classification of financial assets based on the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Control assessment

When determining control, management considers whether the Group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgment.

Classification of real estate property

Management decides on acquisition of real estate whether it should be classified as trading or investment property.

The Group classifies property as trading if it is acquired principally for sale in the ordinary course of business.

The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation, or for undetermined future use.

4 SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1 Significant judgements (continued)

Structured entities

The Group uses judgment in determining which entities are structured entities. If voting or similar rights are not the dominant factor in deciding who controls the entity and such voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements, the Group identifies such entities as structured entities. After determining whether an entity is a structured entity, the Group determines whether it needs to consolidate this entity based on the consolidation principles of IFRS 10. The management of the Group has determined that it does not have any such structured entities that requires consolidation. The management has determined that the Investment Funds managed by the Company on fiduciary basis are not structured entities considering voting and similar right available to the unit holders of the Investment Fund. The Company's interest in these Investment Funds (if any) are classified as financial assets at fair value through profit or loss.

The Company is the major shareholder of certain entities either for the Company's investment banking mandates or for the Company's assets management activities. The Company has no material direct beneficial interest in these entities and accordingly they are not consolidated into the Group's consolidated financial statements. Further, the Company has not directly earned any revenue from these entities or transferred any assets to these entities during the year.

4.2 Estimation uncertainty and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of associates

Investment in associates are accounted for under the equity method of accounting for associates, whereby these investments are initially stated at cost, and are adjusted thereafter for the post-acquisition change in the Group's share of the net assets of the associates less any impairment losses. The Group is required to assess at each reporting date, whether there are indications of impairment. If such indications exist, the management estimates the recoverable amount of the associate in order to determine the extent of the impairment loss (if any). The identification of impairment indicators and determination of the recoverable amounts require management to make significant judgements, estimates and assumptions.

Impairment of intangible assets

The Group determines whether intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of financial assets at amortised cost – loans and advances

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. For accounts receivable and contract assets, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Actual results may differ from these estimates.

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

- ▶ Recent arm's length market transactions;
- ▶ Price to book value or earnings model;
- ▶ The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- ▶ Other valuation models.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

4 SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Estimation uncertainty and assumptions (continued)

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability.

5 CASH AND CASH EQUIVALENTS

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Cash at banks and on hand	18,925,966	23,483,183
Deposits with banks	11,975,559	8,169,096
Cash and cash equivalents	30,901,525	31,652,279
Less: restricted bank balances*	(1,970,033)	(949,539)
Less: term deposits with original maturity of more than three months	(5,494,859)	(1,434,311)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	23,436,633	29,268,429

* Represents balances restricted in banks for the ordinary course of business based on the requirement of relevant authorities. This amount is restricted for use by the authorities to fulfill the Group's obligations against the short fall in the trading activities.

Deposits with banks carry an average effective interest rate with a range from 3.60% to 6.00% (2024: 3.87% to 6.25%) per annum.

6 LOANS AND ADVANCES

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Gross amount	4,195,426	4,190,205
Less: Provision for expected credit losses	(2,398,756)	(2,428,495)
	1,796,670	1,761,710

Loans are granted to GCC companies and individuals and are secured against investments in the funds and securities held in fiduciary portfolios by the Group on behalf of the borrowers.

The movement in the provision for expected credit losses relating to loans and advances during the year is as follows:

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
As at 1 January	2,428,495	2,451,586
Charge for the year	1,983	28,433
Reversals *	(31,722)	(51,524)
As at 31 December	2,398,756	2,428,495

* Includes an amount of KD 12,680 (2024: KD 5,552) reversed, as a result of settlement agreement with borrowers.

The ECL determined under IFRS 9, as adopted by CBK for financing receivables as of 31 December 2025 is KD 2,348 thousand (2024: KD 2,385 thousand) which is lower than provision for credit losses calculated in accordance with CBK instructions.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

7 INVESTMENT IN ASSOCIATES

Set out below are the associates of the Group as at 31 December 2025. The entities listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group. The country of incorporation is also the principal place of business of each entity, and the proportion of ownership interest is the same as the proportion of voting rights held.

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective interest as at 31 December</i>		<i>2025 KD</i>	<i>2024 KD</i>
			<i>2025</i>	<i>2024</i>		
Manafae Holding Company K.S.C. (Closed)	Kuwait	Investment	32.77%	33.74%	2,928,884	3,078,947
United Capital Transport Company K.S.C. (Closed)	Kuwait	Services	39.80%	39.80%	514,548	546,140
KAMCO Real Estate Yield Fund ("KREYF")	Kuwait	Real Estate	35.77%	35.77%	1,690,647	1,743,139
NS 88 W.L.L.	Bahrain	Real Estate	30.00%	30.00%	4,700,515	4,769,354
KAMCO Investment Fund ("KIF")	Kuwait	Fund	44.40%	44.11%	16,431,749	13,612,245
Adhari Park Development Company B.S.C. (Closed)	Bahrain	Financial Services	-	20.00%	-	-
					26,266,343	23,749,825
					<i>2025 KD</i>	<i>2024 KD</i>
As at 1 January					23,749,825	22,432,557
Share of results					2,784,468	1,722,405
Share of other comprehensive income					(2,918)	(8,575)
Additions					-	16,457,138
Disposals					(119,689)	(17,280,978)
Distributions received					(71,514)	(382,298)
Foreign currency translation adjustment					(73,829)	(3,601)
Net transfers					-	813,177
As at 31 December					26,266,343	23,749,825

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

7 INVESTMENT IN ASSOCIATES (continued)

Summarised financial information for associates

The following table illustrates the summarised financial information of the associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts.

	<i>KAMCO Investment Fund</i>		<i>Manafae Holding Company K.S.C. (Closed)</i>		<i>NS 88 W.L.L.</i>		<i>Individually immaterial associates</i>		<i>Total</i>	
	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>
Current assets	37,117,063	31,099,600	1,565,667	1,078,463	-	-	541,372	573,513	39,224,102	32,751,576
Non-current assets	-	-	7,422,423	7,977,090	15,681,367	15,906,843	5,671,611	5,826,067	28,775,401	29,710,000
Current liabilities	110,029	238,130	50,869	27,434	56,052	52,063	194,265	154,747	411,215	472,374
Equity	37,007,034	30,861,470	8,937,221	9,028,119	15,625,315	15,854,780	6,018,718	6,244,833	67,588,288	61,989,202
Group's carrying amount of the investment	16,431,749	13,612,245	2,928,884	3,078,947	4,700,515	4,769,354	2,205,195	2,289,279	26,266,343	23,749,825
Revenue	7,051,621	4,510,559	(10,049)	33,270	(86,078)	(15,351)	184,182	207,720	7,139,676	4,736,198
Profit (loss) for the year	6,364,918	3,885,087	(18,440)	25,552	(90,524)	(21,142)	14,952	36,458	6,270,906	3,925,955
Distributions received from associates	-	-	-	-	-	-	71,514	382,298	71,514	382,298
Group's share of results for the year	2,819,504	1,705,996	(6,044)	8,374	(27,201)	(6,340)	(1,791)	14,375	2,784,468	1,722,405

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

8 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Financial assets		
Accounts receivable	6,976,155	8,337,222
Due from portfolio clients	1,976,325	1,517,163
Accrued income	4,851,193	3,658,725
Other receivables	4,538,482	2,768,412
Refundable deposits	834,516	762,688
Less: Provision for expected credit losses	(5,335,579)	(5,310,984)
	13,841,092	11,733,226
Non-financial assets		
Prepayments and advances	378,037	328,466
	14,219,129	12,061,692

Movement in the provision for expected credit losses of accounts receivable and other assets was as follows:

	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
As at 1 January	5,310,984	4,711,862
Net charge for the year	108,338	616,385
Write offs	(47,515)	(26,367)
Exchange differences	(36,228)	9,104
As at 31 December	5,335,579	5,310,984

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

9 PROPERTY AND EQUIPMENT

	<i>Freehold land KD</i>	<i>Building KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment, computers & vehicles KD</i>	<i>Capital work in progress KD</i>	<i>Right-of-use asset (Leased building) KD</i>	<i>Total KD</i>
Cost:							
At 1 January 2024	372,162	465,824	4,570,597	4,484,512	117,569	410,826	10,421,490
Additions	-	-	118,120	44,536	125,457	648,956	937,069
Disposal	-	-	(253,649)	(63,580)	-	-	(317,229)
Transfers	-	-	67,136	91,109	(158,245)	-	-
Exchange differences	1,404	2,691	7,620	796	-	1,808	14,319
At 31 December 2024	373,566	468,515	4,509,824	4,557,373	84,781	1,061,590	11,055,649
Additions	-	-	532,793	53,440	295,721	-	881,954
Disposals	-	-	(11,072)	-	-	-	(11,072)
Transfers	-	-	317,611	1,725	(319,336)	-	-
Exchange differences	(2,672)	(5,121)	(15,008)	(1,350)	-	(9,303)	(33,454)
At 31 December 2025	370,894	463,394	5,334,148	4,611,188	61,166	1,052,287	11,893,077
Depreciation:							
At 1 January 2024	-	160,209	4,263,022	4,410,882	-	125,377	8,959,490
Charge for the year	-	4,682	68,444	67,478	-	164,958	305,562
Relating to disposals	-	-	(253,649)	(63,580)	-	-	(317,229)
Exchange differences	-	926	7,570	724	-	908	10,128
At 31 December 2024	-	165,817	4,085,387	4,415,504	-	291,243	8,957,951
Charge for the year	-	3,884	172,865	75,153	-	207,154	459,056
Relating to disposals	-	-	(11,072)	-	-	-	(11,072)
Exchange differences	-	(1,804)	(14,947)	(1,268)	-	(3,215)	(21,234)
At 31 December 2025	-	167,897	4,232,233	4,489,389	-	495,182	9,384,701
Net book value:							
At 31 December 2024	373,566	302,698	424,437	141,869	84,781	770,347	2,097,698
At 31 December 2025	370,894	295,497	1,101,915	121,799	61,166	557,105	2,508,376

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

10 INTANGIBLE ASSETS

	<i>Customer relationships</i> <i>KD</i>	<i>License</i> <i>KD</i>	<i>Software</i> <i>KD</i>	<i>Work in progress</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Cost:					
At 1 January 2024	3,424,000	1,100,000	667,190	282,493	5,473,683
Additions	-	-	34,165	95,405	129,570
Transfers	-	-	321,106	(321,106)	-
Exchange differences	-	-	392	-	392
At 31 December 2024	3,424,000	1,100,000	1,022,853	56,792	5,603,645
Additions	-	-	106,104	361,375	467,479
Transfers	-	-	72,638	(72,638)	-
Exchange differences	-	-	(745)	-	(745)
At 31 December 2025	3,424,000	1,100,000	1,200,850	345,529	6,070,379
Amortisation:					
At 1 January 2024	1,826,133	-	363,083	-	2,189,216
Charge for the year	342,400	-	267,871	-	610,271
Exchange differences	-	-	310	-	310
At 31 December 2024	2,168,533	-	631,264	-	2,799,797
Charge for the year	342,400	-	258,161	-	600,561
Exchange differences	-	-	(659)	-	(659)
At 31 December 2025	2,510,933	-	888,766	-	3,399,699
Net book value:					
At 31 December 2024	1,255,467	1,100,000	391,589	56,792	2,803,848
At 31 December 2025	913,067	1,100,000	312,084	345,529	2,670,680

Customer relationships represent intangible assets with finite life and is amortised on a straight-line basis over its useful life of 10 years.

License represents brokerage license with indefinite useful life and is annually tested for impairment by estimating the recoverable amount of the CGU using value-in-use calculations.

The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets and assuming an average annual growth rate of 5.61% (2024: 10.81%). The weighted average cost of capital applied to cash flow projections is 10.92% (2024: 10.12%) and cash flows beyond the 5-year period are extrapolated using a growth rate of 2% (2024: 2%). As a result of the exercise, management has concluded that no impairment provision is considered necessary in the consolidated statement of income.

Key assumptions used in value in use calculations

The calculation of value in use is sensitive to the following assumptions:

- ▶ Discount rates
- ▶ Market share during the forecast period
- ▶ Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”); and
- ▶ Long-term growth rate (terminal value) used to extrapolate cash flows beyond the forecast period

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the cash generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

11 TERM LOANS

	2025	2024
	KD	KD
Current	8,100,000	6,400,000
Non-current	40,000,000	40,000,000
	48,100,000	46,400,000

The Group has the following principal bank loans, which are unsecured:

- ▶ Revolving term loan of KD 4,200,000 (2024: nil), denominated in Kuwaiti Dinar, carries interest at 4.75% (2024: nil) per annum, which will be rolled over on an annual basis.
- ▶ Revolving term loan of KD 3,900,000 (2024: KD 1,400,000), denominated in Kuwaiti Dinar, carries interest at 4.75% (2024: 5.25%) per annum, which will be rolled over on an annual basis.
- ▶ Term loan of KD 20,000,000 (2024: KD 20,000,000) denominated in Kuwaiti Dinar, carries interest at 5.00% (2024: 5.50%) per annum. The term loan is scheduled to mature on 31 December 2028.
- ▶ Term loan of KD 20,000,000 (2024: nil) denominated in Kuwaiti Dinar, carries interest at 4.50% (2024: nil) per annum. The term loan is scheduled to mature on 31 December 2030.
- ▶ Term loans of KD 20,000,000 and KD 5,000,000 denominated in Kuwaiti Dinar availed in prior years, which carried interest at 5.50% per annum were settled during the year.

During the year, the Group did not breach any of its financial covenants, nor did it default on any other obligations under its loan agreements.

Information about the Group's exposure to liquidity risk and interest rate risk is included in Notes 25.2 and 25.3.

Changes in liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	<i>Borrowings</i>		<i>Leases</i>	
	2025	2024	2025	2024
	KD	KD	KD	KD
As at 1 January	46,400,000	48,750,000	837,253	296,911
New lease	-	-	-	648,956
<i>Financing cash flows:</i>				
- Proceeds	84,900,000	116,400,000	-	-
- Repayments	(83,200,000)	(118,750,000)	(260,756)	(143,702)
Accretion of interest	-	-	34,762	33,735
Foreign exchange	-	-	(7,448)	1,353
As at 31 December	48,100,000	46,400,000	603,811	837,253

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

12 OTHER LIABILITIES

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Employees' end of service benefits	7,988,735	7,653,919
Accrued expenses	4,402,931	3,668,175
Deferred income	41,070	47,193
Lease liabilities	603,811	837,253
KFAS payable	84,625	42,088
Other payables	6,270,898	5,887,232
	19,392,070	18,135,860

The Group applies its weighted average incremental borrowing rate of 4.15% to 5.5% (2024: 4.15% to 5.5%) to discount its lease liabilities.

13 EQUITY

13.1 Share capital

The authorized, issued and fully paid share capital comprises of 342,332,633 shares (2024: 342,332,633 shares) of 100 fils per share (2024: 100 fils per share). This consists of 237,448,325 shares (2024: 237,448,325 shares) which are fully paid up, and 104,884,308 shares (2024: 104,884,308 shares) arising from share swap due to the merger of the Group in 2019.

13.2 Share premium

Share premium represents the excess of consideration received over the nominal value of shares issued by the Company.

Share premium forms part of shareholders' equity and is not available for distribution, except as permitted by law, and may only be utilised for purposes permitted by law and subject to the required shareholder and regulatory approvals.

13.3 Statutory reserve

In accordance with the Companies' Law, and the Company's Memorandum of Incorporation and Articles of Association, a minimum of 10% of the profit for the year attributable to equity holders of the Company before contribution to KFAS and Directors' remuneration shall be transferred to the statutory reserve. The AGM of the Company may resolve to discontinue such transfers when the reserve exceeds 50% of the issued share capital. The reserve may only be used to offset losses or enable the payment of a dividend up to 5% of paid-up share capital in years when profit is not sufficient for the payment of such dividends due to an absence of distributable reserves. Any amount deducted from the reserve shall be refunded when the profits in the following years suffice, unless such a reserve exceeds 50% of the issued share capital.

13.4 Voluntary reserve

In accordance with the Companies' Law, and the Company's Memorandum of Incorporation and Articles of Association, a maximum of 10% of the profit for the year attributable to equity holders of the Company before contribution to KFAS and Directors' remuneration is required to be transferred to the voluntary reserve. Such annual transfers may be discontinued by a resolution of the shareholders' general assembly upon a recommendation by the Board of Directors. There are no restrictions on the distribution of this reserve.

13.5 Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of freehold land and building. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

13.6 Fair value reserve

Changes in the fair value and exchange differences arising on translation of investments that are classified as financial assets at fair value through other comprehensive income (e.g. equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are not reclassified to the profit or loss when the associated assets are sold or impaired.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

13 EQUITY (continued)

13.7 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

13.8 Distributions made and proposed

The Board of Directors proposed to distribute cash dividends of **10** fils per share for the year ended 31 December 2025 (2024: 5 fils per share). This proposal is subject to the approval of Company's shareholders at the AGM.

On 27 April 2025, the Company's shareholders at the AGM approved the cash dividends of 5 fils per share for the year ended 31 December 2024 (2023: 5 fils per share) aggregating to KD 1,711,663 (2023: KD 1,711,663). The dividend is payable to eligible shareholders at the record date (i.e. 18 May 2025).

14 FEE AND COMMISSION INCOME

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Management fees on assets under management	10,407,462	10,252,359
Incentive fees on assets under management	252,775	192,965
Placement fees/structuring fee/redemption fees – managed funds and other fees	2,917,193	1,952,531
Investment banking fees	1,272,666	1,810,793
Brokerage fees	2,912,907	1,838,017
Other fees	864,130	839,227
	18,627,133	16,885,892
Timing of revenue recognition		
Services transferred at a point in time	7,355,541	5,794,306
Services transferred over time	11,271,592	11,091,586
	18,627,133	16,885,892

15 NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Unrealised gain	3,035,991	1,164,154
Realised gain	1,185,172	1,079,406
	4,221,163	2,243,560

16 OTHER INCOME

- ▶ Other income for the year primarily includes KD 5 million received as a settlement related to a legal case that had been ongoing for several years. During the year, the Qatari courts issued a final and non-appealable judgment in favour of the Group.
- ▶ In the prior year, other income included KD 521 thousand arising from the derecognition of certain liabilities that were extinguished during the year and were no longer legally enforceable.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

17 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 <i>KD</i>	2024 <i>KD</i>
Staff costs	13,945,856	11,125,589
Depreciation expense (Note 9)	459,056	305,562
Amortisation expense (Note 10)	600,561	610,271
Expense related to short-term lease	712,184	653,457
Other general and administrative expenses	7,067,328	4,253,633
	<u>22,784,985</u>	<u>16,948,512</u>

18 BASIC AND DILUTED EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	2025	2024
Profit for the year attributable to the equity holders of the Company (KD)	<u>9,168,079</u>	<u>4,352,796</u>
Weighted average number of shares outstanding during the year (shares)	<u>342,332,633</u>	<u>342,332,633</u>
Basic and diluted EPS attributable to equity holders of the Company (Fils)	<u>26.78 fils</u>	<u>12.72 fils</u>

There have been no significant transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of these consolidated financial statements.

19 INVESTMENT IN SUBSIDIARIES

During the year, the Group's ownership interests in certain consolidated investment funds changed as a result of subscriptions and redemptions by other unit holders. These transactions did not result in a loss of control and were accounted for as equity transactions with non-controlling interests.

- ▶ The Group's effective ownership in KGF increased from 96.85% to 98% following redemptions by other unit holders, resulting in a decrease in non-controlling interests of KD 32,794.
- ▶ The Group's effective ownership in KMPFIF decreased from 55.69% to 53.54% following subscriptions by other unit holders, resulting in an increase in non-controlling interests of KD 152,950.
- ▶ The Group's effective ownership in Kamco SAR Murabaha Fund decreased from 100% to 74.16% following net subscriptions by other unit holders, resulting in an increase in non-controlling interests of KD 492,262.
- ▶ The Group's effective ownership in Kamco Freestyle Saudi Equity Fund (Shariah) decreased from 100% to 95.18% following net subscriptions by other unit holders, resulting in an increase in non-controlling interests of KD 40,370.

During the prior year, the major transactions were as follows:

- ▶ The Group's effective ownership in KGF increased from 61.32% to 96.85% following redemptions by other unit holders, resulting in a decrease in non-controlling interests of KD 1,465,940.
- ▶ The Group's effective ownership in KMPFIF increased from 53.75% to 55.69% following redemptions by other unit holders, resulting in a decrease in non-controlling interests of KD 132,116.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

20 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Commitments		
Commitments to invest in private equity funds	242,887	1,310,657
Contingent liabilities		
Irrevocable and unconditional bank guarantee	660,336	665,798

20.1 Commitments to invest in private equity funds

The Group has outstanding commitments to invest in various private equity funds, representing uncalled capital that may be called by the respective fund managers (general partners) at their discretion in accordance with the terms of the investment agreements.

20.2 Legal contingencies

The Group is involved in legal proceedings arising in the normal course of business, both as plaintiff and defendant. Based on legal advice, management believes that the outcome of these cases will not have a material impact on the consolidated financial statements.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

21 RELATED PARTY DISCLOSURES

Related parties represent the Parent Company / Ultimate Parent Company, associates, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. Balances and transactions with related parties are as follows:

	<i>Ultimate Parent Company KD</i>	<i>Parent Company KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>2025 KD</i>	<i>2024 KD</i>
Consolidated statement of financial position						
Cash and cash equivalents*	-	3,729,676	-	6,521,767	10,251,443	6,813,688
Financial assets at FVTPL	-	-	-	755,771	755,771	531,362
Financial assets at FVOCI	-	-	-	1,107,338	1,107,338	688,583
Accounts receivable and other assets*	255,960	250	183,746	1,423,668	1,863,624	949,261
Other liabilities	-	-	-	22,031	22,031	4,133
Term loans**	-	-	-	20,000,000	20,000,000	-
Consolidated statement of income						
Fee income	485,556	-	363,153	1,164,245	2,012,954	3,003,879
Dividend income	-	-	-	28,853	28,853	48,089
Interest income	-	4,581	-	34,944	39,525	22,841
Other income	-	-	-	10,386	10,386	45,970
General and administrative expenses	-	27	-	1,017,112	1,017,139	803,386
Finance costs	-	-	-	4,932	4,932	-

* Includes a balance of KD 695,136 and KD 1,068,143 held by a related party in their capacity as qualified broker under cash and cash equivalents and accounts receivable and other assets, respectively.

**The Group entered into new credit facilities with a related party totaling KD 87,000,000, of which term loan of KD 20,000,000 was drawn down at the reporting date.

Compensation of key management personnel

Key management personnel comprise of the personnel having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>2025 KD</i>	<i>2024 KD</i>
Short-term employee benefits	1,023,814	1,026,930
Termination benefits	122,388	122,760
	<u>1,146,202</u>	<u>1,149,690</u>

The Board of Directors of the Company have proposed a directors' remuneration amounting to KD 150,000 for the year ended 31 December 2025 (2024: KD 100,000). This proposal is subject to the approval of the shareholders at the AGM of the Company.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

22 SEGMENTAL INFORMATION

The Group is organized into four major business segments based on the internal reporting provided to the management. The Group does not have material inter-segment transactions. The principal activities and services under these segments are as follows:

- ▶ **Investment banking and Advisory** : Private placement of equities and debt, advising and managing listings, initial public offerings (IPOs), arranging conventional and Islamic debt, buy and sell side advisory, advising on strategy, privatization, mergers and reverse mergers and acquisitions and debt restructuring.
- ▶ **Asset management** : Asset management services cover both local and international markets and include securities trading, derivatives trading, discretionary and non-discretionary portfolio management, custody services, portfolio structuring and asset allocation advice, mutual funds and alternative instruments.
- ▶ **Brokerage** : Quoted and unquoted equity and debt instruments brokerage activities and margin financing
- ▶ **Strategic investments and corporate overheads** : Strategic investments include investments which are long-term in nature and are aligned with the Group's long-term strategy. Corporate overheads include all support services.

Management monitors operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segmental return on investments.

The following table presents information regarding the Group's operating segments:

31 December 2025

	<i>Investment banking and advisory KD</i>	<i>Asset management KD</i>	<i>Brokerage KD</i>	<i>Strategic investments and corporate overheads KD</i>	<i>Total KD</i>
Total revenue	1,257,556	20,927,985	3,065,924	8,467,062	33,718,527
Profit (loss) for the year	437,044	16,550,906	326,566	(9,265,063)	8,049,453
Total assets	25,000	70,736,493	16,496,399	52,268,808	139,526,700
Total liabilities	-	1,700,541	1,228,325	64,563,204	67,492,070
Other disclosures:					
Investment in associates	-	18,122,396	-	8,143,947	26,266,343
Share of results of associates	-	2,851,159	-	(66,691)	2,784,468

31 December 2024

Total revenue	1,769,009	16,522,021	2,252,414	4,842,543	25,385,987
Profit (loss) for the year	900,259	11,083,228	(273,339)	(7,307,328)	4,402,820
Total assets	25,000	61,611,716	15,493,373	52,698,701	129,828,790
Total liabilities	-	1,696,801	949,492	61,889,567	64,535,860
Other disclosures:					
Investment in associates	-	15,355,384	-	8,394,441	23,749,825
Share of results of associates	-	1,772,461	-	(50,056)	1,722,405

The Group's total assets include KD 18,894,101 (2024: KD 16,578,058) as non-current assets located outside Kuwait, which mainly include financial assets at fair value through other comprehensive income, investment in associates, investment properties, intangibles and property and equipment.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

23 FAIR VALUE MEASUREMENT

23.1 Financial instruments

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

The methodologies and assumptions used to determine fair values of financial instruments is described in the fair value section of material accounting policy information (Note 3).

Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value:

	<i>Level 1</i> <i>KD</i>	<i>Level 2</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
31 December 2025				
<i>Financial assets at FVPL:</i>				
▪ Quoted equities	4,433,064	-	-	4,433,064
▪ Quoted debt securities	3,900,422	-	-	3,900,422
▪ Unquoted equities	-	-	4,184,993	4,184,993
▪ Unquoted debt securities	-	-	262,880	262,880
▪ Managed funds	-	15,992,483	6,437,867	22,430,350
	<u>8,333,486</u>	<u>15,992,483</u>	<u>10,885,740</u>	<u>35,211,709</u>
<i>Financial assets at FVOCI:</i>				
▪ Quoted equities	622,596	-	-	622,596
▪ Unquoted equities	-	-	12,573,631	12,573,631
	<u>622,596</u>	<u>-</u>	<u>12,573,631</u>	<u>13,196,227</u>
31 December 2024				
<i>Financial assets at FVPL:</i>				
▪ Quoted equities	4,588,147	-	-	4,588,147
▪ Quoted debt securities	3,585,811	-	-	3,585,811
▪ Unquoted equities	-	-	4,797,622	4,797,622
▪ Unquoted debt securities	-	-	100,000	100,000
▪ Managed funds	-	12,490,317	6,824,232	19,314,549
	<u>8,173,958</u>	<u>12,490,317</u>	<u>11,721,854</u>	<u>32,386,129</u>
<i>Financial assets at FVOCI</i>				
▪ Quoted equities	257,434	-	-	257,434
▪ Unquoted equities	-	-	10,477,873	10,477,873
▪ Other securities	-	-	12,832	12,832
	<u>257,434</u>	<u>-</u>	<u>10,490,705</u>	<u>10,748,139</u>

There were no material transfers between any levels of the fair value hierarchy during 2025 or 2024.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

23 FAIR VALUE MEASUREMENT (continued)

23.1 Financial instruments (continued)

Fair value hierarchy (continued)

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<i>As at 1 January 2025 KD</i>	<i>Gain recorded in profit or loss KD</i>	<i>Purchase / transfers, settlements and sales (net) KD</i>	<i>Loss recorded in OCI KD</i>	<i>As at 31 December 2025 KD</i>
<i>Financial assets at FVPL:</i>					
▪ Unquoted equities	4,797,622	67,132	(679,761)	-	4,184,993
▪ Unquoted debt securities	100,000	-	162,880	-	262,880
▪ Managed funds	6,824,232	383,331	(769,696)	-	6,437,867
	<u>11,721,854</u>	<u>450,463</u>	<u>(1,286,577)</u>	<u>-</u>	<u>10,885,740</u>
<i>Financial assets at FVOCI:</i>					
▪ Unquoted equities	10,477,873	-	2,610,055	(514,297)	12,573,631
▪ Other securities	12,832	-	(10,000)	(2,832)	-
	<u>10,490,705</u>	<u>-</u>	<u>2,600,055</u>	<u>(517,129)</u>	<u>12,573,631</u>
	<i>As at 1 January 2024 KD</i>	<i>Gain recorded in profit or loss KD</i>	<i>Purchase / transfers, settlements and sales (net) KD</i>	<i>Gain/(loss) recorded in OCI KD</i>	<i>As at 31 December 2024 KD</i>
<i>Financial assets at FVPL:</i>					
▪ Unquoted equities	8,128,685	231,108	(3,562,171)	-	4,797,622
▪ Unquoted debt securities	100,000	-	-	-	100,000
▪ Managed funds	5,561,700	171,808	1,090,724	-	6,824,232
	<u>13,790,385</u>	<u>402,916</u>	<u>(2,471,447)</u>	<u>-</u>	<u>11,721,854</u>
<i>Financial assets at FVOCI:</i>					
▪ Unquoted equities	6,014,309	-	4,791,760	(328,196)	10,477,873
▪ Other securities	12,561	-	-	271	12,832
	<u>6,026,870</u>	<u>-</u>	<u>4,791,760</u>	<u>(327,925)</u>	<u>10,490,705</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

23 FAIR VALUE MEASUREMENT (continued)

23.1 Financial instruments (continued)

Description of significant unobservable inputs to valuation of financial assets:

Unquoted equity securities are valued based on book value and price to book multiple method, multiples using latest financial statements available of the investee entities and adjusted for lack of marketability discount in the range of 10% to 35% (2024: 15% to 30%). The Group has determined that market participants would take into account these discounts when pricing the investments. Funds and managed portfolio have been valued based on Net Asset Value (NAV) of the fund provided by the custodian of the fund or portfolio and certain managed funds were adjusted for lack of marketability discount by 15% to 20% (2024: 15% to 20%).

The impact on the consolidated statement of financial position or the consolidated statement of changes in equity would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

Sensitivity of the inputs

A change in the assumptions used for valuing the Level 3 financial instruments, by $\pm 5\%$ higher or lower liquidity and market discount could have resulted in increase or decrease in the results by KD 531,143 (2024: KD 581,093) and increase or decrease in other comprehensive income by KD 628,682 (2024: KD 524,535).

23.2 Non-financial assets

Non-financial assets carried at fair value comprise of investment properties. These are classified under level 3 fair value hierarchy.

	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
31 December 2025				
Investment properties	-	-	12,756,041	12,756,041
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2024				
Investment properties	-	-	12,567,470	12,567,470
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There were no material transfers between any levels of the fair value hierarchy during 2025 or 2024

Reconciliation of Level 3 fair values

	<i>2025 KD</i>	<i>2024 KD</i>
As at 1 January	12,567,470	12,313,527
Gain from fair value remeasurement	194,524	250,858
Foreign currency translation adjustment	(5,953)	3,085
As at 31 December	12,756,041	12,567,470

Valuation of investment properties

The fair value of investment properties is determined based on valuations performed by two independent and accredited valuers with recognised and relevant professional qualifications as well as recent experience of the location and category of investment properties being valued. The Group has selected the lower of these two valuations as required by the CMA. The fair values are determined using a mix of the income capitalization method and the market comparison approach considering the nature and usage of each property. The unit of comparison applied by the Group is the price per square meter ('sqm').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

23 FAIR VALUE MEASUREMENT (continued)

23.2 Non-financial assets (continued)

Description of significant unobservable inputs to valuation of non-financial assets:

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy are the yield rate (income capitalization approach) and price per sqm (market approach). Fair value using the income capitalization method is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization (discount) rate. Under the market comparison approach, fair value is estimated based on comparable transactions.

Sensitivity analysis

Significant increases (decreases) in estimated price per sqm per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

24 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below summarizes the maturity profile of the Group's assets and liabilities. The maturities of assets and liabilities have been determined according to when they are expected to be recovered or settled. The maturity profile for financial assets at fair value through profit or loss and investment in associates is based on management's estimate of liquidation of those financial assets.

The maturity profile of assets and liabilities is as follows:

31 December 2025	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>Sub-total KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Cash and cash equivalents	30,438,189	463,336	30,901,525	-	30,901,525
Loans and advances	1,268,697	140,200	1,408,897	387,773	1,796,670
Financial assets at FVPL	8,333,487	26,878,222	35,211,709	-	35,211,709
Financial assets at FVOCI	-	622,598	622,598	12,573,629	13,196,227
Investment in associates	-	-	-	26,266,343	26,266,343
Accounts receivable and other assets	-	14,219,129	14,219,129	-	14,219,129
Investment properties	-	-	-	12,756,041	12,756,041
Property and equipment	-	-	-	2,508,376	2,508,376
Intangible assets	-	-	-	2,670,680	2,670,680
TOTAL ASSETS	40,040,373	42,323,485	82,363,858	57,162,842	139,526,700
LIABILITIES					
Term loans	8,100,000	-	8,100,000	40,000,000	48,100,000
Other liabilities	51,234	11,044,390	11,095,624	8,296,446	19,392,070
TOTAL LIABILITIES	8,151,234	11,044,390	19,195,624	48,296,446	67,492,070

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

24 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>Sub-total KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
31 December 2024					
ASSETS					
Cash and cash equivalents	31,217,968	434,311	31,652,279	-	31,652,279
Loans and advances	1,275,428	130,387	1,405,815	355,895	1,761,710
Financial assets at FVPL	8,173,958	24,212,171	32,386,129	-	32,386,129
Financial assets at FVOCI	-	257,436	257,436	10,490,703	10,748,139
Investment in associates	-	-	-	23,749,825	23,749,825
Accounts receivable and other assets	-	12,061,692	12,061,692	-	12,061,692
Investment properties	-	-	-	12,567,470	12,567,470
Property and equipment	-	-	-	2,097,698	2,097,698
Intangible assets	-	-	-	2,803,848	2,803,848
TOTAL ASSETS	40,667,354	37,095,997	77,763,351	52,065,439	129,828,790
LIABILITIES					
Term loans	1,400,000	5,000,000	6,400,000	40,000,000	46,400,000
Other liabilities	5,437	9,873,925	9,879,362	8,256,498	18,135,860
TOTAL LIABILITIES	1,405,437	14,873,925	16,279,362	48,256,498	64,535,860

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into interest rate risk, currency risk and equity price risk. It is also subject to prepayment risk and operational risk. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

25.1 CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily loans and advances and other assets) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Gross maximum exposure to credit risk

The Group selectively provides credit facilities in form of short-term (maturity up to 12 months) loans and advances on a fully collateralized basis to its customers of the asset management and investment banking products. The credit sanction process typically involves customers' credit appraisal in accordance with the Group's credit policies. The Group's credit risk management associated with the lending activities is governed by the Group's credit policies. The Group's credit policies cover the customer eligibility criteria for credit, large exposure and concentration limits, eligible collateral, collateral valuation methodology, minimum collateralization requirement, credit quality monitoring processes and escalation and foreclosure processes in the event of default.

In accordance with the Group's credit policies all loans and advances with past due interest or principal obligations are considered as non-performing and are subject to specific provisions for credit losses on basis of amount of impairment determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.1 CREDIT RISK (continued)

Gross maximum exposure to credit risk (continued)

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances, and other assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Where financial instruments are recorded at fair value, it represents the current maximum credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

The table below shows the gross maximum exposure to credit risk across financial assets before taking into consideration the effect of credit risk mitigation.

	2025	2024
	KD	KD
Cash and cash equivalents (excluding cash in hand)	30,871,328	31,629,259
Loans and advances (Note 6)	1,796,670	1,761,710
Accounts receivable and other assets (excluding prepayments)	13,841,092	11,733,226
	<u>46,509,090</u>	<u>45,124,195</u>
Gross maximum credit risk exposure before consideration of credit risk mitigation	<u>46,509,090</u>	<u>45,124,195</u>

The exposures set out above are based on net carrying amounts as reported in the consolidated statement of financial position.

Risk concentration of maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group's gross maximum exposure to credit risk, before taking into account any collateral held or credit enhancements, can be analyzed by the geographical regions as follows:

	Kuwait	GCC and the	International	Total
	KD	rest of the	KD	KD
	KD	Middle East	KD	KD
	KD	KD	KD	KD
31 December 2025				
Cash and cash equivalents	19,840,083	10,348,570	682,675	30,871,328
Loans and advances	577,783	1,218,887	-	1,796,670
Accounts receivable and other assets	5,225,691	5,301,675	3,313,726	13,841,092
	<u>25,643,557</u>	<u>16,869,132</u>	<u>3,996,401</u>	<u>46,509,090</u>
31 December 2024				
Cash and cash equivalents	20,957,278	10,454,082	217,899	31,629,259
Loans and advances	532,365	1,229,345	-	1,761,710
Accounts receivable and other assets	3,236,398	6,520,814	1,976,014	11,733,226
	<u>24,726,041</u>	<u>18,204,241</u>	<u>2,193,913</u>	<u>45,124,195</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.1 CREDIT RISK (continued)

Risk concentration of maximum exposure to credit risk (continued)

The Group's gross maximum exposure to credit risk, before taking into account any collateral held or credit enhancements, can be analyzed by the following industry sectors as:

	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Banks and financial institutions	30,871,328	31,629,259
Others	15,637,762	13,494,936
	<u>46,509,090</u>	<u>45,124,195</u>

As at 31 December 2025, the maximum credit exposure to a single counterparty amounted to KD 6,523,986 (2024: KD 4,017,470).

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is limited because the counterparties are reputable financial institutions with appropriate credit-ratings assigned by international credit-rating agencies. Further, the principal amounts of deposits in local banks (including saving accounts and current accounts) are guaranteed by the Central Bank of Kuwait in accordance with Law No. 30 of 2008 Concerning Guarantee of Deposits at Local Banks in the State of Kuwait which came into effect on 3 November 2008.

Impairment on cash and cash equivalents and term deposits has been measured on a 12-month expected loss basis and reflects the short maturity of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and CBK guarantee of deposits placed with local banks.

Credit risk from lending activities

The Group selectively provides credit facilities in form of short-term (maturity up to 12 months) loans and advances on a fully collateralized basis to its customers of the asset management and investment banking products. The credit sanction process typically involves customers' credit appraisal in accordance with the Group's credit policies.

The Group's credit risk management associated with the lending activities is governed by the Group's credit policies. The Group's credit policies cover the customer eligibility criteria for credit, large exposure and concentration limits, eligible collateral, collateral valuation methodology, minimum collateralization requirement, credit quality monitoring processes and escalation and foreclosure processes in the event of default.

In accordance with the Group's credit policies all loans and advances with past due interest or principal obligations are considered as non-performing and are subject to specific provisions for credit losses on basis of amount of impairment determined.

Credit quality of financial assets that are neither past due nor impaired

In accordance with the Group's credit risk management policies all performing credits are graded as: high, medium or low grade. Credit exposures are classified as 'high grade' when the ultimate risk of financial loss from the obligor's failure to discharge its obligation is assessed to be extremely remote to low. Credit exposures are classified as 'medium grade' when the ultimate risk of financial loss from the obligor's failure to discharge its obligation is assessed to be moderate. Whereas the performing credit exposures when the ultimate risk of financial loss from the obligor's failure to discharge its obligation is assessed to be high are classified as "low grade". The Group does not have any low-grade financial assets at the reporting date. Non-performing credit exposures are graded as past due or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.1 CREDIT RISK (continued)

Analysis of past due but not impaired

The Group does not have any past due but not impaired financial assets as at 31 December 2025 and 31 December 2024.

An analysis of the gross carrying amounts of loans and advances and the corresponding ECL based on the staging criteria under IFRS 9 in accordance with the CBK guidelines is as follows:

	<i>Stage 1</i> <i>KD</i>	<i>Stage 2</i> <i>KD</i>	<i>Stage 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Gross carrying value				
As at 1 January 2025	1,777,603	-	2,412,602	4,190,205
Net movement during the year	35,010	-	(29,789)	5,221
As at 31 December 2025	<u>1,812,613</u>	<u>-</u>	<u>2,382,813</u>	<u>4,195,426</u>
As at 1 January 2024	4,799,541	-	2,409,530	7,209,071
Net movement during the year	(3,021,938)	-	3,072	(3,018,866)
As at 31 December 2024	<u>1,777,603</u>	<u>-</u>	<u>2,412,602</u>	<u>4,190,205</u>

The fair value of collateral that the Group holds relating to loans and advances as at 31 December 2025 amounts to KD 8,110,969 (2024: KD 7,722,407).

An analysis of changes in the ECL allowances in relation to loans and advances, is as follows:

	<i>Stage 1</i> <i>KD</i>	<i>Stage 2</i> <i>KD</i>	<i>Stage 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
ECL allowance				
Balance as at 1 January 2025	15,977	-	2,368,690	2,384,667
Net charge (reversal) in ECL during the year	49	-	(37,191)	(37,142)
As at 31 December 2025	<u>16,026</u>	<u>-</u>	<u>2,331,499</u>	<u>2,347,525</u>
Balance as at 1 January 2024	42,366	-	2,368,600	2,410,966
Net charge (reversal) in ECL during the year	(26,389)	-	90	(26,299)
As at 31 December 2024	<u>15,977</u>	<u>-</u>	<u>2,368,690</u>	<u>2,384,667</u>

25.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk is managed by the treasury department of the Group. To manage this risk, the Group periodically assesses the financial viability of customers and invests in bank deposits or other investments that are readily realizable. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

As at 31 December 2025, 16.8% of the Group's debt will mature in less than one year (2024: 13.8%) based on the carrying value of borrowings reflected in the consolidated statement of financial position. The management of the Group is currently considering steps to re-finance the short-term borrowings of the Group. These steps include creating liquidity by realizing cash from sale of assets, dividends from financial assets and re-structuring of short-term borrowings.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.2 LIQUIDITY RISK (continued)

The liquidity profile of financial liabilities reflects the projected cash flows which includes future interest payments over the life of these financial liabilities.

The table below summarizes the maturity profile of the Group's liabilities based on contractual undiscounted repayment obligations:

	<i>Within 1 month KD</i>	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>Over 1 Year KD</i>	<i>Total KD</i>
31 December 2025					
Term loans	-	8,623,800	1,431,507	45,605,206	55,660,513
Other liabilities	51,234	-	10,794,390	8,546,446	19,392,070
TOTAL LIABILITIES	51,234	8,623,800	12,225,897	54,151,652	75,052,583
	<i>Within 1 month KD</i>	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
31 December 2024					
Term loans	-	4,362,971	6,827,808	46,603,014	57,793,793
Other liabilities	5,437	-	9,873,925	8,256,498	18,135,860
TOTAL LIABILITIES	5,437	4,362,971	16,701,733	54,859,512	75,929,653

25.3 MARKET RISK

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, currency rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long- and short-term changes in fair value.

25.3.1 Interest rate risk

Interest rate risk is the risk that the fair value of all future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is managed by the treasury department of the Group.

The Group is exposed to interest rate risk on its variable interest-bearing assets (loans and advances) and liabilities (term loans), as a result of mismatches of interest rate repricing of assets and liabilities. It is the Group's policy to manage its interest cost using a mix of fixed and variable rate debts. The Group aims to keep a certain portion of its borrowings at variable rates of interest.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit based on floating rate financial assets and financial liabilities held at 31 December 2025 and 2024. There is no impact on equity.

The following table demonstrates the sensitivity of the consolidated statement of income, as a result of a change in interest rates, with all other variables held constant.

	<i>Change in basis points</i>	<i>Effect on profit KD</i>
31 December 2025	+25	(401,861)
	-25	401,861
31 December 2024	+25	(411,355)
	-25	411,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.3 MARKET RISK (continued)

25.3.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group incurs foreign currency risk on transactions denominated in a currency other than the KD. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Currency risk is managed by the treasury department of the Company on the basis of limits determined by the Company's Board of Directors and a continuous assessment of the Group's open positions and current and expected exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Group does not hedge foreign currency exposures.

The effect on profit due to change in the fair value of monetary assets and liabilities, as a result of change in currency rate by 5%, with all other variables held constant is shown below:

	<i>Effect on profit +/-</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
US Dollar	1,297,652	1,301,020
Saudi Riyal	208,843	212,468
Jordanian Dinar	273,007	320,924

25.3.3 Equity price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified as at FVOCI or FVPL. The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages this through diversification of investments in terms of geographical distribution and industry concentration. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The majority of the Group's quoted investments are listed on the Boursa Kuwait.

The Group's FVPL and FVOCI in different geographical regions and industry sectors are as follows:

Geographical distribution

	<i>Kuwait</i>	<i>GCC and the</i>	<i>International</i>	<i>Total</i>
	<i>KD</i>	<i>rest of the</i>	<i>KD</i>	<i>KD</i>
	<i>KD</i>	<i>Middle East</i>	<i>KD</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
31 December 2025				
Financial assets at fair value through profit or loss	<u>17,355,926</u>	<u>6,743,869</u>	<u>11,111,914</u>	<u>35,211,709</u>
Financial assets at fair value through other comprehensive income	<u>3,076,474</u>	<u>515,765</u>	<u>9,603,988</u>	<u>13,196,227</u>
31 December 2024				
Financial assets at fair value through profit or loss	<u>15,544,081</u>	<u>6,999,457</u>	<u>9,842,591</u>	<u>32,386,129</u>
Financial assets at fair value through other comprehensive income	<u>2,904,708</u>	<u>488,373</u>	<u>7,355,058</u>	<u>10,748,139</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

25.3 MARKET RISK (continued)

25.3.3 Equity price risk (continued)

Industry concentration

	<i>Trading and manufacturing KD</i>	<i>Banks and financial institutions KD</i>	<i>Construction and real estate KD</i>	<i>Others KD</i>	<i>Total KD</i>
31 December 2025					
Financial assets at fair value through profit or loss	-	26,495,616	3,458,719	5,257,374	35,211,709
Financial assets at fair value through other comprehensive income	1,793,883	179,180	10,410,094	813,070	13,196,227
31 December 2024					
Financial assets at fair value through profit or loss	-	21,461,308	4,008,141	6,916,680	32,386,129
Financial assets at fair value through other comprehensive income	1,888,654	170,652	7,934,607	754,226	10,748,139

The table below summarizes the impact of increases/decreases of the respective price indices in the relevant market on the Group's equity and profit for the year. The analysis is based on the assumption that the equity indexes had increased or decreased by 5% respectively, with all other variables held constant, and that all the Group's equity instruments moved in line with the indexes.

	<i>2025</i>		<i>2024</i>	
	<i>Effect on other comprehensive income KD</i>	<i>Effect on profit KD</i>	<i>Effect on other comprehensive income KD</i>	<i>Effect on profit KD</i>
Market indices	+/- 31,130	+/- 1,021,277	+/- 12,872	+/- 853,923

25.4 PREPAYMENT RISK

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected. The Group is not significantly exposed to prepayment risk.

25.5 OPERATIONAL RISK

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risk, the Group is able to manage these risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

26 CAPITAL MANAGEMENT

The primary objective of the Group's capital management policies is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

To maintain or adjust the capital structure, the Group may adjust dividend pay-out to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a leverage ratio, which is net debt divided by total capital of the Company. The Group includes within net debt, term loans and other liabilities, less cash and cash equivalents. Total capital represents equity attributable to the shareholders of the Company.

	2025 <i>KD</i>	2024 <i>KD</i>
Term loans	48,100,000	46,400,000
Other liabilities	19,392,070	18,135,860
Less: Cash and cash equivalents	<u>(30,901,525)</u>	<u>(31,652,279)</u>
	<u>36,590,545</u>	<u>32,883,581</u>
Equity attributable to the equity holders of the Company	<u>69,487,110</u>	<u>62,256,523</u>
Gearing ratio (%)	53%	53%

The adequacy of the Group's capital is monitored using, among measures details above, the rules and ratios established by the Capital Markets Authority in supervising the Company.

As of the reporting date, the Group is in compliance with minimum required regulatory capital adequacy ratio for the year ended 31 December 2025 and 31 December 2024 in accordance with provisions of Module seventeen (Capital Adequacy Regulations for Licensed Persons) of the Executive Bylaws of Law No. (7) of 2010 and their amendments thereto.

27 TAXATION

Pillar 2 Income Taxes

In 2021, OECD's Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) agreed to a two-pillar solution to address tax challenges arising from the digitalization of the economy. Under Pillar 2, multinational entities whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15%.

Currently the Group's revenue does not exceed EUR 750 million but may be exposed to the global minimum tax by virtue of the Ultimate Parent Company which is domiciled and operating in the State of Kuwait. On 31 December 2024, the State of Kuwait issued Law Number 157 of 2024 (the Law) introducing Domestic Minimum Top-up Tax (DMTT) effective from 1 January 2025 on entities which are part of Multi National Entities (MNE) Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate in each of the jurisdictions it operates in. The Law effectively replaces the existing National Labor Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

The Ultimate Parent Company is located in the State of the Kuwait and constitute as Ultimate Parent Entity (UPE) for the purpose of the DMTT law for the Group. The Ultimate Parent Company, as the Group Tax Function, is responsible for computing the Top-up Tax for each jurisdiction, leveraging its oversight and access to all entities across sub-groups and will be responsible for computation and allocation of the amounts to each sub-group for financial reporting purposes. In line with the above responsibility as UPE under the DMTT law, the Ultimate Parent Company has performed an estimated Top-Up Tax computation at Kuwait jurisdiction level, aggregating all the entities located in Kuwait. Based on the estimated calculation, the jurisdiction is in a Globe loss position, and accordingly, no top-up tax liability is expected to arise in Kuwait for the year 2025. Consequently, no DMTT liability is recorded in the consolidated financial statements of the Group. The Group applies the mandatory and temporary exception from recognizing and disclosing information on the associated deferred tax assets and liabilities as required by the amendments to IAS 12 'International Tax Reform Pillar Two Model Rules'.