



Annual Report
2025

KAMCO
INVEST





H.H. Sheikh
**Mishal Al-Ahmad
Al-Jaber Al-Sabah**

Amir of the State of Kuwait



H.H. Sheikh
**Sabah Al-Khalid
Al-Hamad Al-Sabah**

Crown Prince of the State of Kuwait

Contents

6	About Us
10	Board of Directors
12	Board of Directors' Report
14	Executive Management
18	Management Discussion and Analysis
22	Market Highlights
25	Corporate Governance Report
39	Financial Statements





Contacts

Al Shaheed Tower, Khalid Bin Al Waleed
Street, Sharq, Kuwait
P.O.Box 28873 Safat, 13149 Kuwait
Tel: +965 2233 6600
www.Kamcoinvest.com

Investor Relations

Investors seeking more information on Kamco
Invest may:

1. Visit our website www.Kamcoinvest.com
2. Call us on +965 2233 6766
3. Send an e-mail to:
investors@Kamcoinvest.com

ABOUT US



In 1998, Kamco Investment Company was established as the investment arm of Kuwait Projects Company (“KIPCO”), focusing on offering clients comprehensive access to local and international capital markets through a selection of asset management and financial services. In 2003, the investment Company got listed on Boursa Kuwait (formerly Kuwait Stock Exchange).

Driven by its prudent investment philosophy, innovative financial solutions, and latest market research tools, Kamco Invest rapidly gained recognition in the regional and international financial markets. During this phase in its journey, Kamco Invest overcame exciting challenges and achieved new accomplishments that helped pave the way towards its mission of becoming the preferred asset management and investment banking services provider in the region.

In 2008, unprecedented global economic and trading conditions resulted in a business world that was notoriously unpredictable. During this period, Kamco Invest responded to exceptionally unstable market conditions through strategies designed to protect its clients and the firm’s position, as well as create a foundation for future growth. Despite fluctuating market conditions, the Company maintained its strong position in a very volatile financial environment and emerged as one of the few investment companies to report an annual profit in 2008.

Since its inception, Kamco Invest has been dedicated towards enhancing and building upon its innovative investment strategy by widening its offering of quality investment products and full-fledged services. The Company focused on growing its portfolios and assets under management, while successfully concluding milestone transactions for key institutions in the region.

In 2016, Kamco Invest opened the doors to its first international office in Dubai International Financial Centre (“DIFC”). Kamco Invest - DIFC serves as an alternative platform to provide the Company’s international and regional client base with new

opportunities for development and growth on a larger scale. To further strengthen its client focus and leadership position, Kamco Invest acquired a strategic stake in Global Investment House in 2018, which led to a merger by amalgamation of the two institutions. The merger, categorized as the first of its kind in Kuwait’s investment landscape, was concluded in November 2019.

Today, Kamco Invest operates in key regional capital markets and is widely recognized as one of the largest investment companies in the region in terms of assets under management. The Company now provides a comprehensive range of investment products and services in asset management, investment banking and brokerage. Kamco Invest has AUM of over USD16.5bn as of 31 December 2025 allocated across various asset classes and jurisdictions and has acted as investment banker to deals exceeding USD45.3bn from its inception in equity capital markets, debt capital markets and mergers & acquisitions.

OUR VISION

To become the preferred pan-MENA non-banking financial services powerhouse.

OUR MISSION

To maximize stakeholders’ wealth guided by quality advice and sustained results.

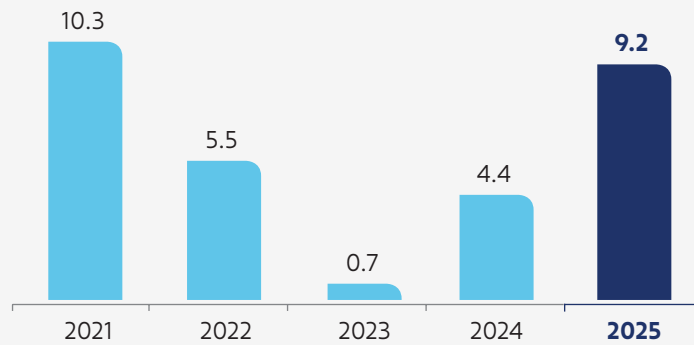
Stock Information

Date Established	16 September 1998
Listing Date	20 October 2003
Stock Ticker	KAMCO
Bloomberg Ticker	KAMCO KK Equity
Thomson Reuters Ticker	KAMC.KW
Paid Up Share Capital	KWD 34,233,263.300
Outstanding Shares	342,332,633
Par-value per Share	100 Fils
Fiscal Year	January - December
Registrar	Kuwait Clearing Company P.O.Box 22077, Safat 13081 Kuwait Tel: (965) 1 841-111 / (965) 2246-9457 Email: info@maqasa.com
Shareholder Structure	Major Shareholders owning over 5% KIPCO Group Companies (United Gulf Bank, Burgan Bank) 62.92% Ibrahim Abdulrahman Alasfoor & Group (Alpha Group Holding Co.) 7.67%

Financial Highlights

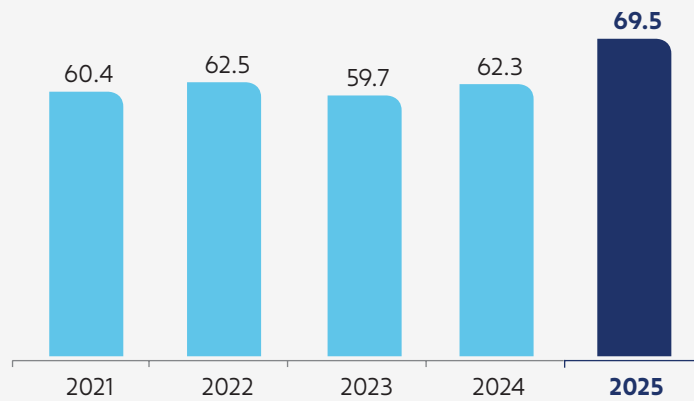
Net Profit Attributable to Equity Holders of the Company

KWD million



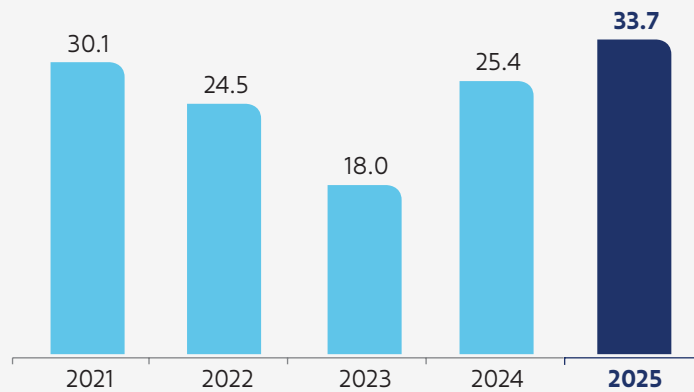
Equity Attributable to Equity Holders of the Company

KWD million



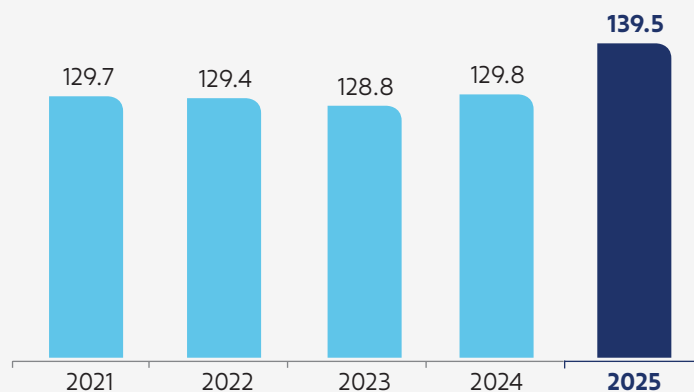
Total Revenue

KWD million



Total Assets

KWD million



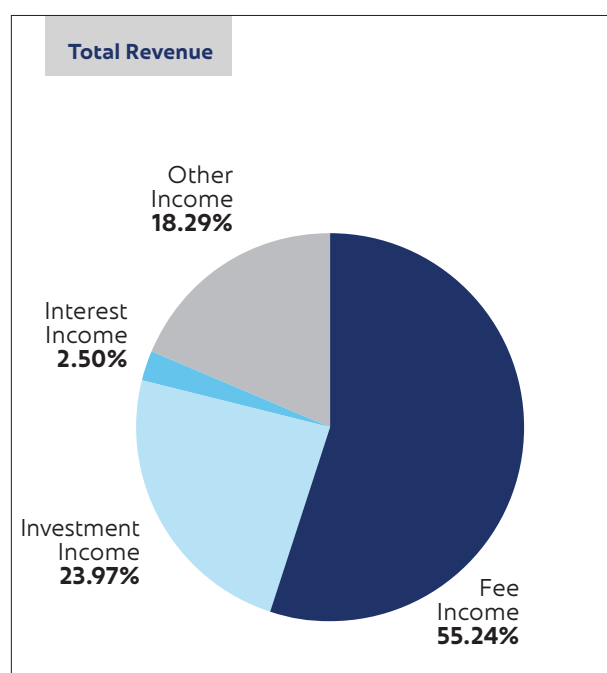
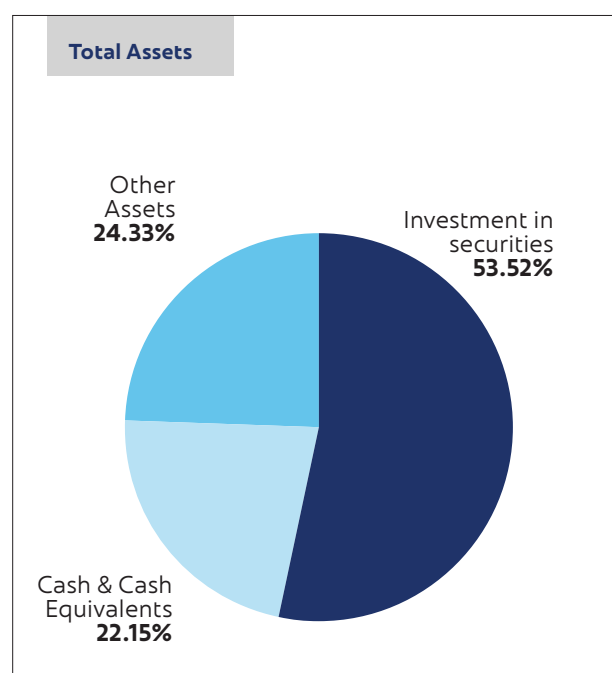
	2021	2022	2023	2024	2025
Income Statement Highlights (KWD million)					
Total Revenue	30.1	24.5	18.0	25.4	33.7
Total Expenses	19.1	18.7	17.1	20.7	25.4
Net Profit Attributable to Equity Holders of the Company	10.3	5.5	0.7	4.4	9.2

Financial Position Highlights (KWD million)					
Total Assets	129.7	129.4	128.8	129.8	139.5
Investment in securities	58.0	56.8	67.8	66.9	74.7
Loans & Advances & Other Assets	19.9	17.5	17.5	13.8	16.0
Loans & Bonds	45.0	45.0	48.8	46.4	48.1
Equity Attributable to Equity Holders of the Company	60.4	62.5	59.7	62.3	69.5

Profitability					
Earnings Per Share (Fils)	30.1	16.1	2.2	12.7	26.8
Expenses/Revenues	63.0%	76.0%	95.0%	81.0%	75.4%
Return on Assets	8.0%	4.3%	0.6%	3.4%	6.6%
Return on Equity Attributable to Equity Holders of the Company	17.1%	8.8%	1.3%	7.0%	13.2%

Capital					
Book Value per share (KWD)	0.177	0.183	0.174	0.182	0.203
Equity/Total Assets	46.6%	48.3%	46.3%	48.0%	49.8%
Debt to Equity attributable to parent (x)	0.74	0.72	0.82	0.75	0.69

Liquidity & Business Indicators					
Loans & Advances and Other Assets/Total Assets	15.3%	13.5%	13.6%	10.6%	11.5%
Investment in securities/Total Assets	44.7%	43.9%	52.6%	51.5%	53.5%
Assets Under Management (KWD billion)	4.41	4.22	4.56	4.90	5.05



BOARD OF DIRECTORS



**Sheikh Talal Ali Abdullah
Al Jaber Al Sabah**
Chairman



**Sheikh Abdullah Nasser Sabah
Al-Ahmad Al-Sabah**
Vice Chairman



**Entisar Abdul Raheem
Al-Suwaidi**
Board Director



**Sheikha Dana Nasser Sabah Al-
Ahmad Al-Sabah**
Board Director



**Masaud Mahmoud Jawhar
Hayat**
Board Director

BOARD OF DIRECTORS' REPORT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present you with Kamco Invest's annual report for the fiscal year ended on 31 December 2025.

The year 2025 was marked by strong but uneven global market performance, as equity markets delivered their best returns in six years despite heightened geopolitical tensions, trade policy uncertainty, and shifting monetary expectations. Global equities posted double-digit gains supported by resilient economic growth, robust corporate earnings, easing monetary policy, and continued investment in transformative technologies, particularly artificial intelligence. In contrast, regional markets in the GCC underperformed the global rally, weighed down by geopolitical developments and weaker oil prices, although underlying economic fundamentals remained resilient, supported by diversification initiatives, sustained non-oil growth, and a strong long-term project pipeline.

During 2025, Kamco Invest achieved a net profit of KWD9.2mn (EPS: 26.78 fils), an increase from KWD4.4mn (EPS: 12.72 fils) in 2024. Total revenue during the year increased to KWD33.7mn (2024: KWD25.4mn), while revenue from fees and commission grew by 10.3% to reach KWD18.6mn, representing 55.2% of the total income reported during 2025.

Net profit was positively impacted by a one-off favorable legal outcome. In addition, the early-stage investment in a new strategic platform at the beginning of 2025 led to an increase in general and administrative expenses due to initial operating costs. This investment is aligned with the Company's long-term growth strategy and is expected to support sustainable earnings in the years ahead.


Kamco Invest successfully raised over USD1.5bn across a range of products and transactions, while delivering competitive returns on managed assets

Throughout the year, Kamco Invest successfully raised over USD1.5bn across a range of products and transactions, while delivering competitive returns on managed assets. Assets under management grew by 3.9% to reach USD16.5bn as of 31 December 2025, further reinforcing the Company's position as one of the largest asset managers in the region.

The Investment Banking business delivered a strong performance in 2025, executing 14 debt capital markets transactions across the GCC with a total value of USD7.0bn.

The Board of Directors recommended a 10% cash dividend (10 fils per share). The recommendation will be subject to shareholder approval during the Company's annual general assembly for the year ended 31 December 2025. The Board of Directors also proposed the payment of KWD150,000 as remuneration to the Board Members.

The total remuneration received by the Executive Management for the year 2025 was KWD1,843,243 inclusive of fixed (salaries, wages, and benefits) and variable pay. In addition, members of the Executive Management who hold positions on the Board of Directors of a subsidiary received a total remuneration of KWD18,000 (subject to approval of the AGM of the respective company).




The Company enjoys a strong financial position with KWD69.5mn in shareholders' equity

The Company enjoys a strong financial position with KWD69.5mn in shareholders' equity as of 31 December 2025. In its most recent review dated May 2025, Capital Intelligence maintained its "BBB" long-term credit rating and "A3" short-term rating with a stable outlook.

During the year, Kamco Invest maintained full compliance with the various laws and regulations, while staying up to date with new regulatory requirements and developments.

Kamco Invest remains committed to integrating Environmental, Social, and Governance (ESG) principles across its operations to support long-term sustainable growth and value creation. During 2025, the Company enhanced its focus on sustainable finance through strategic partnerships, increased knowledge sharing, and strengthened commitment to social responsibility. Key initiatives centered on employee well-being and health awareness, youth empowerment, and deeper community engagement through sports and cultural activities.




We will continue to enhance our service offerings and deliver tailored investment solutions that address the evolving needs of our clients

We will continue to enhance our service offerings and deliver tailored investment solutions that address the evolving needs of our clients. We will focus on strengthening synergies with Burgan Bank through closer collaboration and expanded capabilities, especially after the bank's acquisition of a 100% stake in United Gulf Bank (UGB), the major shareholder of Kamco Invest, beginning of 2025.

Shortly before the completion of this report, a military conflict erupted in the Middle East, leading to heightened

geopolitical risks and increased volatility in global financial markets, with potential implications for the GCC countries and their economies. We will continue monitoring the situation closely and remain focused on prudent risk management and protecting the interests of our clients and shareholders.



Supported by a strong foundation and an experienced team, we remain confident in our ability to build on our progress and further strengthen our position among the leading regional investment companies

Supported by a strong foundation and an experienced team, we remain confident in our ability to build on our progress and further strengthen our position among the leading regional investment companies.

Finally, we extend our sincere appreciation to our shareholders and clients for their trust and confidence in Kamco Invest. I also want to recognize the dedication of our Board of Directors, Executive Management, and employees, whose hard work and commitment have been a key element to our success. We are also grateful for the continued support of regulatory bodies, including the Ministry of Commerce and Industry, the Capital Markets Authority, and the Central Bank of Kuwait, whose guidance helps maintain a strong and transparent financial sector.

Talal Ali Abdullah Al Jaber Al Sabah

Chairman

EXECUTIVE MANAGEMENT



Faisal Mansour Sarkhou
Chief Executive Officer

Faisal was appointed as Chief Executive Officer of Kamco Invest in 2014 and has led the Company to become one of the key players in the regional financial services sector. He enjoys a wealth of experience in investment services namely investment banking and asset management.

He joined the Company in 2000 and has held several managerial positions including head of Corporate Finance and head of Financial Services & Investments, responsible for advising and executing mergers and acquisitions, underwritings, private placements, debt issuances, restructuring transactions, and private equity. Earlier in his career he was a member of the Corporate Finance Team at KPMG in Kuwait.

He sits on the board of several reputable companies, member of advisory boards and executive committees and a prominent speaker in various investment forums.

Faisal holds a BSc Economics degree with honors from the University of Birmingham, UK and an EMBA with distinction from HEC Paris, France.



Abdullah M. AlSharekh
Managing Director of Markets and Investment Banking

Abdullah joined Kamco Invest in 2020 as Managing Director of Markets and Investment Banking bringing with him extensive and diverse experience across all core areas from treasury and corporate banking to investment banking and asset management.

Prior to joining Kamco Invest, Abdullah led the Economic & Investment team of the Hareer and Boubyan Development Agency and was Managing Director at Sharq Capital where he led investment activity across asset classes. Prior to that, he held several executive positions with key international and regional financial institutions including Executive Director at the Securities Division of Goldman Sachs, Executive Manager of Corporate Banking at the National Bank of Kuwait, in addition to Investment Banking at NBK Capital. He also worked for the Fixed Income Trading Group of Brown Brothers Harriman on Wall Street and the M&A Execution Team of HSBC in London.

He holds a dual BA in Economics and Public & Private Sector Organizations from Brown University, USA and a dual MBA in Finance and Entrepreneurial Management from The Wharton School, University of Pennsylvania, USA.



Nawal Mulla-Hussain
Managing Director of Support Operations

Nawal joined Kamco Invest in 2019 as Managing Director of Support Operations following the merger of Global Investment House and Kamco Invest.

She is a professional with over 34 years of experience. She started her career at the Legal Department of Kuwait National Petroleum Company (KNPC) and left five years later to join Kuwait Investment Authority (KIA) in 1994 where she held a Legal Counsel position. At KIA she was part of the team entrusted with the establishment of Kuwait Small Projects Company, the first government initiative aimed at supporting small to medium projects in the local market. In 2004, Nawal joined Global to head the Legal Department and was promoted to Executive Vice President Legal & Compliance in 2010 and played a vital role in the development and restructuring of the Company. In 2017 she was promoted to Chief Operating Officer heading the entire support group.

She holds a Law degree from Kuwait University.



Hanaa Hasan Taha
Managing Director, Chief Financial Officer

Hanaa joined Kamco Invest in 2019 as Executive Director of Financial Planning & Control and Accounting Operations following the merger of Global Investment House and Kamco Invest and she was promoted to Managing Director, Chief Financial Officer.

She is a professional with over 32 years of experience in finance, accounting, business analysis, budgeting and strategic planning, due diligence, and funds and portfolio accounting. Prior to the merger she was Senior Vice President, Head of Finance and Treasury at Global, and played a vital role during the merger transaction. She joined Global in January 2007 and has held several managerial positions. Hanaa served on the board of several regional Asset Management, Investment Banking and Brokerage Companies as a Chairman and Board Member. She also held several positions as a Chairman of Audit Committee and Member of different committees mainly audit committees, investment committees and executive committees. Prior to joining Global, she worked for Kuwait Financial Center.

She holds a Bachelor of Commerce in Accounting from Ain Shams University (Cairo- Egypt).



Salah Al Wuhuib
Managing Director of Equity & Fixed Income

Joined Kamco Invest in 2006 and was promoted to Chief Assets Officer in 2016 overseeing equity investments and in 2019 became Senior Executive Director of Equity and Fixed Income.

With over 26 years of experience in portfolio and fund management, he has established an outstanding track record. The funds under his team's management have consistently achieved top rankings, reflecting his exceptional skills and expertise. He plays a pivotal role in implementing the asset strategies and allocation, ensuring optimal performance and sustainable growth.

Prior to joining Kamco Invest, he was Assistant Deputy Director of Investments at Kuwait Fund for Arab Economic Development, managing the hedge fund portfolio. During his time there, he worked with large international institutions gaining experience in funds, equities and alternative investments, also representing Kuwait Fund on various boards and Committees.

He holds a Bachelor of Business Management degree from Eastern Washington University.



Sana Al-Hadlaq
Managing Director of Wealth Management

Joined Kamco Invest in 2002 in Asset Management and then was promoted to start and lead the company's Wealth Management Team.

With over 22 years of experience in wealth management, she possesses a diverse skill set that includes client advisory, fund raising, and cultivating strong relationships with various investors, including high net worth individuals, family offices, and institutions. Her unwavering commitment and adept leadership have been instrumental in expanding the company's client base, driving significant growth in assets under management, and successfully closing numerous investment banking transactions. Prior to joining Kamco Invest, she worked with Kuwait News Agency as the Head of Planning and Development Office.

She serves as a board member for several listed and unlisted companies in Kuwait and a member of several management committees. She Holds a BSc. from Kuwait University in Political Science and General Administration. She also has various certifications and qualifications within wealth management and leadership.



Mohammed Al Othman

Managing Director of Alternative Investments

Joined Kamco Invest in 2006 and was promoted to lead the real estate investments and then the alternative investments.

He has over 21 years of experience in asset management, investment banking and financial advisory services. His areas of expertise include managing real estate funds, private equity funds, valuation studies and financial advisory services across a variety of sectors. He started his career at Ernst & Young in the State of Kuwait, where he led team of professionals to complete/conclude a large number of financial restructuring plans, mergers & acquisitions and valuation engagements. He then joined Kuwait Finance House "KFH"- Direct Investment Department and became responsible for its real estate arm in/at Saudi Arabia. In addition, he participated in the restructuring exercise of KFH's group of companies and contributed to a variety of financial advisory activities.

He holds a Master's degree in Business Administration from INSEAD in the French Republic and a Bachelor of Accounting and Management from the University of Leeds in the United Kingdom. He is a member of several boards of directors of leading companies in Kuwait and the region.



MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

The global investment landscape in 2025 delivered strong absolute returns despite heightened volatility and geopolitical uncertainty. Global equities recorded double-digit gains, with the MSCI All Country World Index rising by over 20%, supported by resilient economic growth, easing monetary policy, and robust corporate earnings, particularly in technology and AI-related sectors.

Emerging markets outperformed developed peers, advancing by more than 30% during the year, as capital flows increasingly favored diversification and higher growth-to-valuation opportunities. Nevertheless, the investment environment remained dynamic, with periodic market corrections driven by tariff announcements, interest rate expectations, and geopolitical developments.

Within the GCC, equity markets underperformed the global rally, with the MSCI GCC Index posting a modest gain of 1.6% amid regional geopolitical tensions and an 18.5% decline in crude oil prices. Kuwait, however, stood out as one of the stronger performers in the region, with Boursa Kuwait delivering a gain of 21.0% during the year, supported by resilient corporate earnings, improved market liquidity, and continued foreign investor participation. While IPO activity across the GCC moderated and regional equity markets remained volatile, fixed income markets were notably active, with total GCC bond and sukuk issuances reaching a record USD207bn in 2025.

Throughout 2025, we widened our offerings, grew our business, and enhanced our competitive position. We reported growth across all financial indicators with net profit more than doubled to reach KWD9.2mn (EPS: 26.78 fils) compared to KWD4.4mn (EPS: 12.72 fils) and

total revenue growing by 32.8% to reach KWD33.7mn (2024: KWD25.4mn).

These results were impacted by two exceptional developments. The first was a favorable ruling in a long-standing legal case, which resulted in a substantial non-recurring income recognized during the year. The second relates to the majority investment in EGLS, a new operating venture announced in early 2025, which led to an increase in operating expenses during the year as the team focused on building capabilities and originating its business pipeline. The investment aims to support the long-term growth strategy of our fee business and is expected to deliver sustainable income generation as the platform matures, with tangible returns anticipated from 2026 onward.

We maintained a strong focus on the quality and sustainability of earnings, reflected in the continued growth of fee income, which increased by 10.3% in 2025 to reach KWD18.6mn (2024: KWD16.9mn). Fee income remained the largest contributor to the Company's revenue base, accounting for 55.2% of total income reported during the year, underscoring the strength and resilience of our core operating activities.

The Company continues to enjoy a robust financial position, with shareholders' equity reaching KWD69.5mn as of 31 December 2025, reflecting an 11.6% increase over the prior year, despite the distribution of 5% cash dividends totaling KWD 1.7 million in the second quarter. This strong capital base is complemented by Capital Intelligence's credit ratings, which reaffirmed the Company's long-term "BBB" and short-term "A3" ratings with a stable outlook in May 2025, underscoring our financial strength and resilience.

In 2025, Kamco Invest and Burgan Bank strengthened their strategic partnership following the Bank's acquisition of United Gulf Bank, Kamco Invest's major shareholder. This collaboration unites two institutions with proven expertise and track records, enabling us to offer an integrated suite of investment and commercial banking solutions. The partnership enhances client access to comprehensive financial services and positions us for sustainable growth in a dynamic market. Furthermore, we secured banking facilities from Burgan Bank totaling KWD87mn, structured across multiple instruments to support operational, investment, and refinancing needs.

The Company achieved strong performance across all key business areas, including client acquisitions, capital raising, and product performance. Throughout the year, it successfully raised over USD1.5bn across various products and transactions, while its assets under management grew by USD626mn, an increase of 3.9%, reaching USD16.5bn as of 31 December 2025.



Equity funds and portfolios managed by Kamco Invest continued to demonstrate strong outperformance relative to their peers and respective benchmarks

Equity funds and portfolios managed by Kamco Invest continued to demonstrate strong outperformance relative to their peers and respective benchmarks. During the year, the Kamco Investment Fund delivered an impressive return of 20.71% and was recognized across six categories at the LSEG Lipper Fund Awards, underscoring the fund's exceptional performance and consistent risk-adjusted returns.

Furthermore, at the beginning of the year, we expanded our presence in the Saudi market with the launch of two Shariah-compliant funds: the Kamco Freestyle Saudi Equity Fund and the Kamco SAR Murabaha Fund. In addition, the Kamco Saudi Equity Fund and the Kamco Freestyle Saudi Equity Fund ranked among the top performers in their respective categories in the Saudi market in 2025, based on published performance data on the Saudi Exchange website. These achievements reflect the strength of our investment capabilities and disciplined portfolio management approach.

On the Alternative Investments side, which includes real estate, private equity, and structured products, the team continued to broaden its platform and enhance its value proposition to clients. During the year, the team launched new products and entered into key partnerships, further diversifying its offering. In addition, USD82.0mn was distributed to investors across its products, underscoring the platform's ability to generate realizations and deliver tangible returns.

In the first quarter, we partnered with an experienced management team to establish a new venture, European Green Logistics Space (EGLS), in which Kamco Invest hold a majority stake. The platform specializes in the development, investment, and management of logistics assets across Europe. This strategic transaction underscores our commitment to expanding recurring fee income streams while providing regional clients with differentiated access to opportunities in the fast-growing and sustainable logistics sector. Additionally, besides equity investments in real estate assets, the team ventured into a new asset class by investing in the private debt of real estate projects.

Kamco Invest further reinforced its footprint in the technology investment space through the innovative strategy pursued by its closed-ended, nearly fully deployed JEDI Fund. The Fund represents a distinctive institutional-grade platform focused on technology investments in the United States, particularly Silicon Valley, and has delivered strong performance, achieving a Gross Multiple on Invested Capital (MOIC) of 1.3x.

Building on this momentum, the private equity team launched during the year a GCC-focused pre-IPO tech fund and completed two strategic investments in Saudi Arabia: Foodics, the region's leading cloud-based technology and payments platform for restaurants, and Unifonic, a prominent communications platform that enhances engagement between businesses and their customers.

The Company successfully exited its investment in Yargici, a leading Turkish fashion and accessories brand held by one of Kamco Invest's private equity funds, through a sale to TIMS Group, a diversified Turkish business group with operations in content production, tourism, construction, and land development. The exit highlights Kamco Invest's commitment to delivering long-term value to its clients while ensuring the continued growth and success of its portfolio companies.

The team entered into a strategic partnership with Flexam Invest, part of the New York Life Investment Management group, to expand its private credit platform into leasing-focused investment strategies

During the year, the team entered into a strategic partnership with Flexam Invest, part of the New York Life Investment Management group, to expand its private credit platform into leasing-focused investment strategies. This collaboration further diversifies our alternative offerings and enhances access to specialized asset classes. The first fund under this partnership was successfully launched and achieved its initial closing during the year, marking an important milestone in building this new vertical.

Over the year, the Investment Banking team successfully executed 14 landmark transactions totaling USD7.0bn, reinforcing our leadership in capital markets. The transactions consisted of thirteen sukuk and bond issuances worth USD6.7bn for financial institutions and corporates in Kuwait, Saudi Arabia, United Arab Emirates and Qatar in addition to one liquidity management transaction for USD304mn for a Kuwaiti company.

A majority of the transactions were for Kuwaiti banks, in USD and KWD, amounting to USD3.3bn, followed by the UAE with three transactions worth USD1.5bn, Saudi Arabia with two transactions totaling USD1.4bn, and Qatar with one transaction worth USD500mn.

Kamco Invest was awarded the “Kuwait’s Best for Alternative Investments” at the Euromoney Private Banking Awards 2025, highlighting the Company’s rapid growth and sustained success in the alternatives space.

Kamco Invest was named “Kuwait’s Best Investment Bank – DCM” at the Euromoney Awards for Excellence 2025

In addition, Kamco Invest was named “Kuwait’s Best Investment Bank – DCM” at the Euromoney Awards for Excellence 2025, in recognition of the team’s outstanding performance in executing bond and sukuk transactions for local and regional clients.

In 2025, Kamco Invest maintained a strong focus on expanding its presence in the Kingdom of Saudi Arabia and United Arab Emirates and accelerating business growth, in line with its long-term strategy of strengthening its presence across leading financial and commercial centers. The Company broadened its reach and enhanced its service capabilities to continue delivering integrated, client-centric solutions that address evolving investment needs. This strategic expansion further supported the growth of fee-based revenues and contributed to the resilience and sustainability of its income streams.

The company’s brokerage arm, First Securities Brokerage Company (Oula Wasata), continued to expand its client base by leveraging its online trading platforms. Supported by the strong performance of Boursa Kuwait, Oula Wasata recorded a 55% increase in turnover. During the year, it also obtained the Qualified Broker License after fulfilling all regulatory requirements and successfully completing the Market-Wide Tests.

The Investment Strategy & Research team continued to strengthen Kamco Invest’s position as a leading research house in Kuwait and the region, providing investors with clear, timely, and practical insights in an increasingly dynamic market environment. Through comprehensive coverage across sectors and asset classes, supported by fundamental, technical, and macroeconomic analysis, the team shared well-rounded perspectives to support asset allocation, risk management, and investment decision-making. Their work extended beyond traditional reporting, contributing to informed market dialogue and gaining recognition across regional and international business platforms, while remaining widely accessible on key financial platforms.

In 2025, we further strengthened the integration of Environmental, Social, and Governance (ESG) principles across our operations, reinforcing sustainability as a strategic enabler of long-term value creation. On the social front, we advanced community health initiatives and deepened our commitment to youth development by strengthening structured partnerships with local academic institutions and expanding practical learning



opportunities for students. Through collaborations with universities across Kuwait, we delivered targeted seminars, hosted student programs focused on digital innovation and financial literacy, and facilitated exposure to real-world investment practices to bridge academic learning with industry requirements.

We also continued to promote inclusive leadership and balanced representation within our workforce, alongside sustained investment in continuous learning to ensure a resilient and future-ready organization. From a governance perspective, we enhanced institutional alignment through active participation in the KIPCO Group ESG Committee, strengthening group-wide data harmonization and assurance readiness, while maintaining disciplined oversight, transparent disclosures, and a zero-tolerance approach to unethical conduct across the organization.

Our internship program continued to serve as a cornerstone of this strategy, expanding from 47 interns in 2024 to 79 interns in 2025. The program provides structured rotational exposure, mentorship, and hands-on experience across core business functions, with continued emphasis on Kuwaiti talent. This approach supports early-career development while contributing to the sustainability of the national financial sector talent pipeline.

Throughout 2025, compensation benchmarking exercises were conducted to maintain competitive and equitable positioning in the markets we operate in, alongside focused recruitment efforts aimed at attracting high-caliber talent aligned with the Company's technical standards, collaborative values, and nationalization objectives. The organizational structure and job descriptions were periodically reviewed to reflect evolving business requirements, strengthen reporting clarity, and enhance accountability and operational efficiency.

Employee engagement and performance development remained key priorities during the year. The annual employee satisfaction assessment reflected positive overall results, while the leadership 360-degree evaluation process reinforced continuous improvement within the management framework. Furthermore, we continued the professional development of our employees including mandatory AML and CTF training to uphold regulatory compliance and risk awareness across the organization.

We successfully implemented Bloomberg AIM & PORT, an integrated suite of buy-side tools that automates

and streamlines portfolio, fund, and trading operations. In parallel, the implementation of the Core Asset Management System is ongoing, establishing a foundation to enhance operational resilience, reinforce security and regulatory compliance, and enable seamless integration with emerging technologies. Together, these initiatives are creating a seamless end-to-end investment and trading lifecycle with straight-through processing (STP), enhancing efficiency, data integrity, decision-making, and client service through integrated client lifecycle and relationship management tools.

Furthermore, Kamco Invest advanced its digital transformation, enhancing client experience and platform capabilities. The upgraded Portal extended app-level functionality to the web, while Online Trading progressed toward release as a key "Super App" feature. Implemented innovations such as Auto-Invest and an AI-powered client support chatbot simplified investing and improved service efficiency, while AI-driven process enhancements optimized operations and reduced costs.

We also strengthened our data and analytics capabilities, improving visibility into performance and enabling faster issue resolution. At the same time, we invested in team development, upskilling staff in modern engineering, AI literacy, and cross-functional collaboration, ensuring we can deliver innovation at scale. These initiatives position Kamco Invest to offer seamless, technology-driven solutions that create long-term value for clients and stakeholders.

Our performance in 2025 reflects the dedication and professionalism of our people, supported by the Board of Directors' strong leadership and strategic guidance. I extend my sincere appreciation to our employees for their commitment and contributions, which remain central to the Company's continued growth and resilience.

I also thank our clients, shareholders, and financiers for their continued trust and confidence, as well as market regulators and government authorities in Kuwait for their ongoing cooperation and support. These relationships are integral to our ability to deliver value and advance our long-term strategy.

Faisal Mansour Sarkhou
Chief Executive Officer

MARKET HIGHLIGHTS

After touching record highs on more than 59 trading sessions during 2025, global equity markets lost momentum towards the end of the year and closed 2025 little short of a record level. The MSCI World ACW index closed the year with a gain of 20.6%, the biggest gain in six years despite the turmoil led by tariffs and geopolitical issues and wars. The gains were backed by rate cuts, resilient economic growth, strong corporate earnings, lower-than-expected impact of tariffs on inflation as well as investment in AI led stocks. Asian equities had their best year in eight years since 2017 with a gain of 25.3% while precious metals like Gold and Silver had the best year since 1979. On the other hand, crude oil prices had the biggest decline since 2020 and closed the year at USD 60.9/b.

The trading trend during the year showed markets getting impacted by the imposition of tariffs by the US during April-2025, marking the lowest point for the year for most global markets, but the changes to the tariffs and bilateral agreements signed by the US with key trading partners in the remainder of the year led to consistent gains in equity markets. Moreover, the impact of tariffs were lower than expected, especially on inflation, as well as on trade volumes as countries front loaded trades in order to avoid higher tariffs. Markets are now forecasting the inflation impact to come in the coming months. In addition, the US Fed implemented three rate cuts during the year and lowered the policy rate in the range of 3.5% - 3.75%. The rate cut decision underwent significant speculations having its fair share of impact on the markets, but concerns about the labor market weakness in the US was the key reason that resulted in to the rate cuts.

The surge reflected double-digit gains in almost all key global equity markets like the US, Germany, Japan and Hong Kong. AI stocks powered the rally during the bulk of the year that resulted in an average total return of 35% for the top ten securities in the Nasdaq 100 index. Meanwhile, emerging market outshined the rest of the world with a gain of 30.6% for the MSCI Emerging Markets Index while Europe and US benchmarks showed gains of around 17% during the year. Within the emerging markets, South Korea topped as one of the world's best performing markets with a gain of over 75.6% for the KOSPI index. Brazil and Mexico benchmarks also showed gains of around 30% while China and India showed gains of 18.4% and 9.1%, respectively. Data on monthly trade flows from IIF showed an increase in flows favoring Emerging Markets that reached USD 282.2 Bn during 2025 as compared to USD 279.9 Bn during 2024. However, the share of Emerging Market debt flows declined significantly during the year from 96% going into debt investments during 2024 to 55% in 2025 while equity investments accounted for the remaining 45% or USD 135.2 Bn in 2025.

GCC index underperforms global rally led by oil & geopolitics

GCC equity markets once again underperformed the global markets rally registering one of the smallest equity market gains globally during 2025. The yearly performance mainly reflected region-specific factors that were partially offset by factors like interest rate cuts. Some of the key issues that led to the marginal growth in GCC index included geopolitical issues including the war on Gaza, the attacks on Qatar, and instability in neighboring countries like Iran and Yemen. Crude oil weakness also was one of the key reasons for the downward pressure on GCC markets with Brent crude falling by 18.5% during the year led by concerns of oversupply. Nevertheless, key indicators in the region remained steady with growth in non-oil sector across the region led by a strong project pipeline of over USD 4.0 Trillion. In terms of trading activity, foreign investors were net buyers of GCC stocks during the year.

The aggregate MSCI GCC index reported a gain of 1.6% during the year despite largely positive performance at the country level. The trend in the index showed volatile performance during the year with steep declines during April-2025 after the announcement of the tariffs followed by partial recovery. The month of June also witnessed a steep decline following regional instability coupled with a fall in trading activity. The sharpest decline was seen in the month of November-2025 with the index falling by 8.2% from its peak at the end of October-2025.

At the exchange level, Oman witnessed the biggest gains during the year with a double-digit surge of 28.2% followed by double-digit gains for Boursa Kuwait and Dubai at 21.0% and 17.2%, respectively. Abu Dhabi, Qatar and Bahrain indices closed with mid to low-single digit gains during the year. On the other hand, Saudi Arabia was the only market in the GCC that registered a decline during the year with a fall of 12.8% mainly reflecting investor concerns regarding the fall in oil prices and regional geopolitical issues. At the sector level, a majority of the GCC sectors witnessed double-digit declines during the year also mainly led by fall in stocks in Saudi Arabia. The GCC Telecom, Banks and Diversified Financials index witnessed double-digit growth during the year while Consumer Durables, Insurance and Utilities witnessed steep declines. Four out of the top five stocks by market cap in the region declined during the year and out of these three stocks were from the Energy sector.

In terms of IPOs, the GCC equity markets witnessed a sharp contraction in IPOs during 2025, after witnessing a healthy primary market activity in 2024, mainly led by a slowdown in big-ticket offerings as well as a slide in TASI, especially during Q4-2025. GCC exchanges witnessed a total of 42 IPOs during 2025 which was the lowest in four years. At the country level, Saudi Arabia once again accounted for the biggest pie of offerings during the year followed by the UAE, although both these regions witnessed a y-o-y decline in the number of offerings. The decline also came after the GCC region lagged behind other global financial markets by registering one of the lowest comparable index gains during the year. The underperformance of the MSCI GCC index with a marginal gain of 1.6% in 2025 and TASI down by 12.8% during the year, reflected several factors including continued geopolitical issues in the region that added an additional risk premium for international investors, a sharp decline in oil prices that affected projects market awards during the year as well as shift in capital to other global markets that showed significantly higher gains led by a rally in AI-related stocks. In terms of proceeds, GCC issuers raised USD 5.8 Bn during the year, the lowest in five years and a 54.8% decline as compared to proceeds of USD 12.9 Bn in 2024, based on data from Bloomberg and stock exchanges. The decline in proceeds reflected a fall in overall issuance numbers as well as a fall in USD 1 Bn plus IPOs during the year. Based on listing market cap, the total number of IPOs with a market cap of over USD 1 Bn fell from 14 IPOs in 2024 to merely 7 IPOs in 2025.

The year 2025 once again witnessed record bond issuances globally as well as in the GCC region. The year started with record debt market activity during Q1-2025 that gradually tapered towards the end of the year, in line with the trend seen over the last few years, as issuers tap the market to lock in lower rates as rate cut expectations remained high at the start of the year. In terms of sectors, the yearly trend reflected the impact of higher spending in AI infrastructure with issuances from the Technology sector doubled during the year while Consumer Staples and Telecom sectors also showed strong double-digit y-o-y growth in issuances during 2025. At the regional level, debt issuances from corporate issuers in emerging markets increased by 22% during the year to reach USD 466.0 Bn with issuers from India, Saudi Arabia, Brazil and the UAE accounting for 49% of the total activity from the emerging markets. Meanwhile, international bond

offerings increased by 13.0% during the year to reach USD 5.7 Trillion in 2025, as per LSEG. Fixed income issuances in the GCC (bonds and sukuk) also remained upbeat during the year and once again reached a new record high, although the y-o-y increase was marginal in 2025. Total fixed income issuances in the region reached USD 207.1 Bn in 2025 as compared to USD 206.8 Bn during 2024. The increase was mainly led by higher bond issuances from the region while sukuk issuances declined. In terms of type of issuers, government offerings declined by more than a fifth during the year that was more than offset by an increase in offerings from GCC corporates.

Looking ahead...

As we transition into 2026, the primary macroeconomic challenge is broadening and there is a shift in leadership away from the narrow U.S. Technology sector toward a more diversified global recovery that includes traditional industries and regional growth hubs in Asia and the Middle East. While the AI premium is being re-evaluated, high profit margins in the tech and energy sectors act as a cushion, preventing a deeper correction despite high interest rates. Overall, American companies still boast impressive profits that provide a support for prices, investors are no longer piling into U.S. Technology sector with the same blind optimism. Instead, there is a global shift toward diversification, with capital moving into undervalued sectors and international markets that offer better growth-to-price ratios. This was also reflected in over 30% gain in the global emerging market index during 2025. That said, this transition has a number of risks as the U.S. remains the world's financial anchor and any domestic political instability or policy shifts, such as new trade tariffs or fiscal gridlock, do not stay contained within U.S. Any sudden volatility in Wall Street quickly triggers a global contagion effect, dragging down international equity and bond markets as liquidity tightens and risk appetite evaporates across markets. In early 2026, the VIX has shifted into a higher and more unpredictable range, after a relatively calm period in late 2025. The index is now signaling that investors are no longer complacent and are bracing for sharper price swings. Estimates now suggest that the VIX will likely remain elevated in 2026 due to the combined pressures of sticky inflation, high interest rates, and the risk that any U.S. domestic policy jitters will instantly spill over into global markets.

Elsewhere, European financial markets are navigating a stable but stagnant environment, where high-quality corporate bonds and dividend-paying stocks are outperforming growth-oriented assets in 2026. With the ECB holding rates at a neutral 2.0%, the equity risk premium has narrowed, making the region a preferred destination for defensive investors seeking yield over aggressive capital gains. Sector specific growth remains elusive at the region focuses on expanding defense spending while traditional sectors like industries and car manufacturing continue to face persistent headwinds from high energy costs and potential U.S. trade tariffs. In China, the financial markets are currently balancing between the struggling property-heavy indices and the booming high-tech sectors. While the Real Estate sector deleveraging continues with the help of targeted government reforms, offshore investors are increasingly targeting new opportunities, specifically semiconductors, green energy, and AI-driven manufacturing. Despite attractive valuations with many stocks trading at historical lows, the market remains highly sensitive to geopolitical issues and the lack of a massive, broad-based fiscal stimulus, keeping volatility high and keeping many global fund managers in a wait-and-see mode.

For the GCC region, real GDP growth is expected to strengthen further in 2026 as the pace of unwinding of crude oil output cuts resumes after the initial pause in the first quarter. This would support oil GDP while non-oil GDP growth is expected to remain resilient as the pace of diversification picks up pace in almost all the GCC economies led by a healthy pipeline of projects in the region. Inflation in the region is expected to remain at the target level of around 2.0% with proactive government policies. In terms of financial markets, a healthy pipeline of IPOs of over 70 companies expected to list in 2026 should help markets this year and in the near term. Equity markets in the region are also expected to be supported by continued strong earnings as economic growth in the region remains largely positive. The strong credit profile of GCC sovereigns coupled with significant potential in terms of investments in core sectors should be positive for the economy as well as for investors. While crude oil prices remain subdued at around USD 60-65/b level, the financial markets in the region are decoupling from crude volatility, driven by a healthy IPO pipeline and a surge in debt issuances.

CORPORATE GOVERNANCE REPORT

Introduction

Kamco Invest's corporate governance framework aligns its activities with leading internal control practices, ethical standards and local legal & regulatory requirements. Kamco Invest's corporate governance philosophy is centered around trusteeship, transparency, empowerment, accountability, control, and ethical corporate citizenship. Kamco Invest believes that adhering to these principles leads to the creation of an appropriate culture, behaviors, and norms within the Company.

As part of the corporate governance framework, all members of the Board of Directors, Executive Management, and employees of Kamco Invest are committed to placing the interest of the Company, its shareholders, and other stakeholders at the forefront, without any bias, irrespective of the category, size, or interests of any sub-group.

Overview of Kamco Invest's Corporate Governance Framework

Kamco Invest firmly believes in the importance of adhering to principles and standards of sound governance. The Company is committed to adopting professional and ethical standards in business, ensuring transparency in disclosures, and announcing key information in a timely manner. Kamco Invest also places great emphasis on maintaining its reputation, and continually enhancing the confidence of its shareholders and stakeholders.

As part of Kamco Invest's commitment towards implementing the rules of corporate governance, Kamco Invest, has developed a governance system that synchronizes the Company's operations.

In undertaking its corporate governance practices, Kamco Invest has complied with the requirements of the Capital Markets Authority of Kuwait's Executive Bylaws pertaining Corporate Governance (Module 15).

This report summarizes the requirements and procedures implemented at Kamco Invest for applying the relevant corporate governance rules and regulations.

Rule I: Constructing a Balanced Board Composition

Board's Structure

The Board of Directors of Kamco Invest comprises five members, who are elected during the Company's General Assembly, held once every three years. These Board Members possess strong educational background, extensive professional experience, and comprehensive local and regional business knowledge.

The role of the Board is to govern the Company, whilst day-to-day management has been entrusted to the Company's Executive Management. Members of the Board of Directors exercise day-to-day their duties collectively & independently, devote enough time to their responsibilities, and work towards the interests of the Company and its shareholders.

Kamco Invest's Board Members

For the year ended 31 December 2025, the members and secretary of the Board of Directors were:

Member Name	Classification of the Member	Qualification and Work Experience	Date of Election / Appointment
Sheikh Talal Ali Abdullah Al Jaber Al Sabah (Chairman) Representing First North Africa Real Estate Company W.L.L	Non – Executive Director	Diploma in Applied Business Sciences - Majoring in Banking Services [More than 23 years of experience]	11 th April 2023
Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (Vice Chairman) Representing United Gulf Bank B.S.C (C)	Non – Executive Director	BA – Business Administration [More than 19 years of experience]	11 th April 2023
Entisar Abdul Raheem Al-Suwaidi (Elected member)	Independent Director	BA – Accounting [More than 34 years of experience]	11 th April 2023
Sheikha Dana Nasser Sabah Al-Ahmad Al Sabah Representing AlDeyafa United Real Estate Co.	Non – Executive Director	BA – English Literature [More than 24 years of experience]	11 th April 2023
Masaud Mahmoud Jawhar Hayat Representing AlZad Real Estate Co.	Non – Executive Director	BA – Economics [More than 44 years of experience]	11 th April 2023
Farouq Al-Oumi Executive Director of Human Resources	Secretary of the Board of Directors	BA - Management [More than 26 years of experience]	11 th April 2023

Summary of Board's Meetings in 2025

During 2025, the Board of Directors held 18 meetings. The below table summarizes the dates of each meeting and the attendance by each Board Member.

		Member Name & Designation				
		Sheikh Talal Ali Abdullah Al Jaber Al Sabah	Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah	Entisar Abdul Raheem Al- Suwaidi	Sheikha Dana Nasser Sabah Al- Ahmad Al-Sabah	Masaud Mahmoud Jawhar Hayat
S. No	Meeting Number & Date	Chairman	Vice Chairman	Board Director (Independent)	Board Director	Board Director
1	01/2025 23/1/2025	√	√	√	X	√
2	02/2025 13/2/2025	√	√	√	√	√
3	03/2025 19/2/2025	√	√	√	√	√
4	04/2025 6/3/2025	√	√	√	√	√
5	05/2025 27/3/2025	√	√	√	√	√
6	06/2025 24/4/2025	√	√	√	√	√
7	07/2025 13/5/2025	√	√	√	√	√
8	08/2025 22/5/2025	√	√	√	X	√
9	09/2025 10/6/2025	√	√	√	√	√
10	10/2025 6/7/2025	√	√	√	√	√
11	11/2025 13/7/2025	√	√	√	√	√
12	12/2025 27/7/2025	√	√	√	√	√
13	13/2025 12/8/2025	√	√	√	√	√
14	14/2025 12/10/2025	√	√	√	√	√
15	15/2025 12/11/2025	√	√	√	√	√
16	16/2025 1/12/2025	√	√	√	√	√
17	17/2025 14/12/2025	√	√	√	√	√
18	18/2025 30/12/2025	√	√	√	√	√

Registering, Coordinating and Archiving Board of Directors Minutes of Meetings

The Board of Directors maintains a register containing all meeting minutes and resolutions in sequential order.

The Board Secretary, appointed by the Board of Directors is responsible for preparing, soliciting approval on, and archiving Board's minutes of meetings, records, resolutions, and reports. The Board Secretary also advises the Board Members on the operational processes of the Board in line with the regulatory requirements, the Board Charter, and prevailing Board resolutions & decisions.

Independent Member's Acknowledgment

The Independent Member of the Board of Directors of Kamco Invest acknowledges meeting the independence criteria as set forth in Article (2-3) of Chapter 2 of Module 15 ("Corporate Governance") of the Executive Regulations of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and Regulating Securities Activity and their amendments.

Rule II: Establishing Appropriate Roles and Responsibilities

The Board of Directors undertake the following roles and responsibilities:

- › Adopt the Charter of the Board of Directors that gives the Board the authority to exercise its role and responsibilities in overseeing the Company.
- › Form specialized Board Committees with set authorities and responsibilities.
- › Establish Key Performance Indicators (KPIs) to evaluate the performance of the Board of Directors.
- › Establish KPIs to evaluate the performance of the Executive Management in accordance with the Company's objectives and strategy.
- › Approve the delegation of authority matrix which identifies the authorities of the Board of Directors vis-à-vis Executive Management.
- › Form specialized management committees with set authorities and responsibilities for overseeing regular business & risk aspects of the Company.
- › Approve the Company's policies and charters to distribute authorities between the Board of Directors and Executive Management.
- › Develop a plan or policy for integrating sustainability factors in the Company's comprehensive strategy,

main work plans, and the risk assessment and management process, if required.

Details of the Board of Directors roles & responsibilities are captured in the Board Charter.

The roles & responsibilities of the Company's Executive Management are defined as follows:

- › Execute the strategy of the Company, effectively & efficiently, in line with the strategic goals, objectives, budgets and plans approved by the Board of Directors.
- › Manage the daily affairs of the Company in accordance with the policies, directives and resolutions of the Board of Directors or its Committees.
- › Ensure the Company's activities comply with applicable constitutional documents of the Company and laws & regulations of the State of Kuwait.
- › Exercise their authorities to manage the Company's activities, in line with delegations of the Board of Directors.

Board of Director's Achievements for 2025

2025 was marked by several achievements by the Board of Directors, namely:

- › Ensured full compliance with laws and regulations while staying updated on new requirements and developments
- › Reviewed the Company's business model and strategic direction, ensuring alignment with long-term objectives
- › Strengthened core leadership team to support the Company's strategic goals and enhance execution effectiveness.
- › Oversaw the Company's objectives and financial and operational performance, monitoring progress against approved plans and supporting disciplined and sustainable growth
- › Approved and updated key governance frameworks, including policies, procedures, management committees, and related-party facility, in compliance with applicable rules and regulations
- › Reviewed and approved potential investments in line with established governance processes and risk parameters
- › Reviewed and approved enhancements to the organizational structure and job descriptions to support operational effectiveness

- › Monitored the progress of technology enhancement initiatives and system development projects.

Board Committees

The Board has established specialized Committees to assist in performing key functions and responsibilities entrusted to the Board. The Board approves the charters governing the work of these Committees, specifying the terms, authorities, functions, rights and responsibilities of the Committees and the methods through which the Committees are supervised by the Board.

The Committees are formed pursuant to a resolution issued by the Board of Directors which appoints the members, specifies the Committee chairperson, and the time from when the Committee should start performing its functions. For the year ending 2025, Kamco Invest had institutionalized the following Board Committees:

a. Board Audit Committee

Committee Roles, Responsibilities and Achievements

The Committee assists the Board in providing oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations by:

- › Reviewing periodical financial statements prior to submission to the Board of Directors, and providing the Board of Directors with opinions and recommendations concerning thereof.
- › Recommending appointment, reappointment or replacement of the external auditors to the Board of Directors and specifying remuneration of the external auditors to the Board of Directors.
- › Supervising the Internal Audit function in the Company, evaluating the extent of sufficiency of internal control conditions applied inside the Company and reviewing the results of the Internal Audit reports.
- › Reviewing and approving the Internal Audit plan.
- › Verifying the Company's compliance with related laws, policies, systems, and regulations.
- › Reviewing remarks of the external auditors on the Company's financial statements and follow-up on the measures taken regarding such remarks.
- › Undertaking any other responsibilities as required under the relevant laws & regulations or as entrusted by the Board of Directors from time to time.

Formation Date and Duration

The Committee was constituted in April 2023 for the term of the Board of Directors.

Membership

For the year ending 2025, the Committee members were:

- › Entisar Abdul Raheem Al-Suwaidi (**Chairperson**)
 - › Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (**Member**)
 - › Masaud Mahmoud Jawhar Hayat (**Member**)
- Amro Abou El Wafa was the secretary of the Committee

Meetings

The Committee met six times in 2025

b. Board Risk Committee

Committee Roles, Responsibilities and Achievements

The Committee oversees the Risk Management practices at the Company by:

- › Preparing and reviewing the Risk Management strategies and policies, seeking approval from the Board on these matters and ensuring their proper implementation, commensurate with the size and nature of Company activities.
- › Ensuring availability and sufficiently of resources and systems for Risk Management.
- › Evaluating systems and mechanisms of identifying, measuring and monitoring various types of risks that may face the Company.
- › Assisting the Board of Directors in identifying and evaluating the Company's acceptable risk level and ensuring that the Company does not exceed this level, once approved by the Board.
- › Reviewing the organizational structure of Risk Management and providing recommendations in this regard to the Board.
- › Verifying independence of the Risk Management employees.
- › Ensuring that the Risk Management employees fully understand the risks the Company faces.
- › Preparing periodic reports about the nature of risks facing the Company and submitting such reports to the Board.
- › Reviewing issues raised by the Board Audit Committee, which may affect Risk Management in the Company.
- › Undertaking any other responsibilities as required under the relevant laws & regulations or as entrusted by the Board of Directors from time to time.

Formation Date and Duration

The Committee was constituted in April 2023 for the term of the Board of Directors.

Membership

For the year ending 2025, the Committee members were:

- › Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (**Chairperson**)
- › Masaud Mahmoud Jawhar Hayat (**Member**)
- › Entisar Abdul Raheem Al-Suwaidi (**Member**)

Sam Thomas Jacob was the secretary of the Committee.

Meetings

The Committee met four times in 2025

**c. Board Nomination and Remuneration Committee
Committee Roles, Responsibilities and Achievements**

The Committee is responsible for assisting the Board of Directors in its responsibilities pertaining to nomination and remuneration of the members of the Board of Directors and Executive Management.

The Committee assists the Board in reviewing the level of competence of the members of the Board of Directors and Kamco Invest's Executive Management, setting the remuneration framework and ensuring its effectiveness in accordance with the approved remuneration policy. Additionally, the Committee is responsible for establishing a criteria for Board and Executive Management remuneration, and:

- › Recommending nomination and re-nomination acceptance for members of Board of Directors and Executive Management members.
- › Setting a policy for Board of Directors and Executive Management members' remunerations, along with annual review of the required proper skills needed for Board membership; in addition to receiving applications for executive positions as required, studying and revising these applications.
- › Determining various remuneration categories to be provided for employees such as fixed, performance-based, equity-based and end of service remuneration categories.
- › Designing job description for Board Members.
- › Ensuring continued independence of Independent Board Members.
- › Preparing a detailed annual report for all remunerations given to Board of Directors and Executive Management members.

- › Undertaking any other responsibilities as required under relevant laws & regulations or as entrusted by the Board of Directors from time to time.

Formation Date and Duration

The Committee was constituted in April 2023 for the term of the Board of Directors.

Membership

For the year ending 2025, the Committee members were:

- › Sheikha Dana Nasser Sabah Al-Ahmad Al-Sabah (**Chairperson**)
- › Entisar Abdul Raheem Al-Suwaidi (**Member**)
- › Masaud Mahmoud Jawhar Hayat (**Member**)

Farouq Al Oumi was the secretary of the Committee

Meetings

The Committee met three times during 2025.

Mechanisms Enabling Board Members to Obtain Accurate and Timely Information and Data

The Company has effective mechanisms that enable the Board of Directors to obtain accurate and timely information, enabling them to perform and fulfil their duties and roles efficiently and sufficiently.

The secretaries of the Board and various Board Committees proactively ensure that the necessary information, reports, and analyses are made available to members of the Board and Board Committees in a timely, clear, and accurate manner. The Company has also developed the necessary IT infrastructure, which enables high quality, accurate and timely reporting.

Rule III: Recruiting Highly Qualified Candidates for the Board of Directors and Executive Management**Board Nomination and Remuneration Committee**

The Board of Directors has formed a Board Nomination and Remuneration Committee, which is responsible for the nomination of members to the Board, Board Committees and Executive Management, in addition to setting policies, incentive schemes related to the Company, and to the Board of Directors and Executive Management remuneration.

Board of Directors' and Executive Management Remuneration

The overall strategy of Kamco Invest is set and approved by the Board of Directors and translated into KPIs. These KPIs are documented and communicated to ensure alignment of the management activities to the strategy applied by the Executive Management. These KPIs are monitored and reported to the Board on a regular basis. The remuneration is determined based on the achievement of KPIs, which include financial and non-financial criteria.

The remuneration policy at Kamco Invest aims to link remunerations and acceptable risk levels to attract qualified candidates to the Company and ensure transparency. A summary of this policy is presented as follows:

a. Board Members Remuneration

The Board Remuneration consists of four main components:

- › **Annual Board Membership Remuneration:** Each Board Member will be entitled to an annual membership remuneration. The total amount for all Board Members combined should not exceed 10% of the net profit of the Company (post the deduction of depreciation, reserves, shareholders dividends not less than 5% of the Company's capital or any higher percentage as stipulated in the Company's Articles of Association).
- › **Board Membership Seating Allowance:** Board Members are entitled to a seating allowance for each Board of Directors meeting attended.
- › **Committee Membership Seating Allowance:** Board Committee Members are entitled to a seating allowance for each Board Committee meeting attended.
- › **Special Reward for the Independent Board Members:** Independent Board Members may be exempted, as endorsed by the Board of Directors upon Board Nomination and Remuneration Committee recommendation.

The total Board Remuneration (comprising the Annual Remuneration, Board and Committees Seating Allowances, and the Special Reward) is ultimately approved by the Annual General Assembly of Shareholders, as endorsed by the Company's Board of Directors upon Board Nomination and Remuneration Committee.

The Company makes appropriate disclosures on Board of Directors remuneration as required under applicable laws/regulations.

b. Executive Management Remuneration Policy

Executive Management's remuneration, remuneration components, scales, and distribution of such remuneration are based on the Human Resources Committee's recommendations, and are approved by the Board Nomination and Remuneration Committee and the Board of Directors.

The Company operates a total reward philosophy considering two main components of financial remuneration, while ensuring that there is an appropriate balance between the two components:

- › **Fixed Remuneration:** Fixed remuneration includes salaries, allowances and benefits set in Kamco Invest's salary and grading structure approved by the Company's Board of Directors and contractual agreements with employees.
- › **Variable Remuneration:** Variable remuneration is designed to motivate and reward high performers within the organization. Variable remuneration awards are allocated to individuals depending upon individual, divisional and Company-wide performance using an individual performance assessment system. The variable remuneration is divided into annual cash bonus and long and/or short terms incentives when applicable.

c. Balance between Fixed and Variable Remuneration

The Company ensures that there is an appropriate balance between fixed and variable remuneration to allow for the possibility of reducing variable remuneration in the case of weak or adverse financial performance of the Company. The fixed and variable remuneration is reviewed and determined annually by the Board of Directors based on the Board Nomination and Remuneration Committee's recommendations.

Board of Directors Remuneration Details

The Board Nomination and Remuneration Committee has recommended that the Board of Directors receive KWD 150,000 as compensation for the financial year ended 31st December 2025.

This recommendation has been approved by the Board of Directors.

The proposal will be submitted by the Board of Directors to the Annual General Assembly of the Shareholders for the financial year ended 31st December 2025, for approval.

1. Board of Directors Remuneration Details

Rewards & Benefits from Parent Company (Kamco Invest)	
› Number of Board Members	5
› Fixed Rewards & Benefits (KWD)	
Health Insurance	-
› Variable Rewards & Benefits (KWD)	
Annual Bonus	KD 150,000*
Bonus for Committees	-
Rewards & Benefits from Kamco Invest's Subsidiary Companies	
› Fixed Rewards & Benefits (KWD)	
Monthly Salaries (Total for the year)	-
Health Insurance	-
› Variable Rewards & Benefits (KWD)	
Annual Bonus	-
Bonus for Committees	-

2. Executive Management Remuneration Details

Rewards & Benefits from Parent Company (Kamco Invest)	
› Number of Executive Positions	7
› Fixed Rewards & Benefits (KWD)	
Monthly Salaries (Total for the year)	KD 660,900
Health Insurance	KD 15,229
Travel Allowances	KD 60,852
Transport Allowance	KD 28,200
End of Service & Holidays	KD 218,003
Other Fixed Rewards & Benefits	KD 163,091
› Variable Rewards & Benefits (KWD)	
Annual Bonus	KD 696,968

Rewards & Benefits from Kamco Invest's Subsidiary Companies

› Fixed Rewards & Benefits (KWD)	
Monthly Salaries (Total for the year)	-
Health Insurance	-
Annual Tickets	-
Housing Allowance	-
Transport Allowance	-
Children's Education Allowance	-
Allowance for attending Board meetings	-
End of Service & Holidays	-
› Variable Rewards & Benefits (KWD)	
Annual Bonus	18,000**

*Subject to AGM approval from the Company's shareholders.

** Three executives will benefit from these rewards & benefits.

Deviations From Remuneration Policy

No substantial deviations from the approved Remuneration Policy have been noted.

Rule IV: Safeguarding the Integrity of Financial Reporting

The Board of Directors acknowledges to the shareholders, its responsibility for the fair presentation of Kamco Invest's consolidated financial statements for the year ended 31st December 2025, and that they present all financial aspects of the Company, including data and operational results, and are prepared in accordance with the International Accounting Standards approved by the Capital Markets Authority of Kuwait.

Furthermore, the Executive Management acknowledges to the Board, its responsibility for the fair presentation of Kamco Invest's consolidated financial statements for the year ended 31st December 2025, and that these statements present all financial aspects of the Company accurately, including data and operational results, and are prepared in accordance with the International Accounting Standards approved by the Capital Markets Authority of Kuwait.

The Board of Directors have established a Board Audit Committee. The Committee members have educational qualifications and practical experience in the field of accounting and finance. There was no conflict between the recommendations of the Board Audit Committee and the decisions of the Board of Directors during the year 2025.

The External Auditor of the Company is fully independent from the Company, the Board, and the Board Audit Committee verifies their independence on an annual basis. Furthermore, the External Auditor does not provide any material services other than the services related to the Company's external audit function.

Rule V: Applying Sound Systems of Risk Management & Internal Audit

Risk Management Department

The Company's Board of Directors approved organizational structure institutionalizes a fully independent Risk Management Department, reporting to the Company's Board Risk Committee.

The Risk Management Department is granted full authority to perform its role without being granted financial powers. The Department has qualified employees with suitable professional competences and technical capabilities.

Board Risk Committee

The Board of Directors formed a Board Risk Committee that consists of three members, responsible for developing and monitoring Risk Management policies and procedures and assessing the risk profile of the Company.

Internal Controls Systems

The Company makes ongoing efforts to enhance its internal controls systems and while doing so, applies the "Four Eyes Principles" as follows:

- › Proper segregation of authorities between the Board and Executive Management, whilst ensuring appropriate checks and balance.
- › Segregation of duties to prevent conflicts of interest.
- › Maker-checker control and review.
- › Multi-layered approvals/authorizations.

Internal Audit Department

The Company's approved organization structure includes a fully independent Internal Audit Department, reporting directly to the Company's Board Audit Committee. The Head of the Internal Audit Department is appointed by the Board of Directors, based on the recommendation of the Board Audit Committee. The Board Audit Committee approves the Internal Audit Department's mandate, roles, and duties.

Rule VI: Promoting Code of Conduct and Ethical Standards

The Company has institutionalized a comprehensive Corporate Governance Policy that acts as a backbone of the Company's corporate governance framework. The Corporate Governance Policy acts as the Business Charter for the firm and includes extensive directives to address:

- › **Related Party Transactions** – Mechanisms for various internal departments to highlight and appropriately manage transactions that may be undertaken by the Company with related parties.
- › **Code of Conduct and Ethics** – Emphasizing confidentiality of information, appropriate care of Kamco Invest's assets, financial responsibility and compliance with applicable laws & regulations. These directives establish the framework of acceptable behavior at Kamco Invest. The Company reiterates its commitment to the Code of Ethics and Conduct. Any breach of the Code of Ethics and Conduct is dealt with severely resulting in immediate disciplinary action.
- › **Insider Information Management** – Kamco Invest prohibits the unauthorized disclosure of sensitive/material information acquired in the normal course of business and the misuse of such information in activities detrimental to the interests of the Company and integrity of capital markets.
- › **Whistle Blowing** – Establishing mechanisms for stakeholders to highlight any potential or alleged wrongdoings, breaches of Corporate Governance Policy, financial crimes, fraud, theft, harassment etc. The mechanisms afford full protection from any retaliation and full confidentiality of all whistleblowers.
- › **Conflicts of Interest** – To ensure that conflicts of interest emanating from Kamco Invest's operations are appropriately identified, discussed, resolved & disclosed. This policy has set the mechanisms to mitigate situations constituting conflicts of interest

within Kamco Invest and its subsidiaries and affiliates as to ensure that all conflicts of interest are dealt with and addressed expeditiously.

- › **Chinese Walls** – To ensure segregation of information being generated from various business units of Kamco Invest and to minimize risks of misusing such information.

The Corporate Governance Policy is circulated to all employees of Kamco Invest. Any breaches of the Corporate Governance Policy merit strictest of actions under the Company's Human Resources Policies and the Kuwait Labor Law, including but not limited to termination and legal action.

Rule VII: Ensuring Timely and High-Quality Disclosures & Transparency

Mechanism of Disclosure and Transparency

The Company has adopted policies and procedures pertaining to "Disclosure and Transparency", which details disclosure requirements, guidelines, and responsibilities (including financial, non-financial and regulatory disclosures). The policy requires the application of disclosure practices to ensure disclosure of the Company's material information, in a fair and professional manner and to provide accurate information in a timely manner for the benefit of internal and external stakeholders in compliance with CMA regulations. During 2025, Kamco Invest has made appropriate regulatory disclosures in a timely manner on Boursa Kuwait website and the Company's official website. The Company aims to balance the legitimate interests of stakeholders through consistent and enhanced performance.

The Company maintains a special register related to all the Board of Directors and Executive Management's disclosures. This register is available to be reviewed by all the Company's shareholders, and is reviewed and updated periodically.

Investors Relations Unit

The Company has incorporated an independent Investor Relations Unit, which is responsible for providing accurate and timely data and reports to investors. There is a dedicated section on the Company's website for Investor Relations, which also contains the contact information for the Unit.

Development of Information Technology Infrastructure in the Disclosure Process

The Company works continuously on developing and updating its information technology infrastructure, to effectively communicate with shareholders, investors, and stakeholders. The Company updates its website regularly with material information for clients, investors, and other stakeholders. Additionally, the Company's website has a dedicated section for corporate governance, where all governance related information and data that shareholders and potential investors might need, is available.

Rule VIII: Respecting the Rights of Shareholders

The Company's governance system ensures that all shareholders are treated fairly and equally. It protects shareholder rights and prevents the misuse of their capital. Furthermore, the Company's Articles of Association include procedures and controls to ensure fairness and equality amongst all shareholders.

In addition, the Company has a policy that guarantees the shareholders ability to exercise their rights, which include:

- › Recording the shares held by the shareholders and shareholding percentage in the Company records.
- › Transacting in the Company's shares, including registration and transfer of ownership.
- › Receiving dividends on shares held.
- › Obtaining residual claims in the Company's assets in case of liquidation.
- › Having access to data and information of the Company's activities and operational investment strategies regularly and easily.
- › Participating in the shareholders' assembly meetings and voting on the resolutions thereof.
- › Electing members of Board of Directors.
- › Following up on performance of the Company, in general, and the Board of Directors, in particular.
- › Holding the Company's Board of Directors and/or the Executive Management accountable.

The Company has created a special register at the Kuwait Clearing Company (Clearing Agency), where shareholders names, nationalities and the number of shares held by them are recorded. Furthermore, the Investor Relations

Unit maintains a copy of the Shareholders' Register. The Shareholders can review this register and verify that their data is maintained confidentially. The Investor Relations Unit oversees responding to queries of the Shareholders.

■ Mechanism of Participation in the Shareholders General Assembly

The Shareholders' General Assembly is held upon the call of the Board of Directors. The invitations are published in local newspapers, the Boursa Kuwait website, and the Company's website including meeting type, agenda items, location (physical or virtual) in addition to date and time.

The Investor Relations Unit and the Board Secretary follow up with Kuwait Clearing Company and key shareholders to ensure quorum is met. The agenda, Board of Directors reports and financial statements are prepared and made available to Shareholders.

Shareholders can participate in the General Assemblies and discuss all issues listed in the agenda, raise inquiries, and pose questions to the Board Members and the External Auditor.

■ Mechanism of Voting in the Shareholders General Assembly

The Company allows shareholders to exercise the right of voting in person or by proxy, without placing any obstacles that would prevent such voting. This can be fulfilled either through personal attendance or via the electronic system available at the Kuwait Clearing Company.

Rule IX: Recognizing the Roles of Stakeholders

Kamco Invest acknowledges stakeholder rights and promotes cooperation between the Company and stakeholders in various areas. Moreover, stakeholder contributions represent a crucial resource for building the Company's competitiveness, and for supporting its performance.

The Company's Corporate Governance Policy has captured the rules and procedures that ensure acknowledgment and protection of the stakeholders' rights, such as but not limited to:

- › Ensuring that dealing between the Company and its stakeholders is conducted without any discrimination or preferential conditions.
- › Articulating procedures to be followed in case any party breaches the obligations thereof articulated.
- › Compensating stakeholders if the rights set out in the agreements with the stakeholders are breached.
- › Reporting any actual/alleged breaches or improper practices of the Company through pre-defined channels.
- › Encouraging the Company to establish good relations with the clients & service providers and maintaining confidentiality of information of various parties.
- › Encouraging redressal of complaints or disputes, which may arise between the Company and any stakeholder.
- › Abiding by the instructions of the Company's regulators.

Encouraging stakeholders to participate in following up with the Company's various activities

The Company allows stakeholders to access information and data related to the activities related to them in a timely and regular manner. Furthermore, the Company publishes all announcements on its website and press releases of important events and information on a regular basis and when needed. The Company has also set mechanisms and channels, per the client complaints policies & procedures and whistleblowing policies & procedures, which allow stakeholders to communicate any grievances or report unfair, improper, unethical, or illegal practices.

Rule X: Encouraging and Enhancing Performance

The Company has developed several mechanisms that allow Board Members and Executive Management to attend different training programs and workshops. The training programs and workshops are related to the Company's activities and to the Board Members role, to develop their skills and experience in a manner that would help them perform their duties effectively.

During the year, the Company's Board Members and Executive Management Members attended training programs and workshops related to different topics, such as:

1. Update on Kuwait Rules and Regulations
2. AML & CFT Awareness Complying with CMA Regulations
3. Discussion on latest Violations from CMA to investment companies
5. Cyber security conference Kuwait
6. The Legal Framework of Artificial Intelligence and Its Implications in the Field of Intellectual Property
7. Innovating with Artificial Intelligence
8. Role of the Director and the Board
9. Super Return CFO/COO 2025

The Board has established Key Performance Indicators (KPIs) and assessment criteria for the management, individual Board members, Board Committees and the Board collectively. These measures are designed to enhance overall performance effectiveness and to ensure the successful execution of the company's strategic objectives. The KPIs and evaluation criteria are reviewed periodically to ensure their continued relevance in light of evolving circumstances and to support ongoing improvement in the performance of all relevant stakeholders.

The Board of Directors of the Company works continuously on ensuring the importance of value creation with the employees of the Company by enforcing mechanisms that achieve the Company's strategic goals, improve performance, ensure adherence to laws and regulations, and enhance corporate governance. These mechanisms include but are not limited to:

- › Setting annual budget and long-range plan for the Company, coupled with regular review of the Company's performance against the set targets and budgets.
- › Ensuring proper and clear distribution of authorities amongst management, management committees, Board Committees, and the Board of Directors.
- › Institutionalizing appropriate mechanisms for internal governance.
- › Institutionalizing appropriate policies related to compliance, anti-money laundering & countering terrorism financing, etc.
- › Offering an engaging and satisfying work environment.
- › Institutionalizing appropriate corporate governance policies, procedures & practices.
- › Availing technically proficient leadership team.

To facilitate the value creation in the Company and effectively manage and enhance performance in a risk cognizant manner, the Board of Directors has instituted several management committees that comprise the Company's senior management personnel. In 2025, the governance structure has been comprehensively overhauled to streamline governance and ensure stronger alignment with the Company's strategic priorities.

These management committees are platforms for senior management to brainstorm and discuss strategic, business & operational issues and implement necessary action plans, thereby providing strategic, operational and governance oversight to the Company on a regular basis. The Committees operate through board approved mandates and charters. A summary of these committees is given below:

Core Markets Executive Committee

The committee oversees the execution of the Board's strategic direction regarding Kamco Invest and all its regional offices.

Products Committee

The committee sets the product strategy of the Company and approve new products and transactions from a strategic perspective.

New Products Working Group

The working group offers support and resources to intranet teams in operationalizing new products

Asset, Liability and Capital Management Committee

The committee provides oversight to the management of Kamco Invest's balance sheet and capitalization.

Credit Committee

The committee exercises due care, diligence, skill, and oversight towards Credit Risk Management in the loan portfolio of Kamco Invest, within Board approved authorities.

Loans Classification/ Provisions Committee

This committee approves provisions on the individual loan accounts, and on an omnibus basis on the loan portfolio to ensure accurate reflection of recoverability.

Technology Oversight Committee

This committee oversees the Company's technology

strategy and initiatives, oversee significant investments in support of such strategy alongside associated operational considerations, operational risks, information, and cybersecurity risks.

Rule XI: Focusing in the importance of Corporate Social Responsibility

In 2025, Kamco Invest continued to embed Environmental, Social, and Governance (ESG) principles across its operations, reinforcing sustainability as a strategic priority aligned with long-term value creation.

On the social front, the Company promoted health and community wellbeing through Breast Cancer Awareness initiatives and blood donation drives, reflecting its commitment to preventive health and collective responsibility. Youth development remained a strategic priority, recognizing that strengthening financial literacy, practical exposure, and industry readiness contributes to building a sustainable national talent pipeline for the investment sector. In line with this objective, Kamco Invest hosted GUST “Live Your Major” students to provide exposure to digital innovation, delivered a seminar on finance and investing to students of the American International University (AIU), and collaborated with AUK CCE to conduct the “Analytics Edge” program to enhance analytical capabilities.

Continuous learning and employee empowerment were reinforced through UDEMY access and structured upskilling initiatives, ensuring the workforce remains adaptive and future-ready. Female representation reached 43% at management level and 21.4% of new hires were female, reflecting the Company’s commitment to inclusive leadership and balanced representation in decision-making roles. New graduates accounted for 6.5% of the workforce, supporting early-career integration into the sector. As part of its youth development efforts, the internship program expanded from 47 interns in 2024 to more than 79 interns in 2025, representing growth of almost 70%, with continued emphasis on female and Kuwaiti participation to support national workforce development.

From a governance perspective, Kamco Invest strengthened institutional alignment by joining the KIPCO Group ESG Committee to enhance group-wide data harmonization and external assurance readiness.

Governance remains a core pillar of the Company’s sustainability framework, underpinned by a zero-tolerance approach to unethical behavior, reinforced codes and policies, transparent ESG-related disclosures at Board and Executive Management levels, and robust oversight mechanisms that safeguard stakeholder rights and data privacy while maintaining full compliance across operations.

ACKNOWLEDGMENT BY THE INDEPENDENT BOARD MEMBER

I, the undersigned, as an independent member of the Board of Directors of Kamco Investment Company K.S.C. (Public) ("Kamco Invest" or the "Company"), declare that I have the independence as stated in Article (2-3) of Chapter Two of Module Fifteen ("Corporate Governance") of the Executive Regulations of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activity, and their amendments.

Accordingly, I acknowledge that:

- › I do not own 5% or more of the shares of Kamco Invest
- › I'm neither a first-degree relative to any of the Company's Board of Directors, the executive management of the Company or any of its group companies, nor to other key stakeholders.
- › I do not hold the position of a non-independent board member in any Company of its group.
- › I am neither employed by the Company, any company of its group nor by any of its stakeholders.
- › I am not employed by legal persons who own controlling stakes in the Company.
- › I have the qualifications, experience and technical skills that are commensurate with the Company's activity.



Entisar Abdul Raheem Al-Suwaidi



FINANCIAL STATEMENTS

EY FEES FOR CONSOLIDATED GROUP

#	EY FEES	FY 2025	FY 2024
1	Audit & review	86,618	69,671
2	Other assurance services	8,249	3,000
3	Non-audit services	101,045	60,970
	TOTAL	195,912	133,641

The Audit Committee has considered the non-audit services provided by EY and is satisfied that the services and the level of fees are compatible with maintaining auditor independence.

All services are approved by the audit committee in accordance with the approved policies and procedures. EY also have specific internal processes and policies in place to ensure auditors independence.

- › Audit Financial Statements relates to the audit and review the statutory financials reporting of Group and any of its controlled entities.
- › Other assurance services are related to engagements required under prudential standards and other legislative or regulatory requirements.
- › Non-audit services include agreed-upon procedures, taxation advices and tax compliance service.

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

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025





Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
Burj Alshaya, 16th & 17th Floor
Al Soor Street, Mirqab
Safat 13001, State of Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
<https://www.ey.com>

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.



**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.



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.



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.



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.



**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>	2025 KD	2024 KD
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

	Attributable to equity holders of the Company										
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Asset revaluation surplus KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity 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)	-	-	-	-	-	-	-	-	-	-	-
Incorporation of subsidiary	-	-	-	-	-	-	-	-	-	652,788	652,788
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	1,336	1,336
	-	-	-	-	-	-	-	-	-	(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

	Attributable to equity holders of the Company										
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Asset revaluation surplus KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
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.

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

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.

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

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.

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

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:

Entity name	Principal activities	Country of incorporation	% equity interest as at 31 December	
			2025	2024
Subsidiaries				
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. (“KMPPFIF”)	Fund	UAE	53.54%	55.69%
Held through Nawasi United Holding Company K.S.C. (Closed)				
Al Tadamun United Holding Company K.S.C. (Closed)	Holding Company	Kuwait	99.53%	99.53%
Held through FSBC				
Global Investment House Company Limited - Jordan	Brokerage Services	Jordan	100.00%	100.00%
Held through KAMCO Investment Company Saudi				
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%	-

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)

3.2 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.

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)

3.3 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.

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)

3.4 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.

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)

3.4 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.

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)

3.4 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 POCI. 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.

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)

3.4 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.

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)

3.4 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 POCI, 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.

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)

3.4 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.

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)

3.5 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.

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)

3.6 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 the 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.

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)

3.9 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.

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)

3.13 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.

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)

3.15 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.

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)

4.1 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.

Name of company	Country of incorporation	Principal activities	Effective interest as at 31 December		2025 KD	2024 KD
			2025	2024		
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 Fund	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
					2025 KD	2024 KD
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>
	2025 KD	2024 KD	2025 KD	2024 KD	2025 KD	2024 KD	2025 KD	2024 KD	2025 KD	2024 KD	
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	15,906,843	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

	Freehold land KD	Building KD	Furniture and fixtures KD	Office equipment, computers & vehicles KD	Capital work in progress KD	Right-of-use asset (Leased building) KD	Total KD
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	4,232,333	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 KD	2024 KD
Current	8,100,000	6,400,000
Non-current	40,000,000	40,000,000
	<u>48,100,000</u>	<u>46,400,000</u>

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.

	<u>Borrowings</u>		<u>Leases</u>	
	2025 KD	2024 KD	2025 KD	2024 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	<u>48,100,000</u>	<u>46,400,000</u>	<u>603,811</u>	<u>837,253</u>

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

	2025 <i>KD</i>	2024 <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
	<u>19,392,070</u>	<u>18,135,860</u>

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
	<u>18,627,133</u>	<u>16,885,892</u>
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
	<u>18,627,133</u>	<u>16,885,892</u>

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
	<u>4,221,163</u>	<u>2,243,560</u>

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 KD	2024 KD
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.

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

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:

	Ultimate Parent Company KD	Parent Company KD	Associates KD	Other related parties KD	2025 KD	2024 KD
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:

	2025 KD	2024 KD
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:

	<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>
31 December 2025					
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:

31 December 2025	<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>
<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>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>
<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>

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)

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</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				
Investment properties	-	-	12,756,041	12,756,041
31 December 2024				
Investment properties	-	-	12,567,470	12,567,470

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</i> <i>KD</i>	<i>2024</i> <i>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').

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)**23.2 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.

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)**25.1 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
Gross maximum credit risk exposure before consideration of credit risk mitigation	46,509,090	45,124,195

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 rest of the Middle East	International	Total
	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
Maximum exposure to credit risk assets	25,643,557	16,869,132	3,996,401	46,509,090
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
Maximum exposure to credit risk assets	24,726,041	18,204,241	2,193,913	45,124,195

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)

25.1 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:

	2025 KD	2024 KD
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.

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)

25.1 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	1,812,613	-	2,382,813	4,195,426
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	1,777,603	-	2,412,602	4,190,205

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	16,026	-	2,331,499	2,347,525
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	15,977	-	2,368,690	2,384,667

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

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)

25.3 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	17,355,926	6,743,869	11,111,914	35,211,709
Financial assets at fair value through other comprehensive income	3,076,474	515,765	9,603,988	13,196,227
31 December 2024				
Financial assets at fair value through profit or loss	15,544,081	6,999,457	9,842,591	32,386,129
Financial assets at fair value through other comprehensive income	2,904,708	488,373	7,355,058	10,748,139

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)

25.3 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.

	<u>2025</u>		<u>2024</u>	
	<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	(30,901,525)	(31,652,279)
	36,590,545	32,883,581
Equity attributable to the equity holders of the Company	69,487,110	62,256,523
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'.

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