



# SCALING NEW HEIGHTS

ANNUAL REPORT 2025

S E E F /  سليف

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Manama, Kingdom of Bahrain







**His Royal Majesty**  
**King Hamad bin Isa Al Khalifa**  
The King of the Kingdom of Bahrain



**His Royal Highness**  
**Prince Salman bin Hamad Al Khalifa**  
The Crown Prince and Prime Minister  
of the Kingdom of Bahrain

# ADMINISTRATION AND CONTACT DETAILS

<b>COMMERCIAL REGISTRATION NUMBER</b>	44344 obtained on 8th November 1999
<b>REGISTERED OFFICE</b>	P.O. Box 20084 Manama, Kingdom of Bahrain
<b>CHAIRMAN</b>	Mr. Essa Mohamed Najibi
<b>VICE-CHAIRMAN</b>	Mr. Sattam Sulaiman Al Gosaibi
<b>CHIEF EXECUTIVE OFFICER</b>	Mr. Ahmed Yusuf
<b>BOARD OF DIRECTORS</b>	Mr. Essa Mohamed Najibi - Chairman Mr. Sattam Sulaiman Al Gosaibi - Vice-Chairman Mr. Mohamed Ebrahim Al Bastaki - Director Mr. Anwar Mohammed Murad - Director Ms. Sahar Rashid Al Mannai - Director Mr. Zayed Ali Al-Amin - Director Mr. Majed Abdulla Al Khan - Director Ms. Sarah Khalil Nooruddin - Director Mr. Ahmed Fouad Al Mutawa - Director Mr. Ahmed Habib Kassim - Director
<b>BANKERS</b>	Bank of Bahrain and Kuwait B.S.C. Kuwait Finance House (Bahrain) B.S.C. (c) Khaleeji Commercial Bank B.S.C. Al Salam Bank-Bahrain B.S.C. Ithmaar Bank B.S.C.
<b>REGISTRARS</b>	Bahrain Clear B.S.C.(C) P.O. Box 3203 Kingdom of Bahrain
<b>AUDITORS</b>	Ernst & Young P.O. Box 140 Kingdom of Bahrain

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# BOARD OF DIRECTORS' REPORT



Essa Mohamed Najibi  
Chairman

# Net Profit

Attributable to Shareholders

# 5.94

Million Bahraini Dinars

## “Seef Properties strengthened its regional expansion in the Kingdom of Saudi Arabia through the launch of a number of strategic initiatives”

### Dear Valued Shareholders,

On behalf of the Members of the Board of Directors of Seef Properties, I am delighted to present to you the Company’s Annual Report and audited financial statements for the financial year ended 31 December 2025. This report highlights the Company’s performance during the year, the key developments across its operations, as well as the strategic directions for the coming period, in line with our continued commitment to the highest standards of transparency, disclosure, and corporate governance.

On this occasion, I am honoured to extend my deepest gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, and to His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, for their unwavering support of the Kingdom’s economic development journey, which has contributed to fostering a stable and investment-friendly environment that enables the growth of national companies.

We also extend our sincere appreciation to all government entities for their continued cooperation and support, which have played a pivotal role in enabling Seef Properties to continue implementing its strategic plans, achieving balanced and sustainable growth, and contributing effectively to supporting the national economy and the tourism and commercial sectors in the Kingdom of Bahrain.

### Strong Governance and Disciplined Strategy Execution

Seef Properties’ performance during 2025 reflected the strength of its balanced strategic approach and its commitment to safeguarding shareholders’ interests while maximising the long-term value of its asset portfolio. The Company continued to implement its development plans across its various business sectors, including the management of shopping centres, real estate development, hospitality, and entertainment, while maintaining high levels of operational efficiency and the ability to adapt to changing market conditions.

In this context, the Company continued to enhance its business model to achieve a well-considered balance between maximising returns from existing assets and exploring new growth opportunities, drawing on its accumulated expertise and proven track record in developing and managing integrated destinations. During 2025, Seef Properties also continued to fulfil its national and social role by supporting educational, environmental and sports initiatives, and by developing national talent, reflecting its commitment to supporting sustainable development pathways in the Kingdom of Bahrain and adopting an integrated institutional approach that balances financial performance with positive contributions to society and the national economy.

# BOARD OF DIRECTORS' REPORT

## **Regional Expansion and Entry into New Markets**

In a move reflecting its long-term growth ambitions and geographic diversification strategy, Seef Properties continued during 2025 to strengthen its regional expansion in the Kingdom of Saudi Arabia through the launch of a number of strategic initiatives across several key cities, reinforcing its position in one of the region's most dynamic and fast-growing markets.

This direction stems from Seef Properties' strong conviction in the importance of the Saudi market and its promising growth potential, supported by the Company's capabilities and expertise in developing and managing integrated destinations. This expansion also reflects the Company's commitment to transferring its successful operating model to new markets within a carefully considered framework that balances investment ambition with financial discipline, thereby supporting sustainable growth and long-term value creation for shareholders.

## **Redevelopment of Seef Mall – Seef District and enhancement of the visitor experience**

As part of its strategic vision for the development of shopping centres, the Company launched a comprehensive plan in 2025 to upgrade Seef Mall – Seef District, aimed at enhancing its competitiveness and reinforcing its position as an integrated destination for retail, entertainment, and lifestyle, thereby supporting the long-term sustainability of operational performance.

This initiative responds to the rapid changes in visitor behaviour and the growing focus on integrated experiences as a key driver of success for retail destinations, contributing to strengthening the Mall's position as one of the Kingdom of Bahrain's leading destinations and supporting long-term footfall and operational sustainability.

## **Asset Development and Enhancing the Hospitality Sector**

With regard to asset development, the Company continued during 2025 to implement its plans to upgrade its assets and enhance their competitiveness. In this context, Seef Properties completed the comprehensive refurbishment of its subsidiary hotel, Fraser Suites Seef, which contributed to elevating the level of hospitality services and enhancing the guest experience in line with market developments and guest expectations.

This upgrade had a positive impact on occupancy levels and the hotel's operational performance, confirming the effectiveness of investments directed towards asset enhancement and efficiency optimisation. This approach also aligns with the Company's vision of strengthening integration between the hospitality, entertainment and retail sectors within a unified ecosystem that capitalises on asset value and delivers sustainable investment returns over the long term.

## **Enhancing the Entertainment Sector and Expanding Its Role in Supporting the Growth Strategy**

During 2025, Seef Properties continued to deliver positive performance in the entertainment sector, reflecting the strategic focus placed on this segment and its growing role in enhancing asset quality and improving the operational efficiency of the Company's destinations. This performance was driven by the efforts of Seef Entertainment, which played a key role in enabling the sector and developing operating models that supported growth and elevated overall performance levels.

In this context, the Company focused on developing the entertainment sector in the Kingdom of Bahrain, while establishing partnerships with the Saudi market in preparation for future projects, drawing on its expertise and ability to transfer successful operating models. Seef Properties is also preparing to launch innovative entertainment concepts aimed at keeping pace with market developments and strengthening integration between entertainment, retail and hospitality, thereby supporting the long-term sustainability of operational performance.

### Sustainability as a Key Achievement in 2025

The year 2025 marked a significant milestone in Seef Properties' sustainability journey, as the Company launched the largest solar energy project within its operational portfolio.

This initiative underscores Seef Properties' commitment to supporting the Kingdom of Bahrain's objectives to reduce carbon emissions and achieve net-zero by 2060, while embedding sustainability principles into its operational activities and investment decisions, thereby enhancing long-term value for shareholders and stakeholders.

### Financial Results and Dividend Recommendations

During the year, Seef Properties recorded net profit attributable to shareholders of BD 5.94 million, compared to BD 5.61 million in the previous year. This increase was primarily driven by the positive performance of investments in joint ventures compared to last year, alongside continued control of operating expenses within prudent levels, as well as a reduction in financing costs resulting from effective management of profit rates. Income from the sale of part of one of the Company's subsidiary assets, in addition to a reduction in losses arising from the fair value revaluation of assets compared to the previous year, also contributed to supporting net profit.

Based on these results, the Board of Directors resolved to recommend to the General Assembly the distribution of cash dividends at a rate of 10% of the nominal value of the share, equivalent to 10 Fils per share, amounting to a total of BD 4.52 million, in addition to allocating an amount of BD 170,000 to support corporate social responsibility and community service initiatives.

Main Financial Results (Million Bahraini Dinars)	2025	2024
Revenues	14.97	16.21
Operating Profit	11.52	12.31
Net Profit Attributable to Shareholders	5.94	5.61
Total Assets	177.78	177.14
Total Shareholder's Equity	163.48	161.85

### Board and Executive Management Remuneration

In line with the Company's commitment to transparency, and pursuant to the provisions of the Commercial Companies Law No. (21) of 2001 and its amendments, Article (188) of the Commercial Companies Law, and Article (125) of the Executive Regulations issued under Resolution No. (3) of 2022 amending certain provisions of the Executive Regulations of the Commercial Companies Law issued by Decree Law No. (21) of 2001 and Resolution No. (1) of 2002, we are pleased to attach the table detailing the remuneration of the Board of Directors and Executive Management for the financial year ended 31 December 2025.

### Confidence in the Future and Appreciation to Partners

The achievements attained during 2025 reflect Seef Properties' ability to translate vision into tangible accomplishments and strategy into measurable results. We look ahead with confidence to the next phase, supported by clear expansion plans, a solid asset portfolio and a highly capable and experienced team.

In conclusion, I extend my sincere appreciation to the Members of the Board of Directors, the Executive Management, and all Company employees, as well as to our shareholders and partners, for their continued trust and support.



**Essa Mohamed Najibi**

Chairman of the Board of Directors

# BOARD OF DIRECTORS' REPORT

## FIRST: BOARD OF DIRECTORS' REMUNERATION DETAILS

(All amounts are in Bahraini Dinars)

Name	Fixed Remuneration					Variable Remuneration					End-of-Service Award	Aggregate Amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the Chairman and Board of Directors*	Total Allowance for Attending Board and Committee Meetings***	Salaries	Others****	Total	Remunerations of the Chairman and Board of Directors	Bonus	Incentive Plans	Others*****	Total			
Mr. Essa Mohamed Najibi	41,739.130	6,400	-	-	48,139.13	-	-	-	-	-	-	48,139.13	-
Mr. Sattam Sulaiman Al Gosaibi	31,304.350	5,200	-	-	36,504.35	-	-	-	-	-	-	36,504.35	-
Mr. Mohamed Ebrahim Al Bastaki	20,869.565	5,600	-	-	26,469.57	-	-	-	-	-	-	26,469.57	-
Mr. Majid Al Khan (from 19 March 2025)	20,869.565	6,000	-	-	26,869.57	-	-	-	-	-	-	26,869.57	-
Mr. Anwar Murad (from 19 March 2025)	20,869.565	2,400	-	-	23,269.57	-	-	-	-	-	-	23,269.57	-
Mr. Ahmed Kassim (from 19 March 2025)	20,869.565	4,800	-	-	25,669.57	-	-	-	-	-	-	25,669.57	-
Mr. Zayed Al Amin (from 19 March 2025)	20,869.565	3,200	-	-	24,069.57	-	-	-	-	-	-	24,069.57	-
Mr. Ahmed Al Mutawa (from 19 March 2025)	20,869.565	3,600	-	-	24,469.57	-	-	-	-	-	-	24,469.57	-
Ms. Sahar Al Mannai (from 19 March 2025)	20,869.565**	3,600	-	-	24,469.57	-	-	-	-	-	-	24,469.57	-
Ms. Sara Noordudin (from 19 March 2025)	20,869.565	4,800	-	-	25,669.57	-	-	-	-	-	-	25,669.57	-
Dr. Mustafa Ali Al Sayed (until 19 March 2025)	-	1,400	-	-	1,400	-	-	-	-	-	-	1,400	-
Mr. Fuad Ali Taqi (until 19 March 2025)	-	1,000	-	-	1,000	-	-	-	-	-	-	1,000	-
Mr. Yusuf Ahmed Al Hammadi (until 19 March 2025)	-	800	-	-	800	-	-	-	-	-	-	800	-
Mr. Abduljalil Mohamed Janahi (until 19 March 2025)	-	800	-	-	800	-	-	-	-	-	-	800	-
Ms. Eman Mustafa Al Murbati (until 19 March 2025)	-	1,200	-	-	1,200	-	-	-	-	-	-	1,200	-
Mr. Hamed Yousef Mashal (until 19 March 2025)	-	800	-	-	800	-	-	-	-	-	-	800	-
Mr. Fouad Ebrahim Al Mutawa (until 19 March 2025)	-	800	-	-	800	-	-	-	-	-	-	800	-
<b>Total</b>	<b>240,000</b>	<b>52,400</b>	-	-	<b>292,400</b>	-	-	-	-	-	-	<b>292,400</b>	-

Notes:

\* Subject to approval of the General Assembly.

\*\* Remuneration is paid to the entity represented by these Directors.

\*\*\* Sitting fees for attending the Board and its committee meetings are BD 600 for the Chairman of the Board or any committee and BD 400 for Directors or committee members.

\*\*\*\* Includes in-kind benefits and/or remuneration for technical, administrative and advisory works (if any).

\*\*\*\*\*Includes the Director's share of the profits and/or granted shares (if any).

## SECOND: EXECUTIVE MANAGEMENT REMUNERATION DETAILS

(All amounts are in Bahraini Dinars)

EXECUTIVE MANAGEMENT	TOTAL PAID SALARIES AND ALLOWANCES	TOTAL PAID REMUNERATION (BONUS)	ANY OTHER CASH/ IN-KIND REMUNERATION FOR 2025	AGGREGATE AMOUNT
<b>Remuneration of Top six (6) Executives</b>	438,128	91,318	40,044	569,490

### Note:

\*The top six (6) members of Executive management include the following:

1. Chief Executive Officer
2. Chief Financial Officer
3. Chief Technical Officer
4. Chief Commercial Officer
5. Senior Manager – Internal Audit
6. Senior Manager – Property Management

# CHIEF EXECUTIVE OFFICER'S REPORT



Ahmed Yusuf  
Chief Executive Officer

## “Seef Properties’ destinations continued to deliver strong operational performance in 2025.”

### Dear Shareholders,

We are pleased to present to you Seef Properties’ annual report for 2025, which marked a pivotal year in the Company’s journey. It reflected the effective execution of our strategic priorities, with a clear focus on asset development, enhancing operational efficiency and embedding sustainability principles, in alignment with the objectives of Bahrain Economic Vision 2030 and our long-term growth ambitions.

During the year, we focused on implementing important and impactful initiatives that strengthened the resilience of our business model and enhanced the readiness of our assets to keep pace with the rapid transformation in the retail and entertainment sectors. At the same time, we maintained the quality of the visitor experience while maximising value for our shareholders and all stakeholders.

### Regional Expansion

In 2025, Seef Properties continued to implement its regional expansion strategy in the Saudi market. The Company’s mixed-use real estate project in Dammam, in partnership with Majd Investment Company, achieved notable progress by entering the design phase and appointing both local and international consultants. This project represents the Company’s first tangible regional expansion and aims to develop an integrated destination that includes residential, commercial, entertainment and office components in line with the highest international standards.

This step reflects our confidence in the depth of the Saudi market and its promising growth opportunities, as well as our ability to transfer our operational expertise to new markets through a disciplined approach that balances phased expansion with operational excellence. This strategy will support income diversification and sustainable growth over the medium and long term.

### Operational Performance Driven by Development

Seef Properties’ destinations continued to deliver strong operational performance in 2025, supported by an enhanced tenant mix and the attraction of leading local and global brands, several of which entered the Bahraini market for the first time. This approach contributed to broadening the offerings and enhancing the appeal of the Company’s destinations to diverse visitor segments.

Al Liwan continued to achieve high occupancy levels, driven by increasing footfall from both within and outside the Kingdom. This reflects its strategic location and the integration of its commercial, entertainment and residential components, and confirms the success of the integrated destination model adopted by the Company. This was further supported by progress in the redevelopment and modernisation plans for Seef Mall – Seef District, enhancing asset readiness and their ability to meet the expectations of both visitors and tenants.

# CHIEF EXECUTIVE OFFICER'S REPORT

## **Sustainability from Planning to Implementation**

In 2025, Seef Properties' sustainability initiatives transitioned from planning to full implementation under a comprehensive programme that included supplying four of its main shopping centres with clean electricity. Solar energy stations were commissioned and activated at Seef Mall – Seef District, Seef Mall – Isa Town, Seef Mall – Muharraq, and Al Liwan.

The Company also joined the national "Kafa'a" programme in collaboration with the Electricity and Water Authority, with the aim of enhancing energy efficiency and applying sustainable operational best practices.

These initiatives demonstrate Seef Properties' commitment to adopting smart and sustainable solutions that balance operational efficiency and environmental responsibility, supporting the long-term sustainability of its assets.

## **Entertainment as a Growth Driver**

The entertainment sector continued to perform as one of the key growth engines within the Company's portfolio. Seef Properties further cemented its investments in innovative entertainment experiences that enhance visitor engagement and keep pace with global trends in this fast-growing sector.

In this context, the Company signed a strategic partnership with Zero Latency VR to introduce advanced interactive virtual reality experiences as part of its comprehensive redevelopment plan at its Seef District property. This partnership represents a prominent addition to the entertainment portfolio, offering cutting-edge experiences powered by

the latest global technologies, with the flexibility for continuous upgrades to sustain operational attractiveness and competitiveness.

The Company also announced a strategic partnership with Epix Cinemas to operate Al Liwan Cinema, delivering a fully integrated cinematic experience based on the latest projection and sound technologies. This will diversify entertainment offerings, enhance the vibrancy of the destination and attract a wider visitor base.

## **Digital Transformation and Operational Efficiency**

As part of its digital transformation journey, Seef Properties continued in 2025 to expand the utilisation of Yardi's global cloud-based solutions for asset management and operational development, following the positive outcomes achieved since the platform's implementation.

These solutions contributed to standardising operational and financial processes, improving data integration, enhancing real estate portfolio management, accelerating tenant service response times and increasing transparency and reporting accuracy. This supports informed decision-making across all levels of the organisation.

The Company continues to develop additional functionalities linked to the platform, further strengthening its readiness for future expansion and achieving higher levels of operational efficiency.

## **Community and National Responsibility**

The Company participated in a number of youth, environmental and national initiatives, including

the organisation of awareness events. It also supported a variety of educational and cultural programmes and collaborated with several government entities, including the Ministry of Interior and the Ministry of Education, to implement community and national initiatives within its destinations. This reinforces the role of the Company's assets as platforms that support the community and contribute to building sustainable and impactful partnerships.

## **Looking Ahead**

While we take pride in what we achieved in 2025, we look to the future with confidence, supported by strong operational foundations, a resilient asset portfolio and clear growth and expansion plans. We will continue to focus on developing our assets, enhancing operational efficiency and exploring high-quality investment opportunities that support business sustainability and create long-term value for our shareholders.

In closing, I would like to extend my sincere appreciation to the Board of Directors for their continued support, to our teams for their dedication and excellence, and to our partners, tenants and visitors for their ongoing trust. We remain committed to building on our achievements and delivering sustainable value for all stakeholders.

**Ahmed Yusuf**

Chief Executive Officer





# CORPORATE GOVERNANCE REPORT



# CORPORATE GOVERNANCE REPORT

## 1. CORPORATE GOVERNANCE APPROACH

Seef Properties B.S.C. (“**Company**”) continuously strives to be a leading, innovative and diversified real estate company driven by the highest standards and values in its quest for excellence. The Company’s commitment to fairness, transparency, accountability and responsibility remains at the forefront of its operations to the ultimate benefit of its shareholders, customers, employees and other stakeholders.

The Company’s corporate governance framework is based on the guidelines of the Corporate Governance and Management Code as introduced by the Ministry of Industry and Commerce (“**Code**”), the Commercial Companies Law and its Implementation Regulations (“**CCL**”), the regulations of the Central Bank of Bahrain (“**CBB**”) as specified in Volume 6 of its Rulebook - High Level Controls (Module HC) and the laws, regulations and related guidelines of Bahrain Bourse, including but not limited to, the Listing Rules.

The Company has implemented an effective and transparent management framework developed in accordance with the applicable laws and regulations in the Kingdom of Bahrain and operates under the Company’s Corporate Governance Guidelines. The Board of Directors (“**Board**”) is responsible for strategic plans, policies and supervision of business performance/operations, overseeing the functions of the Executive Management and ensuring effective discharge of its duties.

The Board delegates the day to day running of the Company to the Chief Executive Officer and the Executive Management in accordance with

approved discretionary authority limits, policies and procedures, plans and regulatory requirements. The Company’s External Auditor, Ernst & Young, conduct audit and other statutory reviews quarterly and annually to ensure compliance with regulatory requirements.

## 2. ONGOING INITIATIVES IN 2025

The Company continues to recognise the significance of an effective corporate governance culture corporate governance issues remain on agenda of the Company’s Board, with committees such as the Nomination, Remuneration and Governance Committee being tasked with the review of the corporate governance framework and all related matters. Accordingly, the Board, through the Nomination, Remuneration and Governance Committee has proactively reviewed the Company’s compliance with the Code throughout the year and implemented steps to ensure compliance with any outstanding provisions, where applicable.

In an effort to further enhance its corporate governance internal framework, the Company is continuing with its comprehensive review of its policies and procedures. Each Board Committee is reviewing the relevant policy and procedure documents that are within its area of responsibility for onward recommendation to the Board in due course. This exercise is ongoing and is scheduled for completion within 2026.

Furthermore, the Company has amended its constitutional documents in accordance with the updates of the

Code, CCL and CBB Rulebook after obtaining the shareholders agreement in its Extra Ordinary meeting held on 4 April 2023.

## 3. COMMUNICATION WITH INVESTORS AND SHAREHOLDERS

The Company is committed to the provision of timely, accurate and transparent information to its shareholders, investors, regulators and other stakeholders in accordance with the disclosure requirements prescribed in the applicable laws and regulations. The Company ensures that key financial materials and other disclosures are maintained on its website at all times and disclosed in a timely manner in accordance with the prescribed regulatory timeframes, thereby ensuring that all shareholders have access to material information required prior to any general meeting. The Company has launched its new and improved website in 2021 in line with the full requirements of the Code, Listing Rules and CBB Disclosure Standards and to further enhance the shareholders’ accessibility to all relevant information about the Company. The Company’s website is accessible on <http://www.seef.com.bh>

The Company’s main means of communication with the shareholders are the Annual Report and the Annual General Meeting, the latter of which is attended by the Directors and the shareholders are afforded the opportunity to discuss and question the Board. Furthermore, the Company has published on its website the rights and obligations of shareholders to ensure they are able to exercise the same effectively.

## 4. SHAREHOLDING AND OWNERSHIP STRUCTURE

### 4.1 Company's Share Capital

As of 31 December 2025, the Company had issued 460,000,000 ordinary shares of a nominal value of BD 0.100 each, all of which are fully paid.

### 4.2 Ownership Structure by Nationality and Category:

The table below shows the distribution of the Company's share ownership by nationality and category:

No.	Shareholder Classification	Number of Shares Held			TOTAL
		Individuals	Corporate	Government or Organisations	
1.	<b>Bahraini</b>	156,908,273	169,279,537	122,785,695	448,973,505
2.	<b>GCC/Arab</b>	5,939,077	1,432,749	-	7,371,826
3.	<b>Foreign</b>	2,595,339	1,059,330	-	3,654,669
<b>TOTAL</b>		<b>165,442,689</b>	<b>171,771,616</b>	<b>122,785,695</b>	<b>460,000,000</b>

### 4.3 Ownership Structure by Size (5% or More):

The table below shows the distribution of Ownership of the Company's shares by size (5% and above):

No	Shareholder Name	No. of Shares	Total No. of Shares	Shareholding %
1.	GD GFH Financial Group B.S.C.	128,690,457	128,690,457	27.976
2.	Social Insurance Organisation (Pension) - Civil	57,960,000	122,735,695	26.682%
	Social Insurance Organisation (Pension) – Military	49,134,216		
	Social Insurance Organisation (GOSI)	12,860,721		
	Social Insurance Organisation (Pension)	2,780,758		
<b>TOTAL</b>			<b>251,426,202</b>	<b>54.66%</b>

### 4.4 Ownership Structure by Size of Ownership (Number of Shares):

The table below shows the distribution of ownership of the Company's shares by size of ownership in terms of number of shares:

Shareholding (Shares)	No. of Shares Held	No. of Shareholders	Shareholding %
Less than 50,000	88,733,511	15,510	19.29%
50,000 to less than 500,000	56,787,075	675	12.35%
500,000 to less than 5,000,000	48,945,888	40	10.64%
More than 5,000,000	265,533,526	5	57.72%
<b>TOTAL</b>	<b>460,000,000</b>	<b>16,230</b>	<b>100%</b>

# CORPORATE GOVERNANCE REPORT

## 4.5 Ownership Structure by Size of Ownership (% of Shareholding):

The table below shows the distribution of ownership of the Company's shares by size of ownership in terms of percentage of shareholding:

Shareholding (%)	No. of Shares Held	No. of Shareholders	Shareholding %
Less than 1%	194,466,474	16,225	42.27%
1% up to less than 5%	14,107,324	1	3.07%
5% up to less than 10%	71,899,883	2	15.63%
10% up to less than 20%	56,790,624	1	12.35%
20% up to less than 50%	122,735,695	1	26.68%
<b>TOTAL</b>	<b>460,000,000</b>	<b>16,230</b>	<b>100 %</b>

## 4.6 Ownership by Directors and Executive Management (including their Connected Persons):

The table below shows the Director's and Executive Management shareholding:

No	Name	Position	Relationship	No. of Shares	Shareholding %
1.	Essa Mohamed Najibi	Chairman	N/A	0	0
	Mohamed Essa Najibi		Son	50,000	0.011%
	Najibi Investment Company B.S.C.(C).		Related Company	530,854	0.115%
	United Commercial Services B.S.C.(C).		Related Company	574,530	0.125%
	Al Souq Real Estate Co. W.L.L.		Related Company	256,500	0.056%
	Bahrain International Travel		Related Company	121,073	0.026%
	Al Khulood Capital Co. W.L.L.		Related Company	255,500	0.056%
2.	Sattam Sulaiman Al Gosaibi	Vice-Chairman	N/A	0	0
	Fareeda Abdulrahman Al Moayyed		Mother	240,000	0.052%
3.	Ahmed Fouad Al Mutawa	Director	N/A	4,250,000	0.924%
	Fouad Ebrahim Al Mutawa		Father	460	0.0001%
	Eman Abdulrahim Abdulla Abdulsalam		Mother	652,175	0.142%
4.	Sahar Rashed Al Mannai	Director	N/A	10,000	0.002%
5.	Ahmed Yusuf Abdulla Yusuf	Chief Executive Officer		100,000	0.022%
<b>TOTAL</b>				<b>7,041,092</b>	<b>1.531%</b>

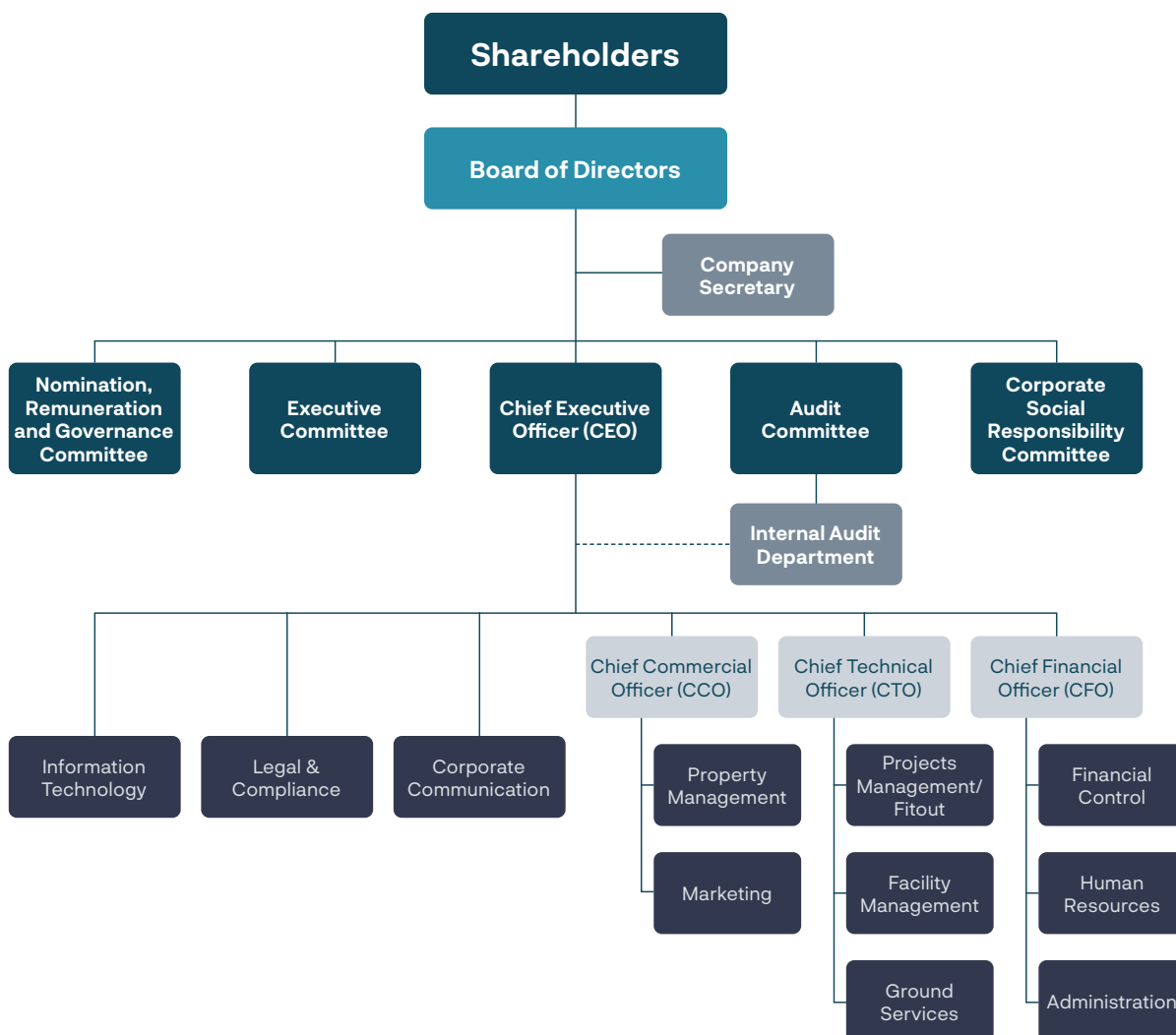
Note: No other Directors or Members of Executive Management hold shares.

#### 4.7 Directors and Executive Management (including their Connected Persons) Trading during 2025:

The table below shows the Director's and Executive Management trading for 2025:

Name	Position/ Kinship	Shares at 31 December 2025	Total Sale Transaction	Total Purchase Transaction	Shares at 31 December 2025
Zayed Al Ameen	Director	N/A	1,000,000	N/A	0

#### 5. GOVERNANCE AND ORGANISATIONAL STRUCTURE



# CORPORATE GOVERNANCE REPORT

## 6. BOARD OF DIRECTORS

### 6.1 Board Composition and Status of Directors

As per the Company's Articles of Association, the Company shall be administered by a Board comprising of at least five (5) directors and not exceeding thirteen (13) directors ("**Directors**"). As of 31 December 2025, the total number of Directors is ten (10). The current Board was appointed and/or elected at the Annual General Meeting convened on 19 March 2025. The Board also elected by secret ballot from its Directors in 2025 a chairman ("**Chairman**"), and a vice chairman ("**Vice Chairman**") for its term, which expires in March 2028. For the financial year ending 31 December 2025, the Company's Board and status of membership was as follows:

DIRECTOR	DESIGNATION	GENDER	STATUS
Mr. Essa Mohamed Najibi	Chairman	Male	Non-Executive/ Independent
Mr. Sattam Sulaiman Al Gosaibi	Vice Chairman	Male	Non-Executive/ Independent
Mr. Mohamed Ebrahim Al Bastaki	Director	Male	Non-Executive/ Independent
Mr. Majid Abdulla Al Khan	Director	Male	Non-Executive/Non-Independent
Mr. Anwar Mohamed Murad	Director	Male	Non-Executive/ Independent
Mr. Ahmed Habib Kassim	Director	Male	Non-Executive/ Independent
Mr. Zayed Ali Al Amin	Director	Male	Non-Executive/Independent
Mr. Ahmed Fouad Al Mutawa	Director	Male	Non-Executive/Independent
Mrs. Sahar Al Mannai	Director	Female	Non-Executive/ Independent
Mrs. Sara Khalil Noorudin	Director	Female	Non-Executive/Independent

The Company is in compliance with HC-1.4.4 of Volume 6 of the CBB Rulebook, where at least half of a Company's Board are non-executive directors and at least three (3) of those persons are independent directors. Furthermore, and seeing as the Company has controlling shareholders, the Company is in compliance with the requirements of the Code and HC-1.5.2 of Volume 6 of the CBB Rulebook, whereby more than a third of the Company's Board are independent Directors.

### 6.2 Directorships in Other Listed Companies

For the financial year ending 31 December 2025, the following Director was also a director in another listed company in the Kingdom of Bahrain:

DIRECTOR	NAME OF LISTED COMPANY	DESIGNATION
Mr. Majid Abdulla Al Khan	GFH Equities B.S.C.	Director
Mr. Zayed Ali Rashid Al Amin	Al Salam Bank Bahrain	Director
Mr. Anwar Mohamed Murad	Solidarity Bahrain B.S.C.	Director
Mr. Ahmed Habib Kassim	Al Salam Bank Bahrain	Director
Mr. Ahmed Habib Kassim	Solidarity Bahrain B.S.C.	Director

### 6.3 Women Representation

The Company is committed to enhancing equal opportunities between men and women in the boards of listed companies and accordingly, the representation of women is considered within the formation of the Board. The current composition of the Board disaggregated by women and men is as follows:

GENDER	NO. OF MEMBERS	PERCENTAGE%
Male	8	80%
Female	2	20%
<b>TOTAL</b>	<b>10</b>	<b>100%</b>

## 6.4 Director Profiles



### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/ Independent

### Current Membership Duration

15 years

### Current Committee Membership

Chairman of the Nomination, Remuneration and Governance Committee  
Member of Corporate Social Responsibility Committee

### Qualification

Bachelor of Civil Engineering

### Experience

Over 40 years of experience in directorship and executive positions in the real estate sector, in addition to managing the family businesses.

### Board Memberships

- Chairman - Lama Real Estate W.L.L.
- Chairman – Al Liwan Cinema W.L.L.
- Founding Member and Chairman - Najibi Investment Company B.S.C.(C).
- Founding Member and Chairman - United Commercial Services Co.
- Chairman – AlKhulood Capital Co. W.L.L.
- Chairman – BAPCO Retail Company W.L.L. (Tazweed)
- Founding Member and Co-Chairman - AlSouq Real Estate Company W.L.L.
- Vice Chairman - Bahrain Scrapmould Company W.L.L.
- Vice Chairman - Crown Industries B.S.C.(C).
- Director – The Malls Real Estate Development B.S.C.(C)
- Member of the Board of Trustees, Director and Chairman of Executive Committee – Royal University for Women
- Director – Sarat Tower W.L.L.

### Positions in other key regulatory, government or commercial entities

Founding Member and Chairman of Najibi Investments B.S.C.(C).



### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/Independent

### Current Membership Duration

15 years

### Committee Membership

Chairman of the Audit Committee

### Qualification

Bachelor of Accounting (BSc) - King Fahad University (KSA)  
Master of Business Administration (MBA) - DePaul University (USA)

### Experience

Over 27 years of experience in Islamic banking and directorship in the real estate sector

### Board Memberships

- Director - Fraser Suites Seef-Bahrain W.L.L.
- Director - Seef Entertainment W.L.L.
- Director - Lama Real Estate W.L.L.
- Chairman of the Board of Trustees – University of Technology Bahrain
- Vice Chairman – Capital Real Estate Company B.S.C.(C).
- Vice Chairman of the Board of Trustees – Ibn Khuldoon National School
- Director - Gulf Real Estate Development Company S.S.C.(C)
- Director – Gulf Holding Company K.S.C.
- Director – Naseej B.S.C.(C).
- Director – Locata Corporation PTY Limited
- Director – Bahrain International Golf Course Company B.S.C.(C)
- Director – Al Areen Hotels W.L.L.
- Director – Bahrain Association of Banks
- Director – INJAZ Bahrain
- Director – Al Gosaibi Holding Co. W.L.L.

### Positions in other key regulatory, government or commercial entities

Chief Executive Officer of Khaleeji Commercial Bank B.S.C.

# CORPORATE GOVERNANCE REPORT

## 6.4 Director Profiles (Continued)



**Mr. Mohamed Ebrahim Al Bastaki**  
Director

### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/Independent

### Current Membership Duration

7 years

### Committee Membership

Member of the Executive Committee

### Qualification

Master of Business Administration (MBA) – University of Glamorgan (UK)  
General Management Programme – Harvard Business School (USA)  
The Gulf Executive Development Programme – University of Virginia [Darden Business School] (USA)  
Executive Management Diploma – University of Bahrain

### Experience

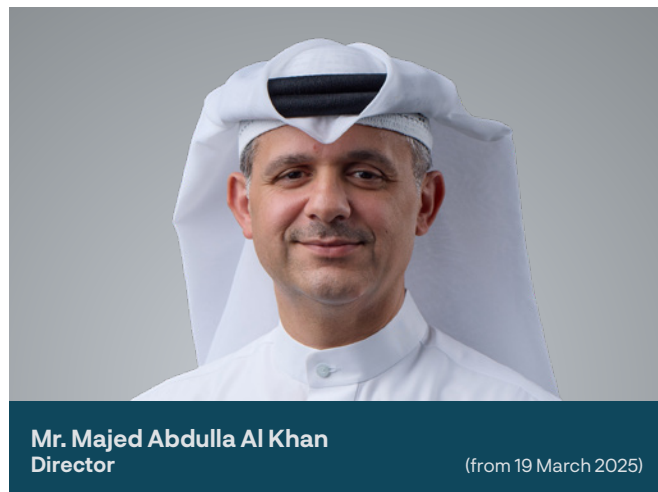
Over 46 years of experience in executive positions in financial institutions.

### Board Memberships

- Vice Chairman of Board of Trustees – The Kingdom University
- Director – Fraser Suites Seef – Bahrain W.L.L.
- Director – Seef Entertainment W.L.L.

### Positions in other key regulatory, government or commercial entities

N/A



**Mr. Majed Abdulla Al Khan**  
Director

(from 19 March 2025)

### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/ Non-Independent

### Membership Duration

1 year

### Current Committee Membership

Chairman of the Executive Committee

### Qualification

Bachelor in International Finance and Accounting – University Northumbria (UK)

### Experience

Over 24 years of experience in investment and real estate.

### Board Memberships

- Chairman – Gulf Holding Company KSCC
- Chairman – ASK Real Estate W.L.L.
- Chairman – Falcon Cement
- Chairman – Tunis Bay Project Company
- Chairman – Royal Parks Marrakech
- Chairman – Royal Resort Malabat Tangier
- Vice Chairman – Reef Central Owners Association
- Board Member – GFH Equities B.S.C.
- Board Member – Balexco
- Managing Director and Board Member – Al Areen Holding Company
- Board Member – Aquatic Centre Development Company
- Board Member/Treasurer - BAPDA

### Positions in other key regulatory, government or commercial entities

Chief Executive Officer and Board Member – Infracorp B.S.C.



**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/ Independent

**Membership Duration**

1 Year

**Committee Membership**

N/A

**Qualification**

Bachelors of Science in Business Administration – University of Bahrain (Bahrain)

**Experience**

Over 32 years of experience in private banking, corporate banking, retail banking, treasury, risk management and operations.

**Board Memberships**

- Board Member – Fincorp W.L.L.
- Board Member – Amana W.L.L.
- Board Member – Amar 1 Real Estate Investment Company W.L.L.
- Board Member – Amar 2 Real Estate Investment Company W.L.L.
- Board Member – Amar Holding Company W.L.L.
- Board Member – ASBB Aqarat W.L.L.
- Board Member – ASBB Asset Management Holding Company W.L.L.
- Board Member – ASBB Business Holding W.L.L.
- Board Member – ASBB Business Services W.L.L.
- Board Member – ASBB Business Support W.L.L.
- Board Member – ASBB Client Holding W.L.L.
- Board Member – ASBB Client Services W.L.L.
- Board Member – Athal Co. W.L.L.
- Board Member – Bareeq Al Retaj Estate Services W.L.L.
- Board Member – Darai Investment Company W.L.L.
- Board Member – Dohat Al Muharraq Investment Company W.L.L.
- Board Member – Kenaz Al Kadam Real Estate Investment W.L.L.
- Board Member – Manara Developments Company W.L.L.
- Board Member – N.S. 11 W.L.L.
- Board Member – N.S. 15 W.L.L.
- Board Member – NS. Real Estate Company W.L.L.
- Board Member – Safana Investment Company W.L.L.
- Board Member – Shaden Real Estate Investment Co. W.L.L.
- Board Member – Solidarity Bahrain B.S.C.
- Board Member – Tamdon Holding W.L.L.
- Board Member – What Al Muharraq Investment Company W.L.L.
- Board Member – ASB Investment One W.L.L.
- Board Member – BIO Real Estate W.L.L.
- Board Member – Durrat Marina Asset 1 W.L.L.
- Board Member – Middle Region Development Company W.L.L.
- Board Member – Delmon 1 Co. W.L.L.
- Board Member – Manzil Assets W.L.L.
- Board Member – Shaikha Hessa Girls School
- Board Member – Shaikha Hessa Islamic Centre
- Board Member – Injaz Bahrain
- Board Member – Al Sanabel Orphan Care

**Positions in other key regulatory, government or commercial entities**

Deputy Group CEO – Al Salam Bank

# CORPORATE GOVERNANCE REPORT

## 6.4 Director Profiles (Continued)



**Mr. Ahmed Habib Ahmed Kassim**  
Director

(from 19 March 2025)

### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/Independent

### Current Membership Duration

1 Year

### Committee Membership

Member of the Executive Management Committee

### Qualification

Bachelors Degree in Economic & Finance – Bentley College (USA)

### Experience

Over 21 years of experience in leadership roles, specifically in the areas of governance, policy formulation and financial management.

### Board Memberships

- Chairman – Quality Wire Products Company W.L.L.
- Board Member – Habib Ahmed Kassim & Sons Company
- Board Member – Al Mahd School W.L.L.
- Board Member – Century 21, Bahrain Franchise
- Board Member – Banz Group B.S.C. (c)
- Board Member – Al Salam Bank Bahrain
- Board Member – Solidarity Insurance

### Positions in other key regulatory, government or commercial entities

N/A



**Mr. Zayed Ali Rashid Al Amin**  
Director

(from 19 March 2025)

### Nationality

Bahraini

### Status/ Appointed By

Non-Executive/ Independent

### Current Membership Duration

1 Year

### Current Committee Membership

Member of the Nomination, Remuneration and Governance Committee  
Member of Corporate Social Responsibility Committee

### Qualification

Postgraduate Degree in Financial Investment – London School of Business & Finance (UK)

### Experience

Over 27 years of experience in the financial and investments sectors and board membership positions.

### Board Memberships

- Chairman – Sayacorp Aqar
- Vice-Chairman – Solidarity Group Holding
- Vice Chairman – Esterad Investment Co.
- Executive Board Member – Ali Rashid Al-Amin Co.
- Managing Director – A.R.Al-Amin Investments
- Board Member – Al Salam Bank Bahrain
- Board Member – Gulf African Bank “Kenya”
- Board Member – Sayacorp

### Positions in other key regulatory, government or commercial entities

- Executive Board Member – Ali Rashid Al Amin Co
- Managing Director – A.R. Al-Amin Investments



**Nationality**  
Bahraini

**Status/ Appointed By**  
Non-Executive/Independent

**Current Membership Duration**  
1 Year

**Committee Membership**  
Member of the Audit Committee

**Qualification**  
Bachelor of Marketing – Suffolk University (USA)

**Experience**  
Over 4 years of experience in project management, consulting and business development

- Board Memberships**
- Director – Fraser Suites Seef – Bahrain W.L.L.
  - Director – Seef Entertainment W.L.L.

**Positions in other key regulatory, government or commercial entities**  
Senior Business Development Executive – Eleven Holdings



**Nationality**  
Bahraini

**Status/ Appointed By**  
Non-Executive/Independent  
(Social Insurance Organisation)

**Current Membership Duration**  
1 year

**Committee Membership**  
Chairman of the CSR Committee  
Member of the NRG  
Member of the Audit Committee

**Qualification**  
Masters Degree in Computer Science – UK  
Bachelors Degree in Computer Science – University of Bahrain

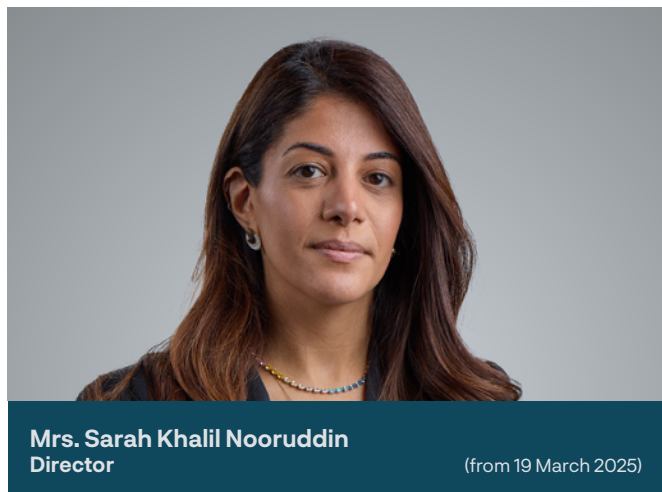
**Experience**  
Over 20 years of experience in the government sector, having held various positions, ranging from system analysis to various leadership roles, most recently as Undersecretary of the Ministry of Social Development before being appointed as the CEO of the Social Insurance Organization.

- Board Memberships**
- Director – Osool
  - Director – Bahrain Marina
  - Director - LMRA

**Positions in other key regulatory, government or commercial entities**  
Chief Executive Officer – Social Insurance Organisation

# CORPORATE GOVERNANCE REPORT

## 6.4 Director Profiles (Continued)

**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/Independent

**Current Membership Duration**

1 year

**Committee Membership**

Member of the Executive Committee

**Qualification**

Bachelor of Business Administration – The George Washington University (USA)

**Experience**

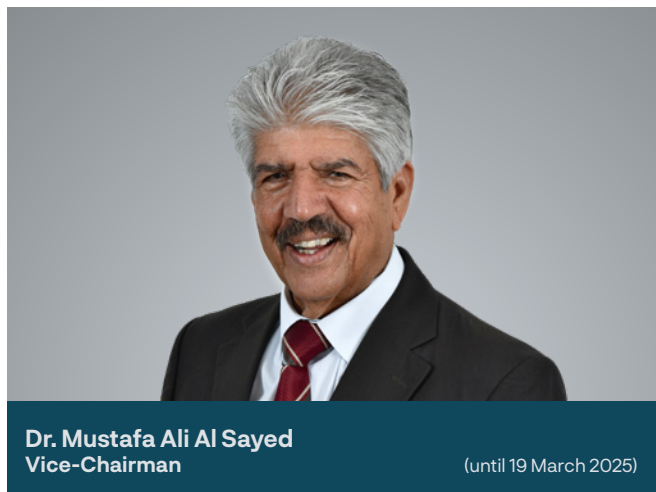
Over 16 years of experience in the investment field, specifically, asset management and private equity.

**Board Memberships**

- Director – Al Malaki Specialist Hospital
- Director – Aegila Capital Market
- Director – Amlak Real Estate Company

**Positions in other key regulatory, government or commercial entities**

Deputy Chief Investment Officer – Osool Asset Management

**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/Independent  
(Royal Humanitarian Foundation)

**Current Membership Duration**

15 years

**Committee Membership**

Chairman of Social Responsibility Committee  
Member of the Nomination, Remuneration and Governance Committee

**Qualification**

Doctorate in Industrial Management (PhD) – University of London (UK)  
Master of Industrial Management – University of Dublin (Ireland)  
Bachelor of Mechanical Engineering – University of Portsmouth (UK)

**Experience**

Over 49 years of experience in executive positions in key governmental and private institutions

**Board Memberships**

- Vice Chairman – Fraser Suites Seef – Bahrain W.L.L.
- Vice Chairman – Seef Entertainment W.L.L.
- Vice Chairman - Family Microfinance House B.S.C.(C)
- Vice Chairman – Royal Humanitarian Foundation
- Chairman – Bahrain Health and Safety Society

**Positions in other key regulatory, government or commercial entities**

N/A



**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/ Independent

**Membership Duration**

9 years

**Committee Membership**

Chairman of the Audit Committee

**Qualification**

Master of Business Administration (MBA) – University of South Wales (UK)

**Experience**

Over 36 years of experience in conventional and Islamic banking

**Board Memberships**

- Director - Fraser Suites Seef-Bahrain W.L.L.
- Director - Seef Entertainment W.L.L.
- Vice Chairman of the Board of Trustee, Member of the Finance Committee – Ibn Khuldoon National School

**Positions in other key regulatory, government or commercial entities**

N/A



**Nationality**

Bahraini

**Status/ Appointed By**

Executive/Non-Independent

**Current Membership Duration**

18 years

**Committee Membership**

Member of the Audit Committee

**Qualification**

Master of Business Administration (MBA) – University of Bahrain  
Leadership Development Programme – University of Virginia (USA)  
CFO Strategic Leadership Programme - Ivey Business School (Canada)

**Experience**

Over 35 years of experience in conventional and Islamic banking

**Board Memberships**

- Chairman – Muharraq Mall Co. W.L.L.
- Director - Lama Real Estate W.L.L.
- Director - Fraser Suites Seef-Bahrain W.L.L.
- Director - Seef Entertainment W.L.L.
- Director – Fraser Suites Al Liwan W.L.L.
- Director – Al Liwan Cinema W.L.L.
- Director - Delmon 1 Co. W.L.L.
- Member of the Board of Trustees, Director and Head of Finance Committee – Ibn Khuldoon National School
- Director – WAQF Fund (Central Bank of Bahrain)

**Positions in other key regulatory, government or commercial entities**

Acting CEO – ASB Finance B.S.C.

# CORPORATE GOVERNANCE REPORT

## 6.4 Director Profiles (Continued)



**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/ Independent

**Current Membership Duration**

15 years

**Current Committee Membership**

Member of the Executive Committee

**Qualification**

Master of Civil Engineering/ Construction Management (MSc) - The Catholic University of America (USA)

Bachelor of Civil Engineering (BSc) – University of Bahrain

Diploma in Building Management – City & Guilds of London Institute (UK)

**Experience**

Over 40 years of experience in project management and civil engineering

**Board Memberships**

- Director - Fraser Suites Seef-Bahrain W.L.L.
- Director - Seef Entertainment W.L.L.
- Director - Diyar Al Muharraq W.L.L.
- Director – Diyar Al Muharraq Housing Development Co. W.L.L.
- Director – Diyar Al Bareh Real Estate W.L.L.
- Director – Diyar Al Naseem Real Estate W.L.L.

**Positions in other key regulatory, government or commercial entities**

N/A



**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/Independent  
(Social Insurance Organisation)

**Current Membership Duration**

9 years

**Committee Membership**

Member of the Audit Committee

Member of Corporate Social Responsibility Committee

**Qualification**

Bachelor of Accounting – Cairo University (Egypt)

**Experience**

Over 41 years of experience in key positions in the Social Insurance Organisation

**Board Memberships**

- Director – Fraser Suites Seef – Bahrain W.L.L.
- Director – Seef Entertainment W.L.L.

**Positions in other key regulatory, government or commercial entities**

N/A



**Mr. Hamed Yousef Mashal**  
Director

(until 19 March 2025)

**Nationality**

Bahraini

**Status/ Appointed By**

Executive/Non-Independent

**Current Membership Duration**

6 years

**Committee Membership**

Member of the Executive Committee

**Qualification**

Master of Business Administration (MBA) - University of Warwick [Warwick Business School] (UK)

Bachelor of Computer and Business Studies (BSc) - University of Warwick [Warwick Business School] (UK)

MRICS – Royal Institute of Chartered Surveyors

Chartered Financial Analyst (CFA)

Project Management Professional (PMP)

**Experience**

Over 19 years of experience in conventional and Islamic banking

**Board Memberships**

- Director - Fraser Suites Seef-Bahrain W.L.L.
- Director - Seef Entertainment W.L.L.
- Director – Muharrag Mall Co. W.L.L.
- Director – Bareeq Al Retaj Real Estate Services W.L.L.
- Director – N.S. Real Estate Company W.L.L.
- Director – Amar 1 Real Estate Investment Company W.L.L.
- Director – ASB Investment One W.L.L.
- Director – ASB Investments Two W.L.L.
- Director – BIO Real Estate W.L.L.
- Director – Middle Region Development Company W.L.L.
- Director – Manzil Asset W.L.L.
- Director – Durrat Marina Asset W.L.L.

**Positions in other key regulatory, government or commercial entities**

Head of Real Estate and Investments – Al Salam Bank



**Mr. Fouad Ebrahim Al Mutawa**  
Director

(until 19 March 2025)

**Nationality**

Bahraini

**Status/ Appointed By**

Non-Executive/Non-Independent

**Current Membership Duration**

3 years

**Committee Membership**

Member of the Audit Committee

Member of the Nomination, Remuneration and Governance Committee

**Qualification**

Bachelor of Biochemistry (BSc) – University of Kuwait (Kuwait)

**Experience**

Over 47 years of experience in the fields of information technology, and dealing in securities.

**Board Memberships**

- Director - Delmon Poultry Company B.S.C.

**Positions in other key regulatory, government or commercial entities**

N/A

# CORPORATE GOVERNANCE REPORT

## 6.5 Mandate of the Board

### 6.5.1 Overall Role and Responsibilities

The Board's roles and responsibilities, include but are not limited to, the following:

- Establishing the objectives of the Company;
- Determining the overall business performance, plans and strategy of the Company;
- Monitoring management performance and their implementation of strategic decisions;
- Convene and prepare the agenda for the shareholder meetings;
- Approve and monitor the progress of major capital expenditure, capital management, loans, including the sale of movable and immovable property;
- Monitoring conflict of interest and preventing abusive related party transactions;
- Annual approval of budget and monitoring management performance in relation to the same thereof;
- Adoption and review of management structure and responsibilities;
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- Causing financial statements to be prepared which accurately disclose the Company's financial position;
- Selecting, compensating, monitoring, and when necessary, replacing key executives and ensuring the establishment of proper succession planning for the Chief Executive Officer and senior management in the Company;
- Aligning key executive and board remuneration with the longer-term interests of the Company and its shareholders;
- Ensuring a formal and trans-group board nomination and election process;
- Assuring equitable treatment of shareholders, including minority shareholders;
- Ensuring compliance with the relevant rules and requirements relating to the issuing and offering of securities;
- The ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading;
- Compliance with the Company's constitutional documentation, including but not limited to its Memorandum and Articles of Association and other relevant by-laws and resolutions;
- Ensure that any loans provided by the Company, if any, are approved by the Board in accordance with their authority for such items, including the respective limits and other relevant terms;
- Providing approval in respect of the relevant fees, charges, subscriptions, commissions and other business and administrative sanctions, where relevant; and
- Ensuring compliance with various laws and regulations, including but not limited to, the CCL, Code, CBB laws and regulations, Bahrain Bourse laws and regulations, Labour Law and other applicable laws and regulations.

Further details of the roles and responsibilities of the Board are set out in the Board Charter and Articles of Association. These roles and responsibilities are in line with the regulatory requirements contained in the CCL, CBB Rulebook, Code and any other applicable laws or regulations. The Directors are responsible both individually and collectively for performing these responsibilities.

### 6.5.2 Material Transactions Requiring Board Approval

The following are material transactions requiring Board approval:

- The adoption and annual review of strategy;
- The adoption and monitoring of the annual budget;
- The approval of the Company's reviewed and audited financial statements;
- The approval of budgeted/unbudgeted capital expenditures and material contracts in excess of the delegated authorities to Management, in addition to investments and divestments;

- The adoption and review of Management structure and responsibilities;
- The appointment of the Chief Executive Officer and Company Secretary;
- The approval of Company policies; and
- The approval of any loans to be obtained by the Company and the securities to be granted in respect thereof.

Further details of the material transactions requiring Board approval are set out in the Discretionary Authority Limits document approved by the Board.

### 6.6 Appointment, Election and Termination of Directors

The Board is elected for a term of three (3) years in the Annual General Meeting, such term being capable of renewal. The current term of the Board commenced on 19 March 2025 and will end on 19 March 2028, or the date of the Annual General Meeting on the same year, whichever is earlier.

The appointment and election of Directors is subject to the provisions of the CCL, Code and CBB rules and regulations. The Directors are appointed in a General Meeting of the shareholders from amongst candidates proposed by the Board and/or appointed by major shareholders in exercise of their rights under the CCL.

The Directors' appointment is deemed terminated upon expiry of the Board term, after which the Director in question will be subject to re-election. The Company's Articles of Association, CCL and the

Board Charter list all the grounds for termination of membership of the Board. The general meeting, via majority vote, has the authority to terminate the membership of some or all the Board. This is without prejudice to the rights of shareholders qualifying under the provisions of the CCL to terminate the appointment of any Director they appointed. As of 31 December 2025, no memberships were terminated.

### 6.7 Director Appointment Letter

The Company has written appointment letters with each Director, which set out the Directors' roles, duties, responsibilities, accountabilities, in addition to other aspects relating to their appointment such as term, the time commitment required, the committee assignments (if any), their remuneration and expense reimbursement entitlement and access to independent professional advice, as and when required.

The Directors are required to adhere to the Company's Articles of Association, CCL, the Code, CBB Rulebook, Code of Conduct and Ethics and all applicable laws and regulations.

### 6.8 Induction and Training of Directors

The Board through its Company Secretary ensures that each newly appointed Director receives all information to strengthen and support his/her contribution from the commencement of his/her term, via meetings with senior management, presentations regarding the Company's strategic plans, significant financial and accounting frameworks, financial performance, investments

and properties, in addition to access to its Internal and External Auditors and legal advisor. The Company Secretary ensures that each Director has access to all pertinent Company information, including constitutional documents, charters, policies and procedures, directors' indemnity insurance policy and other key documents, which are stored on and are accessible from the Company's electronic Board portal.

The Nomination, Remuneration and Governance Committee is also responsible for arranging the necessary training to ensure that the Directors are kept informed of the latest industry trends and developments.

Without prejudice to the foregoing, most of the Directors have individually participated in various virtual seminars, conferences and training sessions covering a large array of governance and industry specific issues.

### 6.9 Company Secretary

The Board is supported by its Acting Company Secretary, who provides it with professional and administrative support. The Acting Company Secretary also acts as secretary for the Board committees and general meetings. The appointment of the Company Secretary is subject to approval of the Board. The Acting Company Secretary is Ms. Fatema Alasoomi who joined the Company in July 2021 and is also the Manager of the Legal and Compliance Department. She holds a Bachelor of Laws (LLB) from the University of West London in the United Kingdom, with more than eight (8) years of experience.

# CORPORATE GOVERNANCE REPORT

## 6.10 Board Remuneration Policy and Sitting Fees

The Company follows the provisions of Article 188 of the CCL in determining the remuneration of the Directors. Remuneration paid to the Directors for the financial year ended 31 December 2024 was BD 240,000 as approved in the Annual General Meeting. The proposed remuneration to be paid to the Directors for financial year ended 31 December 2025 is BD 240,000 and will be presented for the shareholders' approval in the upcoming Annual General Meeting.

Sitting fees payable to the Directors for attending the Board and its committee meetings are BD 600 for the Chairman of the Board or any committee and BD 400 for Directors or committee members. The total sitting fees paid for Company Board and Committee Meetings are as follows:

TYPE OF MEETING	FEES IN BD
Board	29,400
Committees	23,000
<b>TOTAL</b>	<b>52,400</b>

Note: This does not include sitting fees paid for subsidiaries or affiliates.

## 6.11 Board Meetings

In accordance with the legal and regulatory requirements and the Board Charter, the Board must meet frequently but in no event less than four (4) times a year. The Company's Board has exceeded this requirement by meeting seven (7) times in the financial year ended 31 December 2025.

### 6.11.1 Overall Number of Board and Committee Meetings and Attendance













Below is a breakdown of the Board and Committee Meetings convened during 2025 as attended by the Directors:

DIRECTOR	BOARD/COMMITTEE MEETINGS	NO. OF MEETINGS
Mr. Essa Mohamed Najibi	Board of Directors	7
	Nomination, Remuneration and Governance Committee	3
	Corporate Social Responsibility Committee	1
Mr. Sattam Sulaiman Al Gosaibi	Board of Directors	7
	Audit Committee	3
Mr. Mohamed Ebrahim Al Bastaki	Board of Directors	7
	Executive Committee	7
Mr. Majid Al Khan (from 19 March 2025)	Board of Directors	6
	Executive Committee	6
Mr. Anwar Murad (from 19 March 2025)	Board of Directors	6
Mr. Ahmed Kassim (from 19 March 2025)	Board of Directors	6
	Executive Committee	6
Mr. Zayed Al Amin (from 19 March 2025)	Board of Directors	6
	Nomination, Remuneration and Governance Committee	2
	Corporate Social Responsibility Committee	0
Mr. Ahmed Al Mutawa (from 19 March 2025)	Board of Directors	6
	Audit Committee	3
Mrs. Sahar Al Mannai (from 19 March 2025)	Board of Directors	6
	Audit Committee	2
	Nomination, Remuneration and Governance Committee	2
	Corporate Social Responsibility Committee	0
Mrs. Sarah Khalil Nooruddin (from 19 March 2025)	Board of Directors	6
	Executive Committee	6
Dr. Mustafa Ali Al Sayed (until 19 March 2025)	Board of Directors	1
	Nomination, Remuneration and Governance Committee	1
	Corporate Social Responsibility Committee	1
Mr. Fuad Ali Taqi (until 19 March 2025)	Board of Directors	1
	Audit Committee	1
Mr. Yusuf Ahmed Al Hammadi (until 19 March 2025)	Board of Directors	1
	Audit Committee	1
Mr. Abduljalil Mohamed Janahi (until 19 March 2025)	Board of Directors	1
	Executive Committee	1
Mrs. Eman Mustafa Al Murbati (until 19 March 2025)	Board of Directors	1
	Audit Committee	1
	Corporate Social Responsibility Committee	1
Mr. Hamed Yousef Mashal (until 19 March 2025)	Board of Directors	1
	Executive Committee	1
Mr. Fouad Ebrahim Al Mutawa (until 19 March 2025)	Board of Directors	1
	Audit Committee	1

# CORPORATE GOVERNANCE REPORT

## 6.11.2 Board Meetings and Attendance

The dates and attendance details of the Board meetings are as follows:

DIRECTOR	1/2025 24/02/25	2/2025 27/03/25	3/2025 11/05/25	4/2025 23/06/25	5/2025 31/07/25	6/2025 10/11/25	7/2025 2/12/25	%
Mr. Essa Mohamed Najibi	✓	✓	✓		✓	✓	✓	100
Mr. Sattam Sulaiman Al Gosaibi		✓	✓	✓	✓			100
Mr. Mohamed Ebrahim Al Bastaki	✓	✓	✓	✓	✓	✓	✓	100
Mr. Majid Abdulla Al Khan (from 19 March 2025)	-	✓	✓	✓				100
Mr. Anwar Mohamed Murad (from 19 March 2025)	-	✓	✓	✓	✓		✓	100
Mr. Ahmed Habib Kassim (from 19 March 2025)	-	✓		✓	✓			100
Mr. Zayed Ali Al Amin (from 19 March 2025)	-	✓		✓	✓	✓	✓	100
Mr. Ahmed Fouad Al Mutawa (from 19 March 2025)	-	✓	✓		✓	✓	✓	100
Mrs. Sahar Al Mannai (from 19 March 2025)	-	✓	✓	✓	✓	✓	✓	100
Mrs. Sarah Khalil Noorudin (from 19 March 2025)	-	✓	✓	✓	✓	✓	✓	100
Dr. Mustafa Ali Al Sayed (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mr. Fuad Ali Taqi (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mr. Yusuf Ahmed Al Hammadi (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mr. Abduljalil Mohamed Janahi (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mrs. Eman Mustafa Al Murbati (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mr. Hamed Yousef Mashal (until 19 March 2025)	✓	-	-	-	-	-	-	100
Mr. Fouad Ebrahim Al Mutawa (until 19 March 2025)	✓	-	-	-	-	-	-	100

✓ Attended in person

 Attended via videoconferencing

## 7. BOARD COMMITTEES

In accordance with the Company's constitutional documents, charters and the requirements set forth by the Code and CBB regulations, the Board has delegated specific responsibilities to a number of Board committees (each a "Committee" and collectively, the "Committees"). Each Committee has its own formal written charter that sets out its roles and responsibilities. The main Committees are as follows:

- Executive Committee
- Audit Committee
- Nomination, Remuneration and Governance Committee
- Corporate Social Responsibility Committee

### 7.1 Executive Committee

#### 7.1.1 Composition

The Executive Committee's membership for the financial year ended 31 December 2025 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Majid Al Khan (from 19 March 2025)	Committee Chairman	Non-Executive/Non-Independent
Mr. Mohamed Ebrahim Al Bastaki	Member	Non-Executive/ Independent
Mr. Ahmed Kassim (from 19 March 2025)	Member	Non-Executive/Independent
Mrs. Sarah Khalil Noorudin (from 19 March 2025)	Member	Non-Executive/Independent
Mr. Sattam Sulaiman Al Gosaibi (until 19 March 2025)	Committee Chairman	Non-Executive/Independent
Mr. Abduljalil Mohamed Janahi (until 19 March 2025)	Member	Executive/Independent
Mr. Hamed Yousef Mashal (until 19 March 2025)	Member	Executive/Independent



#### 7.1.2 Roles and Responsibilities

The Executive Committee was established to support the decision-making process of the Board in a wide range of business matters, from strategy planning and policy to investment and risk. The Executive Committee assists the Board in discharging its oversight responsibilities when there is a critical need for prompt review and action, with a focus on financing requirements, including raising capital, coordination with bankers and financial advisers, investment management, assets liability management and other financial matters related to the investment activities of the Company.

# CORPORATE GOVERNANCE REPORT

## 7.1.3 Meetings, Attendance and Sitting Fees

The Executive Committee Charter stipulates that it shall meet at least six (6) times a year. During 2025, the Executive Committee has exceeded this requirement by meeting seven (7) times to address all matters which may have been addressed by the Executive Committee. The dates, attendance record and sitting fees of the Executive Committee meetings are as follows:

DIRECTOR	1/2025 11/02/25	2/2025 23/04/25	3/2025 26/05/25	4/2025 27/07/25	5/2025 19/9/25	6/2025 3/11/25	7/2025 3/11/25	%	SITTING FEES (BD)
Mr. Majid Al Khan (from 19 March 2025)	-	✓	✓	✓	✓	✓	✓	100	2,400
Mr. Mohamed Ebrahim Al Bastaki	✓	✓	✓	✓	✓	✓	✓	100	1,200
Mr. Ahmed Kassim (from 19 March 2025)	-	✓	✓	✓	✓	✓	✓	100	1,600
Mrs. Sarah Khalil Noorudin (from 19 March 2025)	-	✓		✓		✓	✓	100	1,600
Mr. Sattam Sulaiman Al Gosaibi (until 19 March 2025)	✓	-	-	-	-	-	-	100	600
Mr. Abduljalil Mohamed Janahi (until 19 March 2025)	✓	-	-	-	-	-	-	100	400
Mr. Hamed Yousef Mashal (until 19 March 2025)	✓	-	-	-	-	-	-	100	400

✓ Attended in person

 Attended via videoconferencing

## 7.1.4 Committee Activities

The Committee activities for the financial year ended 31 December 2025 included the following:

- Reviewed consolidated financial performance annually and quarterly;
- Reviewed the status of investments and issued recommendations for divestment;
- Reviewed various proposals for specialised projects and property management services;
- Reviewed banking mandates and recommended changes to the same, where applicable;
- Reviewed property management updates; and
- Reviewed project updates and approved appointments of consultants, where applicable.

## 7.2 Audit Committee

### 7.2.1 Composition

The Audit Committee's membership for the financial year ended 31 December 2025 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Sattam Al Gosaibi (from 19 March 2025)	Committee Chairman	Non-Executive/Independent
Mr. Ahmed Al Mutawa (from 19 March 2025)	Member	Non-Executive/ Independent
Mrs. Sahar Al Mannai (from 31 July 2025)	Member	Non-Executive/Independent
Mr. Fouad Taqi (until 19 March 2025)	Committee Chairman	Non-Executive/Independent
Mr. Yousif Al Hammadi (until 19 March 2025)	Member	Non-Executive/Independent
Mr. Fouad Al Mutawa (until 19 Mach 2025)	Member	Non-Executive/Independent

### 7.2.2 Roles and Responsibilities


The Audit Committee plays a key role in assisting the Board to fulfill its oversight responsibilities in areas of financial reporting, internal control systems, risk management systems and the internal and external audit functions. Its principal functions are to monitor the periodic reviews of the accounting and financial reporting processes and systems of internal control that are conducted by the Company's independent auditors, financial and senior management and internal auditing department; and review and evaluate the independence and performance of the independent auditors.

In performing the oversight functions, the Audit Committee oversees the adoption of quality accounting policies and internal controls and seeks to hire effective independent auditors, in order to deter fraud, anticipate financial risks and promote accurate, timely and meaningful disclosure of financial and other information to the Board and stakeholders.

# CORPORATE GOVERNANCE REPORT

## 7.2.3 Meetings, Attendance and Sitting Fees

The Audit Committee Charter stipulates that it shall meet at least four (4) times a year. During 2025, the Audit Committee convened four (4) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Audit Committee meetings are as follows:

DIRECTOR	1/2023 13/02/25	2/2025 06/05/25	3/2025 24/07/25	4/2025 30/10/25	%	SITTING FEES (BD)
Mr. Sattam Al Gosaibi (from 19 March 2025)	-	✓		✓	100	1,800
Mr. Ahmed Fouad Al Mutawa (from 19 March 2025)	-	✓	✓		100	1,200
Mrs. Sahar Al Mannai (from 31 July 2025)	-	-	-	✓	100	400
Mr. Fouad Taqi (until 19 March 2025)	✓	-	-	-	100	600
Mr. Yousif Al Hammadi (until 19 March 2025)	✓	-	-	-	100	400
Mr. Fouad Al Mutawa (until 19 March 2025)	✓	-	-	-	100	400

✓ Attended in person

 Attended via videoconferencing

## 7.2.4 Committee Activities

The Committee activities for the financial year ended 31 December 2025 included the following:

- Reviewed the Company's consolidated quarterly, half-yearly and annual financial statements;
- Reviewed the related party transactions;
- Reviewed, with both the External Auditor and Executive Management, the audit approach and methodology applied, and in particular any key audit matters included in the year end External Auditor Report;
- Reviewed and monitored the External Auditor's performance, with two (2) meetings conducted with them for this purpose;
- Recommended for Board approval the re-appointment of the External Auditor and their related fees for the financial year ending 31 December 2025;
- Reviewed significant findings of the Internal Audit Department and the External Auditor and Management's response to their recommendations;
- Reviewed the adequacy and effectiveness of the Company's internal control systems and its accounting, financial reporting and Internal Audit functions;
- Reviewed changes in accounting principles and practices proposed by the External Auditor and Executive Management, where applicable;
- Reviewed the semi-annual report on legal and regulatory compliance matters;
- Reviewed and recommended for Board approval critical financial disclosures and press releases.

## 7.3 Nomination, Remuneration and Governance Committee

### 7.3.1 Composition

The Nomination, Remuneration and Governance Committee's membership for the financial year ended 31 December 2025 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Essa Mohamed Najibi	Committee Chairman	Non-Executive/ Independent
Mr. Zayed Al Amin (from 19 March 2025)	Member	Non-Executive/Independent
Mrs. Sahar Al Mannai (from 19 March 2025)	Member	Non-Executive/Independent
Dr. Mustafa Al Sayed (until 19 March 2025)	Member	Non/Executive/Independent
Mr. Sattam Al Gosaibi (until 19 March 2025)	Member	Non-Executive/Independent

### 7.3.2 Roles and Responsibilities

The Nomination, Remuneration and Governance Committee set up by the Board is entrusted with combined advisory responsibilities concerning the following:


- Identify persons qualified to become Directors or Chief Executive Officer, Chief Financial Officer, Company Secretary and any other officers of the Company considered appropriate by the Board, with the exception of the appointment of the internal auditor which shall be the responsibility of the Audit Committee;
- Make recommendations to the Board, including recommendations of candidates for Board membership (including renewals or reappointment) to be included by the Board on the agenda for the next annual shareholders meeting;
- Review and make recommendations on Board candidates proposed by those substantial shareholders eligible to propose a director to represent such shareholder on the Board;
- Review the Company's remuneration policies for the Board and Executive Management, which must be approved by the shareholders and be consistent with the corporate values and strategy of the Company;
- Make recommendations regarding remuneration policies and amounts for specific persons to the whole Board, taking account of total remuneration including salaries, fees, expenses and employee benefits;
- Evaluation of Board, Board Committee, Director and Executive Management performance;
- Propose and review individual remuneration of the Board and Board Committee members and Executive Management, based on performance;
- Set up and review of policies of the Company on corporate governance; and
- Succession planning for the Chief Executive Officer and members of senior management.

# CORPORATE GOVERNANCE REPORT

## 7.3.3 Meetings, Attendance and Sitting Fees

The Nomination, Remuneration and Governance Committee Charter stipulates that it shall meet at least twice (2) a year. During 2025, the Nomination, Remuneration and Governance Committee has exceeded this requirement by meeting three (3) times. The dates, attendance record and sitting fees of the Nomination, Remuneration and Governance Committee meetings are as follows:

In addition to meetings convened during the aforementioned year, one (1) resolution was passed unanimously via circulation to the Directors and ratified at the next Board meeting convened.

DIRECTOR	1/2025 12/02/25	2/2025 07/05/25	3/2025 12/10/25	%	SITTING FEES (BD)
Mr. Essa Mohamed Najibi	✓	✓	✓	100	1,800
Mr. Zayed Al Amin (from 19 March 2025)	-		✓	100	800
Mrs. Sahar Al Mannai (from 19 March 2025)	-	✓	✓	100	800
Dr. Mustafa Ali Al Sayed (until 19 March 2025)	✓	-	-	100	400
Mr. Sattam Sulaiman Al Gosaibi (until 19 March 2025)	✓	-	-	100	400

✓ Attended in person

 Attended via videoconferencing

## 7.3.4 Committee Activities

The Committee activities for the financial year ended 31 December 2025 included the following:

- Reviewed and recommended for Board approval the employee bonus distribution proposal for 2025;
- Reviewed and recommended for Board approval the Board remuneration for 2025 financial year;
- Reviewed and recommend for Board approval the Corporate Governance Report for 2025;
- Reviewed and reported to the Board on the result of 2025 Board evaluations and assessments;
- Reviewed and approved appointments, remuneration and/or promotions of Executive Management (with the exception of those reporting to the Board);
- Reviewed the human resource updates;
- Reviewed and recommended for Board approval the updated staff compensation and benefits;
- Reviewed the status of the Company's compliance with the Code and latest corporate governance updates;
- Reviewed the segmental and consolidated staff cost budget for 2026 for incorporation into the overall budget to be approved by the Board; and
- Reviewed and recommended for Board approval the human resources department's policies updated policies and procedures manual.

## 7.4 Corporate Social Responsibility Committee

### 7.4.1 Composition

The Corporate Social Responsibility Committee's membership for the financial year ended 31 December 2025 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mrs. Sahar Al Mannai (from 19 March 2025)	Committee Chairman	Non-Executive/Independent
Mr. Essa Mohamed Najibi	Member	Non-Executive/ Independent
Mr. Zayed Al Amin (from 19 March 2025)	Member	Non-Executive/Independent
Dr. Mustafa Ali Al Sayed (until 19 March 2025)	Committee Chairman	Non-Executive/Independent
Mrs. Eman Al Murbati (until 19 March 2025)	Member	Non-Executive/Independent

### 7.4.2 Roles and Responsibilities

The Corporate Social Responsibility Committee is delegated with the authority from the Board for the administration and disbursement of donations, including the selection of charitable organisations, allocation of approved budget into various sectors, setting conditions of donations, reviewing and monitoring performance of organisations, cancellations of donations and recommendation of overall budget for shareholder approval.

### 7.4.3 Meetings, Attendance and Sitting Fees

The Corporate Social Responsibility Committee Charter stipulates that it shall meet at least twice (2) a year. During 2025, the Corporate Social Responsibility Committee convened one (1) meeting, with delegation to the Corporate Social Responsibility Management Committee to undertake necessary activities. The date, attendance details and sitting fees of the Corporate Social Responsibility Committee meeting is as follows:

DIRECTOR	1/2025 12/02/25	%	SITTING FEES (BD)
Mrs. Sahar Al Mannai (from 19 March 2025)	-	-	0
Mr. Essa Mohamed Najibi	✓	100	400
Mr. Zayed Al Amin (from 19 March 2025)	-	-	0
Dr. Mustafa Ali Al Sayed	✓	100	600
Mrs. Eman Al Murbati	✓	100	400

✓ Attended in person

### 7.4.4 Committee Activities

The Committee activities for the financial year ended 31 December 2025 included the following:

- Reviewed strategy and sustainable development goals;
- Ratified completed initiatives for 2024;
- Reviewed plan for 2025; and
- Reviewed overall budget allocations.

# CORPORATE GOVERNANCE REPORT

## 8. BOARD AND COMMITTEE EVALUATION

The Board through its Nomination, Remuneration and Governance Committee conducts annual individual, Board and Committee performance evaluations in accordance with the respective charters. The process is intended to identify areas for improvement and increase of efficiency and to assess individual contributions to the work of the Board, in addition to the Board as a whole. The Directors have effectively completed their performance evaluation for the financial year ended 31 December 2025.

## 9. EXECUTIVE MANAGEMENT

### 9.1 Segregation of Duties and Delegation

In accordance with the regulatory requirements, the positions of the Chairman and Vice Chairman are segregated from those of the Chief Executive Officer. Furthermore, there is a clear delineation of responsibilities between the aforementioned positions as defined in the Company's Articles of Association and Board Charters. The Board has delegated various authorities to the Chief Executive Officer, Executive Management and other members of Senior Management by virtue of the Discretionary Authority Limits' document periodically reviewed by the Board.

### 9.2 Executive Management Profiles

As of 31 December 2025, the Executive Management of the Company was comprised of the following:

#### Mr. Ahmed Yusuf

Chief Executive Officer

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Qualification	<ul style="list-style-type: none"><li>• Bachelor of Civil Engineering – Kuwait University (Kuwait)</li></ul>
Appointment	2015
Experience	Over 30 years of experience in real estate and project management for major regional companies. Prior to joining the Company, he served in senior management roles in Edamah Real Estate Company, Abaad Real Estate Company, Gulf Development Real Estate Company, Salhiya Real Estate Company, Kuwait Hotels Company and Kuwait University.

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#### Mr. Mohamed Baqi

Chief Financial Officer

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Qualification	<ul style="list-style-type: none"><li>• Master of Business Administration (MBA) – University of Manchester (UK)</li><li>• Bachelor of Accounting (BSc) – University of Bahrain</li><li>• Certified Public Accountant (CPA) – New Hampshire (USA)</li></ul>
Appointment	2016
Experience	Over 18 years of experience in the accounting and financial services in the banking and investment sector. Prior to joining the Company, he served in various roles in Arcapita Group, Al Baraka Islamic Bank and Mumtalakat.

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**Mr. Yusuf Ahmed**

Chief Technical Officer

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Qualification	<ul style="list-style-type: none"><li>• Msc in Engineering Management - University of Bahrain</li><li>• Msc in Finance - DePaul University (USA)</li><li>• Bsc in Electrical Engineering - University of Bahrain</li></ul>
Appointment	2024
Experience	Over 25 years of experience in the development and execution of sizable projects in the real estate and industrial sectors. Prior to joining he held various positions and worked for Bareeq Al Retaj, Bahrain Real Estate Investment Company (Edamah) and Durrat Al Bahrain.

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**Mr. Duajj Al Rumaihi**

Chief Commercial Officer

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Qualification	<ul style="list-style-type: none"><li>• Masters in Business Administration (MBA) – University of Hull</li></ul>
Appointment	2025
Experience	Over 25 years of experience in progressive leadership in mall management, real estate, and business development across the GCC.

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**Mr. Fahad Abdulaziz Al Abbasi**

Senior Manager – Internal Audit

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Qualification	<ul style="list-style-type: none"><li>• Bachelor of Science in Banking and Finance (BSc)</li></ul>
Appointment	2020
Experience	Over 17 years of experience in financial services and internal audit. Prior to joining the Company, he held various positions and worked for Osool Asset Management and Al Salam Bank.

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**9.3 Executive Management Remuneration Policy**

The Company bases its Executive Management remuneration practices on the principles prescribed in the Code and the CBB Rulebook, namely the following:

- Attracting and retaining the right calibre of talent with the appropriate skill and knowledge required for their respective roles; and
- Aligning the rewards of employees with Company performance and shareholder return.

The Company implements fair and transparent evaluation frameworks to assess the performance of its employees on an annual basis, which is overseen by the Nomination, Remuneration and Governance Committee. The Company does not currently have any stock options or performance linked incentives for Executive Management.

# CORPORATE GOVERNANCE REPORT

## 9.4 Executive Management Remuneration

The top six (6) executives of the Company as of 31 December 2025 are as follows:

- Chief Executive Officer
- Chief Financial Officer
- Chief Technical Officer
- Chief Commercial Officer
- Senior Manager – Internal Audit
- Senior Manager – Property Management

The Company paid the following remuneration to the top Six (6) executives:

Remuneration Type	Amount (BD)
1 Salaries (including allowances)	438,128
2 Bonus	91,318
3 Other	40,044
<b>Total</b>	<b>569,490</b>

## 10. CODE OF CONDUCT AND ETHICS AND WHISTLEBLOWING POLICY

The Company has adopted an amended Corporate Governance Guidelines on 31 March 2019, which included a Code of Conduct and Ethics and the Whistleblowing Policy. The aforementioned guidelines which are applicable to both Directors and employees of the Company, are designed to guide individual conduct and behavior and to ensure that a culture of integrity and honesty is promoted, in addition to encouraging employees to uphold the reputation of the Company in all their dealings. The guidelines have been prepared in line with the regulatory requirements and best practices. A copy of the same is maintained on the Company's website at all times.

## 11. KEY PERSONS DEALING MANUAL

The Company has implemented a Key Persons Dealing Policy and Procedures Manual ("**Manual**") in accordance with the requirements of the CBB and Bahrain Bourse, which has been updated and reissued in 2021. The aforementioned Manual regulates the trading of securities by Directors and members of Executive and Senior Management as they may have access to price sensitive information by virtue of their positions in the Company. A copy of the Manual is maintained on the Company's website at all times.

## 12. CONFLICTS OF INTEREST

The Company's Corporate Governance Guidelines prescribe the policies on conflicts of interests for both Directors and employees. The Company requires its Directors and employees to issue an annual declaration of interests. Additionally, in accordance with the Corporate Governance Guidelines, each Director has the responsibility to disclose any material interests relating to business transactions and agreements, whether actual, perceived or potential. For any disclosed conflicts, the conflicted Director is excluded from any discussions, negotiations or voting relating to the conflict matter. Material transactions whereby an interest has been disclosed will be subject to the approval of the Board. No new conflicts has been disclosed as of 31 December 2025.

In addition to the abovementioned, and in the ordinary course of business, the Company may enter into leasing arrangements with various companies and organisations where some of the Directors have an interest as set out hereinbelow. Such arrangements are entered into in accordance with standard rental rate cards predetermined by the Board in respect of each property, with any exceptions to the same to be approved by the Board on a case-to-case basis, and always with the exclusion of any interested Directors from discussions and voting. The following are the existing lease agreements as of 31 December 2025:

LEASE AGREEMENT	LOCATION	INTERESTED DIRECTOR & CAPACITY
Lease Agreement (ATM) (Khaleeji Commercial Bank B.S.C.)	Seef Mall – Seef District	Mr. Sattam Sulaiman Al Gosaibi (Chief Executive Officer of tenant)
Lease Agreement (Hope Spaces W.L.L.)	Seef Mall – Seef District	Mr. Sattam Sulaiman Al Gosaibi (Immaterial indirect personal shareholding in tenant (less than 0.5%))

**Note:**

No exceptions to the standard rate cards have been granted in the abovementioned transactions.

The Company may also donate to charities or organisations where some of the Directors have an interest in, with such donations and/or collaborations ratified by the Board. The details of the same for the financial year ended 31 December 2025 are included under 20 hereinbelow.

**13. RELATED PARTY TRANSACTIONS**

It is the policy of the Company that all related party and intra-company transactions are conducted and undertaken on an arm's length basis in the ordinary course of business and are approved by the Board. All related party transactions have been approved and/or ratified by the Board. Please refer to Note (26) of the financial statements for the details of the related party transactions for the financial year ended 31 December 2025.

**14. RISK MANAGEMENT**

Risk management is essentially about identifying, monitoring and controlling all material risks that the Company could be subjected to in its ordinary course of operations. The main types of risks faced by the Company are credit, liquidity, market, technical and operational including outsourcing risks. The risks could be related to investments or corporate and may be internal or external to the operations of the Company. These are detailed in Note (30) of the financial statements.

The Company identifies, assesses, monitors, controls and manages the various risks on an ongoing basis and has relevant procedures and controls as are appropriate and commensurate to the nature, scale and complexity of its business operations. The Executive Committee monitors the investment portfolio and the risks involved and takes proactive measures to mitigate the risks. Internal control risks are controlled by having effective and adequate internal control systems in place which are tested on a regular basis. The Audit Committee is charged with the responsibility of ensuring that adequate internal controls are in place to mitigate any existing or potential risks.

# CORPORATE GOVERNANCE REPORT

## 15. INTERNAL CONTROL

The Directors review the effectiveness of the Company's system of financial and non-financial controls, including operational and compliance controls, risk management and the Company's high-level internal control arrangements. These reviews have included periodic assessment of internal controls by the Internal Audit function as reported to the Audit Committee on a quarterly basis, management assurance of the maintenance of controls and reports from the External Auditor on matters identified in the course of its statutory audit work.

As of 31 December 2025, the Company had implemented a satisfactory system of internal control which was reasonably effective in ensuring sound financial reporting, operations and compliance with laws and regulations.

## 16. EXTERNAL AUDITOR

Ernst & Young Bahrain was the audit firm which reviewed the financial results of the Company for the financial year ended 31 December 2025. Below are the key details relating to their appointment:

Years of Service as the Company's External Auditor	15 Years
Name of partner in charge of the Company's audit	Abdullatif Al Mahmood
The partner's years of service as the partner in charge of the Company's audit	2 years'
Total audit fees related to the financial statements of the financial year 2025	13,000
Other fees and charges for non-audit services, other than auditing the financial statements of the financial year 2023 (includes VAT and other consultancy services)	6,980
<b>TOTAL</b>	<b>19,980</b>

The Audit Committee at the meeting held on 11 February 2026 reviewed the performance of the External Auditor and was satisfied with the same, proposing their re-appointment as the External Auditor of the Company for the financial year 2026. The External Auditor has signified its willingness to continue in office and the proposal for their re-appointment will be put forth for shareholder approval at the next Annual General Meeting.

## 17. CORPORATE GOVERNANCE OFFICER

### MR. AHMED YUSUF

Qualification	• Bachelor of Civil Engineering – Kuwait University (Kuwait)
Date of Appointment	28 February 2023
Contact Details	Tel: 77911111 Email: a.yusuf@seef.com.bh

## 18. COMPLIANCE WITH THE CODE AND CBB RULEBOOK

The Code and Volume 6 of the CBB Rulebook contain both “Rules” and “Guidance”. “Rules” must be complied with, while a “Guidance” may be either complied with or an explanation is provided to the shareholders in the Annual Report as to reasons for non-compliance.

### 18.1 Status of Compliance

Accordingly, as of 31 December 2025, the Company’s compliance with the Code is as follows:

PRINCIPLE	NON-COMPLIANT	PARTIALLY COMPLIANT	FULLY COMPLIANT
<b>Principle 1:</b> The Company shall be headed by an effective, qualified and expert board.			YES
<b>Principle 2:</b> The directors and executive management shall have full loyalty to the Company.			YES
<b>Principle 3:</b> The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			YES
<b>Principle 4:</b> The Company shall have effective procedures for appointment, training, and evaluation of the directors			YES
<b>Principle 5:</b> The Company shall remunerate directors and senior officers fairly and responsibly.			YES
<b>Principle 6:</b> The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			YES
<b>Principle 7:</b> The Company shall communicate with shareholders, encourage their participation, and respect their rights.		YES	
<b>Principle 8:</b> The Company shall disclose its corporate governance.			YES
<b>Principle 9:</b> Companies which offer Islamic services shall adhere to the principles of Islamic Shari’a.			N/A
<b>Principle 10:</b> The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			YES
<b>Principle 11:</b> The Company shall seek through social responsibility to exercise its role as a good citizen.			YES

# CORPORATE GOVERNANCE REPORT

## 18.2 Non-Compliance Explanation

### 18.2.1 Director Attendance at General Meetings (Guidance)

Under Principle 7 – Second (j) of the Code (Guidance) and HC-7.4.2 of Volume 6 of CBB Rulebook (Guidance), the Company shall require directors to attend the shareholder meetings to respond to their questions, in particular, ensure the attendance of the chairmen of the audit and remuneration committees. Three (3) absences were noted from the Annual General Meeting convened on 19 March 2025 due to various personal reasons and other urgent commitment which could not be avoided, with the matter being reported to the shareholders at the said meeting. The Company will ensure that attendance of the Directors is complied with for future meetings.

### 18.2.2 Website Controlled Access for Shareholders (Guidance)

Under Principle 7 – Second (l) of the Code (Guidance) and HC-7.4.4 of Volume 6 of CBB Rulebook (Guidance), companies are encouraged to consider the possibility of developing electronic means for shareholder communications including appointment of proxies, and confidential proprietary information, companies shall grant controlled access to such information to its shareholders. Currently, there is no controlled access section for shareholders on the website and all information that relates to shareholders is made public on the Company's website or Bahrain Bourse website, and proxies can be submitted to the Share Registrar or Company Secretary via email.

## 19. FINES AND PENALTIES

The Company did not pay any fines and penalties to any governmental and/or regulatory authorities during the financial year ended 31 December 2025.

# CORPORATE SOCIAL RESPONSIBILITY

## 1. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

### 1.1 The Company’s CSR Philosophy

The Company has always been dedicated to enriching the community and ensuring that its business operates in an ethical, sound and responsible manner. Accordingly, the Company’s activities reflect its philosophy of implementing sound business practices, with innovative products and services that inspire its customers, assist the community in which it operates and help shape a better, more sustainable organisation. The Company conducts its CSR activities with the support of stakeholders to enrich the future of society.

In order to align and respond effectively to evolving social imperatives and changes in the business environment, the Company has adopted a comprehensive approach to CSR to ensure that various sectors of the community and their varying needs are targeted and addressed. The Company undertakes an active role in helping local communities achieve their aspirations via a combination of volunteer work and patronage to sustain this objective. The Company further believes in the necessity of public inclusion, paying particular attention to enabling vulnerable and underprivileged groups to become active members of vibrant social and economic interactions.

### 1.2 2025 CSR Strategy

The Company’s strategy will continue to focus on building a sound CSR image whilst capitalising on knowledge of real estate development, corporate culture, collaboration, and community. The Board’s Corporate Social Responsibility Committee, through the Management Sub-Committee, has examined the seventeen (17) sustainable development goals stipulated by the United Nations and elected to focus on the following four (4) goals in formulating the strategy:

- **No Poverty:** Economic growth must be inclusive to provide sustainable jobs and promote equality.
- **Good Health and Well-Being:** Promoting the well-being for all at all ages is essential to sustainable development.
- **Quality Education:** Obtaining quality education is the foundation to improving people’s lives and promoting sustainable development.
- **Partnership for the Goal:** Revitalise global partnerships for sustainable development.

### 1.3 2025 CSR Strategic Pillars

In implementing the abovementioned strategy, the Company focused on the following strategic pillars:

- **Support:** allocation of donations should be apportioned to serve various sectors, including disability and special needs, education, the elderly, health and well-being, culture, orphans, Islamic initiatives amongst others.

- **Sustainability:** developing sustainable income sources, by going beyond financial contributions and providing societies and communities with opportunities and tools that present consistent income, thereby enabling them to be self-sufficient. The Company aims to equip the society with the right tools to not only have a financially prosperous future but also one which is safe, secure and enriching.
- **Culture:** Efforts will be focused on involving staff in CSR initiatives undertaken by the company, thereby creating ambassadors and leaders in society via staff engagement in events and building a CSR culture within the Company.
- **Awareness:** spreading awareness by focusing on selecting key values and campaigning for the same during the year via the organisation of community events.

### 1.4 CSR Shareholder Approved Budget

The Annual General Meeting convened on 19 March 2025 approved an overall budget of BD 170,000 to be allocated to the Company’s CSR Programme during 2025. The Company makes direct donations and contributions to various official entities in the Kingdom of Bahrain and ensures that such donations are utilised effectively by the recipients via periodic monitoring. The Company further utilises such budget in various initiatives and activities that further its strategy.

# CORPORATE SOCIAL RESPONSIBILITY

## 1.5 2025 CSR Activities

In 2025, Seef Properties reinforced its commitment to corporate social responsibility by focusing on initiatives that create sustainable value for the local community. The Company's CSR strategy is guided by a balanced approach that aligns business objectives with meaningful social impact, contributing to long-term societal development across the Kingdom of Bahrain.

A key highlight of the year was Seef Properties' collaboration with the Sunni Endowments Directorate on a major investment initiative aimed at enhancing endowment real estate. Covering an area of approximately 12,648 sqm, the project comprises a commercial complex, a mosque, an events hall, playgrounds, and landscaped green spaces. This strategic partnership supports the evolving needs of the real estate sector while aligning with the Kingdom's national development vision led by His Majesty King Hamad bin Isa Al Khalifa. The project reflects a shared commitment to developing properties that support essential community services such as education, housing, and healthcare, ultimately contributing to an improved quality of life.

Building on this strategic direction, Seef Properties implemented a wide range of community focused initiatives throughout 2025. The Company hosted children from various social and charitable societies at Magic Island and Yabeela on multiple occasions, offering them safe, engaging, and memorable recreational experiences.

Further reinforcing its social impact, Seef Properties organized Eid shopping experiences for orphaned children, enabling them to celebrate the festive season with dignity and joy. The Company also arranged visits to King Hamad University Hospital for children undergoing cancer treatment, providing emotional support and creating uplifting moments for young patients and their families during difficult times.

In support of youth empowerment and entrepreneurship, Seef Properties launched the SEEF Hub at INJAZ Bahrain's new headquarters. This initiative provides a collaborative platform designed to nurture innovation, develop practical skills, and encourage entrepreneurial thinking among young Bahrainis, contributing to the Kingdom's future workforce and economic growth.

The Company's commitment to community well-being extended to the promotion of sports and healthy lifestyles through its sponsorship of the Shaikh Khalid bin Hamad Handball Championship. This sponsorship supports national sporting initiatives and encourages youth participation and community engagement in athletic activities.

In addition, Seef Properties collaborated with the Bahrain Diabetes Society to support community awareness initiatives focused on diabetes prevention, education, and healthy living. This partnership reflects the Company's ongoing focus on health and well-being as a core pillar of its CSR strategy.

Complementing these initiatives, Seef Properties provided financial support to 32 Non-Governmental Organisations operating across key social sectors, including education, elderly care, health and well-being, disability and special needs, culture, charitable activities, and orphan care. Through these collective efforts, Seef Properties continued to play an active role in strengthening community ties and delivering positive, lasting social impact across Bahrain.

COMPLETED AND ONGOING ACTIVITIES	AMOUNT (BD)
Charity	121,000
Sports	7,000
Disability & Special needs	2,222
Others	11,414
<b>TOTAL</b>	<b>141,636</b>

**Note: BD 388,137** will be carried over from previous years for utilization in larger scale projects, which will be disclosed in due course.

## 1.6 Environmental Preservation Commitment

The Company is committed to identifying areas of its operations whereby environmental and sustainability enhancements can be achieved and will continue such initiatives in 2026.

### 1.6.1 Energy Consumption

As a national institution dedicated to resource preservation in the Kingdom of Bahrain, Seef Properties has long been committed to reducing its environmental impact. This commitment is exemplified by the Company's multi-year energy conservation plan, initiated over seven years ago to achieve maximum efficiency in energy consumption.

A landmark achievement in this long-term strategy was the successful completion of a major solar energy project across all four of the company's main properties: Seef Mall-Seef District, Seef Mall-Isa Town, Seef Mall-Muharraq, and Al Liwan. This strategic initiative has significantly advanced the company's sustainability goals, leading to a substantial decrease in energy consumption and related expenditures. The success of this project has effectively mitigated the impact of rising government electricity and water tariffs, demonstrating the company's proactive approach to resource management and its leadership in adopting renewable energy solutions.

Since the establishment of Seef Properties, social responsibility has remained an integral part of the Company's philosophy for the growth of a prosperous, integrated society, supported by sustainable development. Seef Properties is built on four strategic values to create a better future for all: support, culture, sustainability and awareness. This is represented in its sponsorship of various charitable, humanitarian works as well as the social initiatives of individuals and institutions.



# FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEEF PROPERTIES B.S.C

For the year ended 31 December 2025

## Report on Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the accompanying consolidated financial statements of Seef Properties B.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of 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, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### *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, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. 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 for our audit opinion on the accompanying consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEEF PROPERTIES B.S.C

For the year ended 31 December 2025

## 1. Valuation of investment properties

Refer to note 5 in the consolidated financial statements

### Key audit matter

Investment properties comprise 78% of the Group's total assets as at 31 December 2025. The Group's investment properties consist of malls, serviced apartments and commercial properties located within the Kingdom of Bahrain. These investment properties are measured at fair value determined by independent, external, specialist valuers.

The valuation of the investment properties is highly dependent on estimates and assumptions, such as rental yields, property location, occupancy rates, discount rates, maintenance status, and market knowledge. Because of the complexity of fair value requirements, significance of judgements and estimates applied and the Group's exposure to investment properties which form a major portion of the Group's assets, the audit of fair value measurement for investment properties is a key area of focus and is considered a key audit matter.

### How the key audit matter was addressed in the audit

Our procedures in relation to the fair value assessment of investment properties included, among others:

- Evaluating the independent external valuers' objectivity, independence and relevant expertise;
- Assessing the methodologies, key assumptions and methods used by the valuers in the valuation process;
- Testing of the input data provided to the external valuers; and
- Engaging our internal specialists to assess the reasonableness of the major assumptions used by Management's specialist.
- Evaluating the appropriateness of the disclosures relating to the assumptions and sensitivity of such assumptions included in the consolidated financial statements.

### *Other information included in the Group's 2025 annual report*

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. The Board of Directors is responsible for the other information. Prior to the date of this auditor's report, we obtained the Board of Directors' Report which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do 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 when it becomes available 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 obtained prior to the date of the 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 the Board of Directors for the consolidated financial statements*

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEEF PROPERTIES B.S.C

For the year ended 31 December 2025

## *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 judgement 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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. 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.
- 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 the Audit Committee, 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 the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEEF PROPERTIES B.S.C

For the year ended 31 December 2025

## Report on Other Legal and Regulatory Requirements

- a) as required by the Bahrain Commercial Companies Law, we report that:
- i. the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
  - ii. the financial information contained in the Board of Directors' Report is consistent with the consolidated financial statements; and
  - iii. satisfactory explanations and information have been provided to us by Management in response to all our requests.
- b) We are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain ("CBB") Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2025 that might have had a material adverse effect on the business of the Group or on its consolidated financial position.
- c) As required by Article (8) of Section (2) of Chapter (1) of the Bahrain Corporate Governance Code, we report that the Company:
- i. has appointed a Corporate Governance Officer; and
  - ii. has a board approved written guidance and procedures for corporate governance.

The partner in charge of the audit resulting in this independent auditor's report is Mr. Abdullatif Al Mahmood.

Auditor's Registration No. 295  
16 February 2026  
Manama, Kingdom of Bahrain

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 BD	2024 BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment, furniture and motor vehicles	4	5,653,008	4,926,598
Investment properties	5	138,554,414	138,770,511
Investment in a joint venture	6	10,047,837	8,475,206
		<b>154,255,259</b>	<b>152,172,315</b>
<b>Current assets</b>			
Trade and other receivables	7	3,162,511	4,106,305
Bank balances, term deposits and cash	8	20,357,695	20,859,041
		<b>23,520,206</b>	<b>24,965,346</b>
<b>TOTAL ASSETS</b>		<b>177,775,465</b>	<b>177,137,661</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	46,000,000	46,000,000
Treasury shares	10	(923,881)	(699,092)
Statutory reserve	11	23,000,000	23,000,000
Retained earnings		95,399,610	93,546,072
<b>Equity attributable to equity holders of the parent</b>		<b>163,475,729</b>	<b>161,846,980</b>
Non-controlling interest		3,085,688	3,307,994
<b>Total equity</b>		<b>166,561,417</b>	<b>165,154,974</b>
<b>Non-current liabilities</b>			
Term loans - non-current portion	13	2,847,858	3,983,949
Lease liability - non-current portion	14	2,417,712	2,435,243
Employees' end of service benefits	15	281,783	268,545
		<b>5,547,353</b>	<b>6,687,737</b>
<b>Current liabilities</b>			
Term loans - current portion	13	2,323,443	1,557,309
Lease liability - current portion	14	17,531	15,923
Unclaimed dividends	16	653,027	665,313
Trade and other payables	17	2,672,694	3,056,405
		<b>5,666,695</b>	<b>5,294,950</b>
<b>Total liabilities</b>		<b>11,214,048</b>	<b>11,982,687</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,775,465</b>	<b>177,137,661</b>

**Essa Mohamed Najibi**  
Chairman

**Sattam Sulaiman Al Gosaibi**  
Vice Chairman

**Ahmed Yusuf**  
Chief Executive Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 BD	2024 BD
<b>REVENUE</b>			
Property rental income and service charges		8,602,688	8,975,747
Income from serviced apartments		1,212,366	1,618,720
Leisure and recreational revenue		2,726,913	3,004,148
		<b>12,541,967</b>	13,598,615
Less: cost of sales	18	3,442,019	3,895,340
<b>GROSS PROFIT</b>			
Other operating income	20	1,487,089	1,380,745
Profit on term deposits		936,510	1,233,787
		<b>11,523,547</b>	12,317,807
<b>EXPENSES</b>			
General and administrative expenses	21	4,076,709	4,289,308
Depreciation	4	592,189	658,397
Directors' remuneration	26	257,000	257,000
Charge for expected credit losses	7	194,686	205,217
Finance costs	22	602,487	816,984
		<b>5,723,071</b>	6,226,906
<b>PROFIT BEFORE FAIR VALUE CHANGES ON INVESTMENT PROPERTIES AND SHARE OF PROFIT FROM INVESTMENT IN A JOINT VENTURE</b>			
		<b>5,800,476</b>	6,090,901
Unrealised fair value loss on investment properties	5	(154,460)	(665,947)
Share of profit from investment in a joint venture	6	72,631	28,030
<b>NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<b>5,718,647</b>	5,452,984
<b>Attributable to:</b>			
Equity holders of the parent		5,940,953	5,606,861
Non-controlling interest		(222,306)	(153,877)
		<b>5,718,647</b>	5,452,984
Basic and diluted earnings per share attributable to equity holders of the parent (fils)	23	13.10	12.23

**Essa Mohamed Najibi**  
Chairman

**Sattam Sulaiman Al Gosaibi**  
Vice Chairman

**Ahmed Yusuf**  
Chief Executive Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 BD	2024 BD
<b>OPERATING ACTIVITIES</b>			
Net profit for the year		5,718,647	5,452,984
Adjustments for:			
Depreciation	4.1	806,249	1,044,444
Profit on term deposits		(936,510)	(1,233,787)
Charge for expected credit losses	7	194,686	205,217
Finance costs	22	602,487	816,984
Employees' end of service benefits	15	66,269	59,480
Unrealised fair value loss (gain) on investment properties	5	154,460	665,947
Share of profit from investment in a joint venture	6	(72,631)	(28,030)
Gain from sale of investment properties	20	(184,256)	-
Operating profit before working capital changes		6,349,401	6,983,239
Working capital changes:			
Trade and other receivables		382,068	(336,000)
Trade and other payables		(352,651)	(156,709)
Employees' end of service benefits paid	15	(53,031)	(46,626)
Net cash flows from operating activities		6,325,787	6,443,904
<b>INVESTING ACTIVITIES</b>			
Purchase of equipment, furniture and motor vehicles	4	(185,933)	(405,898)
Expenditure incurred on capital work-in-progress	4	(1,348,688)	(1,403,764)
Additions to investment properties	5	(17,115)	-
Proceeds from disposal of equipment, furniture and motor vehicles		1,962	-
Additions to investment in a joint venture	6	(1,500,000)	(1,500,000)
Proceeds from disposal of investment properties	5	263,008	-
Net movement in term deposits with an original maturity of more than 90 days		2,261,167	(404,000)
Profit on term deposits received		1,303,550	1,632,515
Net cash flows generated from / (used in) investing activities		777,951	(2,081,147)
<b>FINANCING ACTIVITIES</b>			
Dividends paid	16	(4,099,701)	(4,161,631)
Purchase of treasury shares	10	(224,789)	(699,092)
Term loans repaid	13	(369,957)	(2,287,379)
Finance costs paid on term loans		(399,470)	(584,833)
Lease liability paid (including finance costs)	14	(250,000)	(250,000)
Net cash flows used in financing activities		(5,343,917)	(7,982,935)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		3,795,041	7,415,219
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	8	<b>5,554,862</b>	<b>3,795,041</b>

The attached notes 1 to 29 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Equity attributable to equity holders of the parent				Total BD	Non- controlling interest BD	Total equity BD
		Share capital BD	Treasury shares BD	Statutory reserve BD	Retained earnings* BD			
At 1 January 2025		46,000,000	(699,092)	23,000,000	93,546,072	161,846,980	3,307,994	165,154,974
Net profit and total comprehensive income for the year		-	-	-	5,940,953	5,940,953	(222,306)	5,718,647
Dividends declared for 2024	12	-	-	-	(4,087,415)	(4,087,415)	-	(4,087,415)
Purchase of treasury shares	10	-	(224,789)	-	-	(224,789)	-	(224,789)
<b>At 31 December 2025</b>		<b>46,000,000</b>	<b>(923,881)</b>	<b>23,000,000</b>	<b>95,399,610</b>	<b>163,475,729</b>	<b>3,085,688</b>	<b>166,561,417</b>

\* Retained earnings includes BD 644,092 relating to the statutory reserve of the subsidiaries.

	Notes	Equity attributable to equity holders of the parent				Total BD	Non- controlling interest BD	Total equity BD
		Share capital BD	Treasury shares BD	Statutory reserve BD	Retained earnings* BD			
At 1 January 2024		46,000,000	-	23,000,000	92,079,211	161,079,211	3,461,871	164,541,082
Net profit and total comprehensive income for the year		-	-	-	5,606,861	5,606,861	(153,877)	5,452,984
Dividends declared for 2023	12	-	-	-	(4,140,000)	(4,140,000)	-	(4,140,000)
Purchase of treasury shares	10	-	(699,092)	-	-	(699,092)	-	(699,092)
At 31 December 2024		46,000,000	(699,092)	23,000,000	93,546,072	161,846,980	3,307,994	165,154,974

\* Retained earnings includes BD 644,092 relating to the statutory reserve of the subsidiaries.

The attached notes 1 to 29 form part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 1 ACTIVITIES

Seef Properties B.S.C. (the “Company”) is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration number 44344. The postal address of the Company’s registered head office is P O Box 20084, Building 2102, Road 2825, Block 428, Seef District, Kingdom of Bahrain.

The Company and its subsidiaries are collectively referred to as the Group.

The Group is primarily engaged in the real estate business and also provides leisure and recreational game facilities. The Group owns and manages Seef Mall-Seef District, Seef Mall-Isa Town, Seef Mall-Muharrq, Fraser Suites Seef and Al Liwan, Seef Entertainment and other commercial facilities in the Kingdom of Bahrain. In addition, the Company manages, as part of property management service agreements, several properties in Bahrain, including Al Liwan. Al Liwan project is owned by Lama Real Estate W.L.L. which is the joint venture of the Company.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 16 February 2026.

The Company’s subsidiaries and joint venture, all of which are incorporated in the Kingdom of Bahrain, are as follows:

Name	Percentage of holding		Principal activities
	2025	2024	
<b>Subsidiaries</b>			
Fraser Suites Seef - Bahrain W.L.L.	100%	100%	Hotel, tourist furnished flats and restaurants for tourist services management.
Seef Entertainment W.L.L.	100%	100%	Management of amusement parks and theme parks and other amusement and recreation activities.
The Muharrq Mall Co. W.L.L.	72.5%	72.5%	Management of real estate including malls.
<b>Joint venture</b>			
Lama Real Estate W.L.L.	50%	50%	Real estate business.

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in conformity with the Bahrain Commercial Companies Law, the Central Bank of Bahrain (“CBB”) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, and the rules and procedures of the Bahrain Bourse.

### 2.2 Accounting convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties that have been measured at fair value. The consolidated financial statements are presented in Bahraini Dinars (“BD”) which is the functional currency of the Company and reporting currency of the Group.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.3 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; and
- 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 other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group 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 derecognises 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.

### 2.4 New and amended standards and interpretations effective as of 1 January 2025

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the IASB's following new and amended standards which are effective as of 1 January 2025. The Group has not early adopted any new and amended standards and interpretations that have been issued but are not yet effective.

#### Amendments to IAS 21: Lack of exchangeability

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 as the Group does not transact in currencies which lack exchangeability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.5 New and amended standards and interpretations 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

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. 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.

It also 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. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. These 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.

The amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.5 New and amended standards and interpretations issued but not yet effective *(continued)*

#### Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments are effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

### 2.6 Material accounting policy information

#### Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, 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 administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

Any contingent consideration to be transferred by the acquirer will be recognised 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 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to 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 CGU retained.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Equipment, furniture and motor vehicles

Equipment, furniture and motor vehicles are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the equipment, furniture and motor vehicles. When significant parts of equipment, furniture and motor vehicles are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment, furniture and motor vehicles as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Equipment	2-10 years
Furniture and fixtures	3-10 years
Motor vehicles	4 years

An item of equipment, furniture and motor vehicles and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

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

#### Capital work-in-progress

Expenditure incurred on the construction of new facilities prior to the commencement of their commercial use is capitalised as capital work-in-progress. Capital work-in-progress is transferred to equipment, furniture and motor vehicles or to investment properties at the time of commencement of commercial use.

Capital work-in-progress is not depreciated until it is transferred and put to commercial use, and is reviewed annually for any indication of impairment.

#### 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. 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 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.

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 profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Investment properties

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by accredited external independent valuers applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties 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 equipment, furniture and motor vehicles up to the date of change in use.

#### Investment in joint ventures

The Group holds an interest in a joint venture, Lama real estate W.L.L.

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

The financial statements of the joint venture are prepared for the same reporting period as the Group. Also the accounting policies of the joint venture are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investee after the date of acquisition.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in a joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of loss of joint venture' in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### 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.

##### *i) Financial assets*

The Group's financial assets consist of bank balances, term deposits and cash and certain trade and other receivables.

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

#### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Currently, the Group recognises all of its financial assets at amortised cost.

##### *Trade and other receivables*

Trade and other receivables are recognised at the contractually agreed rates less any discounts or adjustments. Where the time value of money is material, receivables are discounted and carried at amortised cost. Allowance for expected credit losses is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. Refer to the policy for impairment of financial assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Financial assets at amortised cost (debt instruments) *(continued)*

##### *Bank balances, term deposits and cash*

Bank balances, term deposits and cash in the consolidated statement of financial position comprise of cash at banks and on hand and term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts and restricted bank accounts, if any.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments. ECL is 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises 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 macro-economic factors and other factors specific to the debtors.

The Group considers a financial asset in default when contractual payments of 90 days are 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows due to settlements.

#### Derecognition

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 asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises 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 that the Group could be required to repay.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### *ii) Financial liabilities*

The Group's financial liabilities consist of certain items of trade and other payables, unclaimed dividends, lease liability and term loans.

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, at amortised cost 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 financial liabilities not at FVTPL, net of directly attributable transaction costs.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL; and
- Financial liabilities at amortised cost.

#### **Financial liabilities at amortised cost**

Currently, the Group recognises all of its financial liabilities at amortised cost. This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in profit or loss, if any.

#### **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 profit or loss.

#### *iii) 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 realise the assets and settle the liabilities simultaneously.

#### **Cash dividend**

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the Bahrain Commercial Companies Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *i) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The Group recognises its right-of-use asset in the carrying value of its investment properties.

#### Short-term leases and leases of low-value assets

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

#### *ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### ii) Lease liabilities *(continued)*

#### Employees' end of service benefits

##### *Bahraini employees*

The Group makes contributions to the Social Insurance Organization scheme for its Bahraini employees calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

##### *Non-Bahraini employees*

The Group also provides for end of service benefits to its non-Bahraini employees. The entitlement to these benefits is based upon the employees' final salaries and length of service. The employee is entitled to receive the end of service benefits when the employment relationship is terminated.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

#### Fair value measurement

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 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by management. The selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

#### Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined and exchange differences are recorded alongside fair value movement in profit or loss or other comprehensive income, depending on the accounting policy for accounting of fair value movement of the related non-monetary item.

#### Revenue 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, if any. The Group has concluded that it is acting as the principal in all of its revenue arrangements as it has pricing latitude and is also exposed to credit risk. The specific recognition criteria described below must also be met before revenue is recognised.

##### *Rental income*

Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, it is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when they arise.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 2.6 Material accounting policy information *(continued)*

#### Revenue recognition *(continued)*

##### *Service charges and expenses recoverable from tenants*

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as it is considered that the Group acts as principal in this respect.

##### *Income from serviced apartments*

Income from serviced apartments represents total room revenue charged to customers and guests during the year plus unbilled guests ledger at the end of the reporting period. Revenue from hotel operations is stated net of rebates and other allowances. These services are sold either separately or bundled together with the sale of food and beverages to a customer. The room revenue from hotel operations is recognised over time, because the customer simultaneously receives and utilises the benefits provided. Revenue from sale of food and beverages is recognised at a point in time, upon delivery of the food and beverages.

##### *Leisure and recreational revenue*

Revenue from leisure and recreational activities represents the revenue generated by Seef Entertainment, which is generated from amusement parks and theme parks and other amusement and recreation activities. Revenue from such operations is stated net of rebates and other allowances and recognised at a point in time.

##### *Other operating income*

The Group recognises other operating income when earned.

##### *Profit income*

Profit income is recorded using the effective profit rate method, which is based on 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. Profit income is presented as profit on term deposits in profit or loss.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Judgements**

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

#### *Going concern*

The Company's Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast a significant doubt about the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

### *Classification of property between investment property and owner-occupied property*

The Group exercises significant judgement in determining whether a property is classified as investment property under IAS 40 or as property, plant and equipment under IAS 16. This assessment requires management to evaluate the primary purpose for holding the asset and the extent to which it is used to earn rentals or for capital appreciation, as opposed to being used in the production or supply of services or for administrative purposes. In making this determination, management considers factors such as the nature of lease arrangements, occupancy by third-party tenants, Group's own use of the property and whether ancillary services provided are insignificant to the overall arrangement. Where the Group owns a property that is partially owner-occupied, judgement is applied in assessing whether the portions can be separately sold or leased, and if so, the respective parts are classified independently; otherwise, the classification is based on whether the owner-occupied portion is significant. Based on this assessment, properties that are primarily held to generate rental income and capital appreciation have been classified as investment properties, while properties used for the Group's operations are classified as property, plant and equipment.

### *Property lease classification – Group as lessor*

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### **Estimates and assumptions**

The key assumptions considering 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 discussed 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 beyond the control of the Group. Such changes are reflected in the assumptions as they occur.

### *Valuation of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value as at the reporting date for investment properties. For investment properties, different valuation methodologies are applied including income yield capitalisation model and discounted cashflows.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair needs and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. Future revenue streams comprise contracted rent (passing rent) and estimated rental value ("ERV") after the contract period. In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date.

The key assumptions used to determine the fair value of the investment properties are provided in note 5.

### *Useful lives of equipment, furniture and motor vehicles*

The Group's management determines the estimated useful lives of its equipment, furniture and motor vehicles for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

### *Allowance for expected credit losses against trade receivables*

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises 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 macro-economic factors and other factors specific to the debtors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

### *Leases - estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

## 4 EQUIPMENT, FURNITURE AND MOTOR VEHICLES

	Equipment BD	Furniture and fixtures BD	Motor vehicles BD	Capital work in-progress BD	Total BD
<b>2025</b>					
Cost:					
At 1 January	9,511,910	7,324,543	251,360	1,574,437	18,662,250
Additions	128,733	57,200	-	1,348,688	1,534,621
Disposals	(63,796)	-	-	-	(63,796)
Transfers	10,450	115,109	-	(125,559)	-
<b>At 31 December</b>	<b>9,587,297</b>	<b>7,496,852</b>	<b>251,360</b>	<b>2,797,566</b>	<b>20,133,075</b>
Accumulated depreciation:					
At 1 January	7,770,836	5,755,336	209,480	-	13,735,652
Charge for the year (note 4.1)	462,504	312,281	31,464	-	806,249
Disposals	(61,834)	-	-	-	(61,834)
<b>At 31 December</b>	<b>8,171,506</b>	<b>6,067,617</b>	<b>240,944</b>	<b>-</b>	<b>14,480,067</b>
Net carrying values:					
<b>At 31 December</b>	<b>1,415,791</b>	<b>1,429,235</b>	<b>10,416</b>	<b>2,797,566</b>	<b>5,653,008</b>
	Equipment BD	Furniture and fixtures BD	Motor vehicles BD	Capital work in-progress BD	Total BD
<b>2024</b>					
Cost:					
At 1 January	9,155,743	7,145,515	251,360	299,970	16,852,588
Additions	259,812	146,086	-	1,403,764	1,809,662
Transfers	96,355	32,942	-	(129,297)	-
At 31 December	9,511,910	7,324,543	251,360	1,574,437	18,662,250
Accumulated depreciation:					
At 1 January	7,135,792	5,377,400	178,016	-	12,691,208
Charge for the year (note 4.1)	635,044	377,936	31,464	-	1,044,444
At 31 December	7,770,836	5,755,336	209,480	-	13,735,652
Net carrying values:					
At 31 December	1,741,074	1,569,207	41,880	1,574,437	4,926,598

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 4 EQUIPMENT, FURNITURE AND MOTOR VEHICLES *(continued)*

4.1 Depreciation charge has been allocated in the consolidated statement of comprehensive income as follows:

	2025 BD	2024 BD
Cost of sales (note 18)	214,060	386,047
Expenses	592,189	658,397
	<b>806,249</b>	<b>1,044,444</b>

During the year ended 31 December 2025, management reassessed the estimated useful lives of certain leisure and recreational games equipment operated under the Yabeela brand. Based on the condition of the assets, maintenance programmes, historical utilisation patterns and the expected future economic benefits, management revised the estimated useful life of certain games equipment from 7 years to 10 years. The revision has been accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and has been applied prospectively from the date of change.

## 5 INVESTMENT PROPERTIES

	2025 BD	2024 BD
At 1 January	138,770,511	139,436,458
Unrealised fair value loss, net	(154,460)	(665,947)
Disposals during the year	(78,752)	-
Expenditure incurred during the year	17,115	-
At 31 December	<b>138,554,414</b>	<b>138,770,511</b>

The Group's investment properties consist of Seef Mall-Seef District, Seef Mall-Isa Town, Seef Mall-Muharrq and other commercial properties in the Kingdom of Bahrain.

Investment property of Muharrq Mall Company W.L.L. amounting to BD 18,908,718 (2024: BD 19,574,665) includes a leasehold land on which Muharrq Mall building was constructed.

During 2025, an investment property with a carrying value of BD 78,752 was sold against a consideration of BD 263,008 and a gain of BD 184,256 was recognised.

At 31 December 2025 and at 31 December 2024, the fair values of the properties are based on valuations performed by independent surveyors. The surveyors are industry specialists in valuing these types of investment properties. The valuations undertaken are based on the income yield capitalisation method and discounted cash flow method.

A description of valuation techniques used and key inputs to the valuation of key investment properties are as follows:

Properties	Technique	Significant unobservable inputs	2025	2024
Mall Properties	Income yield capitalisation	Estimated rental value per annum	<b>BD 8,407,068</b>	BD 8,698,888
		Occupancy rate	<b>80% - 90%</b>	85% - 95%
		Equivalent yield	<b>8% to 9%</b>	8% to 9%
Fraser Suites - Seef	Discounted cash flow	Estimated rental value per annum*	<b>BD 1,946,363</b>	BD 1,580,085
		Occupancy rate **	<b>75%</b>	65%
		Discount rate	<b>9.5%</b>	10.5%
		Exit yield	<b>7.5%</b>	8.0%

\*This is the estimated rental value for the first year with a growth of 2.0% onwards (2024: this is the estimated rental value for the first year with a growth of 9% in second and third year and 2% thereafter).

\*\* This is the occupancy rate for the first year whereas the second year is 77.5% after which it stabilises at 80%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 5 INVESTMENT PROPERTIES (continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses, as applicable. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value, rent growth per annum and long-term occupancy rates in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in discount rate and yield in isolation would result in a significantly lower (higher) fair value of the properties.

The effect of a reasonably possible 1% change in annual rental income would result in a change in fair value of investment properties amounting to BD 1,307,962 (2024: BD 1,297,779). Similarly, the effect of a reasonably possible change in the yield of 0.25% could impact the fair value of the investment properties by BD 3,816,527 (2024: BD 4,227,609).

The fair value of the Group's investment properties is categorised into level 3 of the fair value hierarchy. There were no transfers between the different levels of fair value hierarchy during the current and prior year.

## 6 INVESTMENT IN A JOINT VENTURE

	2025 BD	2024 BD
At 1 January	8,475,206	6,947,176
Additional investment during the year	1,500,000	1,500,000
Share of profit for the year	72,631	28,030
At 31 December	10,047,837	8,475,206

The summarised financial information of the joint venture, based on its financial statements is set out below:

	2025 BD	2024 BD
Joint venture's summarised statement of financial position:		
Current assets	1,185,880	1,281,653
Non-current assets	45,151,950	45,755,122
Current liabilities	(2,666,956)	(2,918,710)
Non-current liabilities	(22,754,701)	(26,347,154)
<b>Equity</b>	<b>20,916,173</b>	<b>17,770,911</b>
<b>Proportion of the Group's ownership</b>	<b>50%</b>	<b>50%</b>
Group's ownership in equity	10,458,087	8,885,456
Adjustments (note 6.1)	(410,250)	(410,250)
Carrying amount of investment	10,047,837	8,475,206

**6.1** The adjustments relate to management fee income charged by the Company during the establishment phase of Al Liwan project and which were capitalised by the joint venture as part of its investment properties.

	2025 BD	2024 BD
Joint venture's summarised statement of profit or loss:		
Revenue	5,183,279	5,342,790
Expenses	(5,038,018)	(5,286,731)
<b>Profit for the year</b>	<b>145,261</b>	<b>56,059</b>
<b>Group's share of profit for the year</b>	<b>72,631</b>	<b>28,030</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 6 INVESTMENT IN A JOINT VENTURE *(continued)*

The joint venture had no material contingent liabilities at 31 December 2025 and at 31 December 2024. The joint venture cannot distribute its profits until it obtains consent from both venture partners. The Group's share of joint venture's capital commitments at the reporting date is disclosed in note 24.

## 7 TRADE AND OTHER RECEIVABLES

	2025 BD	2024 BD
Rent and service charges receivable	3,245,394	3,648,746
Less: allowance for expected credit losses	(1,719,278)	(1,630,576)
	1,526,116	2,018,170
Due from related parties (note 26)	749,178	696,760
Prepayments	370,583	317,681
Advances to suppliers	267,889	227,737
Other receivables	248,745	845,957
	3,162,511	4,106,305

Rent and service charges receivable are non-interest bearing and tenants are required to pay the billed amounts immediately.

For terms and conditions relating to amounts due from related parties, refer to note 26.

The movement in the allowance for expected credit losses is as follows:

	2025 BD	2024 BD
At 1 January	1,630,576	2,211,693
Write-offs during the year	(105,984)	(786,334)
Charge for the year	194,686	205,217
At 31 December	1,719,278	1,630,576

During 2025, the management resolved to write-off long outstanding receivables amounting to BD 105,984 (2024: BD 786,334). These receivables were subject to collections as per legal judgments; however, the Group could not collect any of these amounts. Trade receivables written-off are not subject to enforcement activity.

	Total BD	Past due				
		0-30 days BD	31-90 days BD	91-180 days BD	180 to 360 days BD	over 360 days BD
<b>31 December 2025</b>						
<b>Gross carrying amount</b>	3,245,394	296,511	208,827	361,474	478,918	1,899,664
<b>Loss allowance</b>	(1,719,278)	(1,207)	(6,205)	(28,068)	(141,673)	(1,542,125)
<b>Loss %</b>	53%	0.4%	3%	8%	30%	81%
<b>31 December 2024</b>						
Gross carrying amounts	3,648,746	375,747	344,790	629,407	709,775	1,589,027
Loss allowance	(1,630,576)	(5,121)	(17,240)	(69,235)	(298,104)	(1,240,876)
Loss %	45%	1%	5%	11%	42%	78%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 8 BANK BALANCES, TERM DEPOSITS AND CASH

	2025 BD	2024 BD
Cash on hand	11,335	10,429
Bank balances (note 8.1)	2,378,058	3,784,612
Term deposits (note 8.2)	17,968,302	17,064,000
Bank balances, term deposits and cash as per consolidated statement of financial position	20,357,695	20,859,041
Term deposits with an original maturity of more than 90 days	(14,802,833)	(17,064,000)
Cash and cash equivalents as per consolidated statement of cash flows	5,554,862	3,795,041

**8.1** Bank balances are held with commercial banks in the Kingdom of Bahrain. Profit rates on bank balances during 2025 ranged from 0.15% to 2.1% per annum (2024: 0.15% to 2.1% per annum).

**8.2** Profit rates on term deposits at 31 December 2025 ranged from 4.85% to 5.4% per annum (2024: 3.50% to 6.30% per annum).

## 9 SHARE CAPITAL

	2025 BD	2024 BD
Authorised:		
1,000,000,000 shares of BD 0.100 each	100,000,000	100,000,000
Issued, subscribed and fully paid-up:		
460,000,000 shares of BD 0.100 each	46,000,000	46,000,000

## 10 TREASURY SHARES

During the year, the Company reacquired 1,905,002 shares of its own equity shares for a consideration of BD 224,789 (2024: the Company reacquired 5,781,980 shares of its own equity shares for a consideration of BD 699,092). At 31 December 2025, the total number of treasury shares that the Company reacquired was 7,686,982 shares (2024: 5,781,980 shares.)

## 11 STATUTORY RESERVE

The Bahrain Commercial Companies Law and the Company's articles of association require 10% of the profit for the year to be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the paid-up share capital. The reserve is not distributable except in such circumstances as stipulated in the Bahrain Commercial Companies Law. During the year, no transfer was made as the statutory reserve totals 50% of the paid up share capital (2024: same).

## 12 DIVIDENDS DECLARED

At the Annual General Meeting held on 19 March 2025, the Company's shareholders approved to distribute a final dividend of BD 0.009 per share totalling BD 4,087,415 relating to 2024. Dividend paid during 2025 amounting to BD 4,099,701 relates to the year and years before (refer note 16).

At the Annual General Meeting held on 21 March 2024, the Company's shareholders declared and paid dividends of BD 0.009 per share totalling BD 4,140,000 relating to the year 2023. Dividend paid during 2024 amounting to BD 4,161,631 relates to the year and years before (refer note 16).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 13 TERM LOANS

During prior years, the Group's subsidiary, Muharraq Mall Co. W.L.L., obtained a term loan from a commercial bank in the Kingdom of Bahrain amounting to BD 6.3 million to finance the development of Muharraq Seef Mall. The term loan was originally repayable in 40 quarterly instalments commencing from December 2018. However during 2020 and 2021, the repayment of the loan was extended to a new maturity date of September 2030. The term loan, based on the latest amendment, carries interest at the rate of 2.25% per annum plus 3 months SOFR rate. The interest rate on the loan at 31 December 2025 was 6.5% per annum (2024: 7.9% per annum). The loan is secured against the joint and several guarantees issued by the shareholders of Muharraq Mall Co. W.L.L. in favour of the bank. The outstanding balance of the term loan at 31 December 2025 was BD 4,846,753 (2024: BD 4,846,753). Muharraq Mall Co. W.L.L. did not pay the instalments due on 31 March 2025, 30 June 2025, 30 September 2025 and 31 December 2025, as Muharraq Mall Co. W.L.L. is negotiating a reschedule of the loan with the bank.

The term loan is subject to covenants that Muharraq Mall Co. W.L.L. must comply with. At 31 December 2025, all the covenants were complied with except for the following covenants:

- Facility Service Coverage Ratio [FSCR = EBITDA / (variable + fixed rents)] shall not be less than 1.25x at all times during the tenor of the facility for the lessee, this ratio shall be tested annually based on the audited financial statements of Muharraq Mall Co. W.L.L. At 31 December 2025, the EBITDA amount of Muharraq Mall Co. W.L.L. was BD negative 394,057 and the total of variable and fixed rent for 2025 was BD 1,119,237 resulting in FSCR of negative 0.35.
- In case any instalment (variable+ fixed rents) payment is past due for more than 30 days, the borrower and/or guarantors will provide mortgage on security acceptable to the bank. At 31 December 2025, Muharraq Mall Co. W.L.L. had six past due instalments, but no mortgage on security was provided by the Company.

Despite the non-compliance with the loan covenants as of 31 December 2025, the loan has not been classified as current. This is because of obtaining a waiver for non-compliance with loan covenants from the bank, dated 31 December 2025 which allows Muharraq Mall Co. W.L.L. to maintain the loan under its original terms.

During prior years, the Group's subsidiary, Seef Entertainment W.L.L., obtained a loan facility from a commercial bank in the Kingdom of Bahrain amounting to BD 4 million to finance the project of a family entertainment centre in Al Liwan, Al Hamala. Principal and profit are repayable quarterly starting from 27 October 2022 till 26 October 2026. The loan is a murabaha which carries a profit rate of 7.5% per annum at 31 December 2025 (2024: 7.5% per annum). The loan is secured against a guarantee issued by the Company in favour of the bank. The outstanding balance of the term loan at 31 December 2025 was BD 324,548 (2024: BD 694,505).

At 31 December 2025, Seef Entertainment W.L.L. complied with all covenants (2024: same).

The movement in the term loans is as follows:

	2025 BD	2024 BD
At 1 January	5,541,258	7,828,637
Repayments during the year	(369,957)	(2,287,379)
At 31 December	5,171,301	5,541,258

The current and non-current portions of the term loans are as follows:

	2025 BD	2024 BD
Current	2,323,443	1,557,309
Non-current	2,847,858	3,983,949
	5,171,301	5,541,258

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 14 LEASE LIABILITY

The movement of the lease liability is as follows:

	2025 BD	2024 BD
At 1 January	2,451,166	2,465,628
Lease payments during the year	(250,000)	(250,000)
Finance costs for the year (note 22)	234,077	235,538
At 31 December	<b>2,435,243</b>	2,451,166

The current and non-current portions of the lease liability are as follows:

	2025 BD	2024 BD
Current	17,531	15,923
Non-current	2,417,712	2,435,243
	<b>2,435,243</b>	2,451,166

## 15 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the end of service benefits is as follows:

	2025 BD	2024 BD
At 1 January	268,545	255,691
Charge for the year (note 19)	66,269	59,480
Paid during the year to the employees	(23,635)	(19,019)
Paid during the year to the Social Insurance Organization	(29,396)	(27,607)
At 31 December	<b>281,783</b>	268,545

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, the private sector employers are required to pay monthly end-of-service contributions to the Social Insurance Organization using fixed percentages of salaries.

## 16 UNCLAIMED DIVIDENDS

	2025 BD	2024 BD
At 1 January	665,313	686,944
Dividends declared (note 12)	4,087,415	4,140,000
Dividends paid (note 12)	(4,099,701)	(4,161,631)
At 31 December	<b>653,027</b>	665,313

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 17 TRADE AND OTHER PAYABLES

	2025 BD	2024 BD
Accrued expenses	1,397,800	1,456,346
Security deposits	554,625	659,775
Trade payables	217,311	252,448
Advance rent received	112,365	250,538
Other payables	364,943	415,174
Retentions payable	25,650	22,124
	<b>2,672,694</b>	<b>3,056,405</b>

Trade payables are non-interest bearing and are normally settled on 30 - 60 day terms.

## 18 COST OF SALES

	2025 BD	2024 BD
Utilities	795,042	886,804
Staff costs (note 19)	746,702	815,641
Maintenance	522,552	594,005
Cleaning	448,561	510,480
Depreciation (note 4.1)	214,060	386,047
Direct costs incurred on leisure and recreational facilities	436,122	385,682
Agency commission	64,651	93,148
Room related expenses	85,602	82,099
Insurance	62,472	65,416
Miscellaneous	66,255	76,018
	<b>3,442,019</b>	<b>3,895,340</b>

## 19 STAFF COSTS

	2025 BD	2024 BD
Basic salaries	1,950,317	2,011,265
Allowances	339,067	344,230
Bonuses	285,186	390,073
Social insurance	258,283	242,042
Medical insurance	119,562	127,972
End of service benefits (note 15)	66,269	59,480
Others	195,028	232,994
	<b>3,213,712</b>	<b>3,408,056</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 19 STAFF COSTS (continued)

Staff costs have been allocated in the consolidated statement of comprehensive income as follows:

	2025 BD	2024 BD
General and administrative expenses (note 21)	2,467,010	2,592,415
Cost of sales (note 18)	746,702	815,641
	<b>3,213,712</b>	<b>3,408,056</b>

## 20 OTHER OPERATING INCOME

	2025 BD	2024 BD
Kiosk, antenna, ATM and GSM income	507,762	545,388
Property management fees	403,363	516,119
Advertising and promotional income	126,154	165,202
Gain from sale of an investment property (note 5)	184,256	-
Miscellaneous income	265,554	154,036
	<b>1,487,089</b>	<b>1,380,745</b>

## 21 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 BD	2024 BD
Staff costs (note 19)	2,467,010	2,592,415
Legal and professional fees	590,372	578,983
Marketing and advertisement expenses	328,756	338,405
Office expenses	146,906	190,798
Security and other labour expenses	150,505	152,399
Maintenance expenses	117,521	134,519
Board sitting fees (note 26)	58,300	50,400
Incentive fees	-	36,161
Management fees	43,739	15,534
Miscellaneous	173,600	199,694
	<b>4,076,709</b>	<b>4,289,308</b>

## 22 FINANCE COSTS

	2025 BD	2024 BD
Finance costs on term loans	368,410	581,446
Finance costs on lease liability (note 14)	234,077	235,538
	<b>602,487</b>	<b>816,984</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 23 EARNINGS PER SHARE

	2025	2024
	BD	BD
Profit for the year attributable to equity holders of the parent (BD)	5,940,953	5,606,861
Weighted average number of shares outstanding during the year	453,353,201	458,526,274
Basic and diluted earnings per share (fils)	13.10	12.23

No separate figure for diluted earnings per share has been presented as the Company has not issued any financial instruments which may have a dilutive effect.

## 24 COMMITMENTS AND CONTINGENCIES

### a) Capital commitments

The Group has capital expenditure and investment commitments outstanding at the reporting date but not yet provided for in respect of the following:

	2025	2024
	BD	BD
Seef Properties B.S.C.	1,297,533	1,498,917
Seef Entertainment W.L.L.	571,600	133,073
Fraser Suites Seef Bahrain W.L.L.	195,149	1,122,908
Lama Real Estate W.L.L.*	109,182	1,708,114
Muharraq Mall Company W.L.L.	-	1,070
	<b>2,173,464</b>	<b>4,464,082</b>

\* This represents the Group's share of the joint venture's capital commitments at the reporting dates.

### b) Other commitments

Muharraq Mall Co. W.L.L. is contracted with Al Muharraq club (the "Lessor") to pay a royalty charge of 2.75% (2024: 2.75%) of its gross rental income, subject to positive cash flow which is defined as the excess of total rental income over the total cost of operating the mall, commencing from the year 2022 until the end of the lease term in 2054. During the year, an amount of BD 31,615 was accrued to the lessor (2024: nil).

Under the terms of the management agreement with Fraser Serviced Residences Pte. Ltd., an entity incorporated in UK, Fraser Suites Seef – Bahrain W.L.L. is contractually committed to allocate an amount equivalent to 3% of its annual revenue towards furniture and fixtures replacement. The amounts set aside are restricted for the replacement and refurbishment of furniture and fixtures. The amount of commitment at 31 December 2025 was BD nil (2024: BD 414,266).

At 31 December 2025, the Company had no commitment to pay an additional investment in joint venture (2024: BD 1,500,000). However, the Company has committed to provide support to its joint venture to enable it to meet its obligations on a timely basis so that it can continue its operations for the foreseeable future (2024: same).

### c) Legal cases

In the ordinary course of business, the Group is subject to legal claims. The Group, based on legal advice obtained, has not provided for any of its legal cases as the likelihood of any contingent liability towards the Group is remote.

### d) Guarantees

The Company has signed a corporate guarantee towards the term loan obtained by Seef Entertainment W.L.L. from a commercial bank. In addition, the Company, along with the other shareholders, have jointly signed several corporate guarantees towards the term loan obtained by Muharraq Mall Co. W.L.L. from a commercial bank. Refer to note 14.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 25 SEGMENT INFORMATION

For management purposes, the Group is organised into four main business segments:

Malls and properties	Management of real estate including malls
Serviced apartments	Management of apartments
Leisure and entertainment	Operating leisure and recreational games facilities
Other	All activities other than property management and leisure activities

The operations of malls and properties include the management of Seef Mall, Isa Town Mall, Muharraq Seef Mall and other properties in areas such as Hamad Town, Isa Town, Saar and Um-Al Hassam. It also includes the management fees from property management service agreements.

Serviced apartments represent Fraser Suites Seef - Bahrain, which generates income from the leasing of furnished serviced apartments and tourist restaurants.

The Group owns and operates leisure and recreational games facilities in different commercial malls in the Kingdom of Bahrain under its brand names Magic Island, Jumpoline, Yabeela and Hawa.

In addition, the Group also earns other income from profit on term deposits which is included in "Others".

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

All of the sales and profit of the Group are earned in the Kingdom of Bahrain.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 25 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Others		Elimination		Consolidated	
	2025 BD	2024 BD	2025 BD	2024 BD	2025 BD	2024 BD	2025 BD	2024 BD	2025 BD	2024 BD	2025 BD	2024 BD
Income from external operations	8,885,312	9,257,363	1,212,366	1,618,720	2,726,913	3,004,148	-	-	(282,624)	(281,616)	12,541,967	13,598,615
Less: cost of sales	1,429,843	1,639,280	493,745	544,043	1,803,555	1,996,133	-	-	(285,124)	(284,116)	3,442,019	3,895,340
<b>Gross profit</b>	<b>7,455,469</b>	<b>7,618,083</b>	<b>718,621</b>	<b>1,074,677</b>	<b>923,358</b>	<b>1,008,015</b>	-	-	<b>2,500</b>	<b>2,500</b>	<b>9,099,948</b>	<b>9,703,275</b>
Other operating income	1,573,066	1,470,586	-	-	-	-	-	-	(85,977)	(89,841)	1,487,089	1,380,745
Profit on term deposits	-	-	-	-	-	-	936,510	1,233,787	-	-	936,510	1,233,787
	<b>9,028,535</b>	<b>9,088,669</b>	<b>718,621</b>	<b>1,074,677</b>	<b>923,358</b>	<b>1,008,015</b>	<b>936,510</b>	<b>1,233,787</b>	<b>(83,477)</b>	<b>(87,341)</b>	<b>11,523,547</b>	<b>12,317,807</b>
<b>Expenses</b>												
General and administrative expenses	3,590,326	3,785,669	314,952	358,095	254,908	232,885	-	-	(83,477)	(87,341)	4,076,709	4,289,308
Depreciation	306,364	256,580	36,636	51,601	249,189	350,216	-	-	-	-	592,189	658,397
Directors' remuneration	257,000	257,000	-	-	-	-	-	-	-	-	257,000	257,000
Charge for / (reversal of) expected credit losses	194,319	211,227	367	(6,010)	-	-	-	-	-	-	194,686	205,217
Finance costs	565,350	632,734	-	-	37,137	184,250	-	-	-	-	602,487	816,984
	<b>4,913,359</b>	<b>5,143,210</b>	<b>351,955</b>	<b>403,686</b>	<b>541,234</b>	<b>767,351</b>	-	-	<b>(83,477)</b>	<b>(87,341)</b>	<b>5,723,071</b>	<b>6,226,906</b>
<b>Profit before fair value changes of investment properties and share of profit from investment in a joint venture</b>	<b>4,115,176</b>	<b>3,945,459</b>	<b>366,666</b>	<b>670,991</b>	<b>382,124</b>	<b>240,664</b>	<b>936,510</b>	<b>1,233,787</b>	-	-	<b>5,800,476</b>	<b>6,090,901</b>
Unrealised fair value loss on investment properties	(154,460)	(665,947)	-	-	-	-	-	-	-	-	(154,460)	(665,947)
Share of profit from investment in a joint venture	72,631	28,030	-	-	-	-	-	-	-	-	72,631	28,030
<b>Segment profit for the year</b>	<b>4,033,347</b>	<b>3,307,542</b>	<b>366,666</b>	<b>670,991</b>	<b>382,124</b>	<b>240,664</b>	<b>936,510</b>	<b>1,233,787</b>	-	-	<b>5,718,647</b>	<b>5,452,984</b>
	<b>2025 BD</b>	<b>2024 BD</b>	<b>2025 BD</b>	<b>2024 BD</b>	<b>2025 BD</b>	<b>2024 BD</b>	<b>2025 BD</b>	<b>2024 BD</b>	<b>2025 BD</b>	<b>2024 BD</b>	<b>2025 BD</b>	<b>2024 BD</b>
Total assets	146,483,212	147,003,530	12,835,532	11,993,894	3,277,442	3,254,075	17,968,302	17,064,000	(2,789,023)	(2,177,838)	177,775,465	177,137,661
Total liabilities	10,961,772	11,169,883	2,527,421	2,052,448	513,878	938,194	-	-	(2,789,023)	(2,177,838)	11,214,048	11,982,687
Capital expenditure*	534,415	1,748,315	926,623	17,338	90,698	44,009	-	-	-	-	1,551,736	1,809,662

\*Capital expenditure consists of additions in equipment, furniture and motor vehicles, capital work-in-progress and investment properties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 26 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders who have control or significant influence over the Company, key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by the Group and such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Key management personnel are directors and individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Group directly or indirectly.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2025 BD	2024 BD
<b>Assets</b>		
<i>Trade and other receivables</i>		
Lama Real Estate W.L.L. - joint venture of the Company	701,806	668,372
Fraser Suites Al Liwan-Bahrain W.L.L. - subsidiary of the joint venture	36,208	21,376
Social Insurance Organization - major shareholder	11,164	7,012
	<b>749,178</b>	696,760
<b>Key management personnel</b>		
End of service benefits	107,591	75,424

Outstanding balances at 31 December 2025 and 2024 have risen in the normal course of business. Outstanding balances are interest free and unsecured. The Group only creates an allowance for impairment against related party balances where it is virtually certain the debt will not be recovered. For the years ended 31 December 2025 and 31 December 2024, the Group has not recorded any impairment of amounts owed by related parties.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	2025 BD	2024 BD
<b>Revenue</b>		
Property rental income and service charges / Social Insurance Organization	21,240	22,640
Other operating income / Lama Real Estate W.L.L.	288,991	240,119
Income from serviced apartments / Fraser Suites Al Liwan-Bahrain W.L.L.	66,048	65,315
<b>Expenses</b>		
Cost of sales / Lama Real Estate W.L.L.	282,768	247,428
<b>Key management personnel</b>		
Directors' remuneration	257,000	257,000
Board sitting fees (note 21)	58,300	50,400
Management short-term benefits	564,419	546,288
Management end of service benefits	24,945	16,868
	<b>904,664</b>	870,556

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 27 RISK MANAGEMENT OBJECTIVES AND POLICIES

### Introduction

The Group manages risk through a process of ongoing identification and monitoring of the risks it faces. The Group is exposed primarily to operational risk, interest rate risk, currency risk, credit risk and liquidity risk.

#### *Board of Directors*

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

#### *Executive Committee*

The Executive Committee is responsible for evaluating and approving business and risk strategies, plans and policies of the Company and the Group.

#### *Audit Committee*

The Audit Committee reviews the adequacy of internal controls, the integrity of financial reporting, the effectiveness of internal and external audit functions and compliance with applicable laws and regulatory requirements. The Audit Committee reports regularly to the Board of Directors on significant risk exposures, emerging risks, and the actions taken by management to manage such risks.

### Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Group can not eliminate operational risk completely, but through a control framework and by monitoring and responding to potential risk, the Group is able to manage this risk. Control includes effective segregation of duties, access authorisation, and reconciliation procedures, staff education and assessment processes.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's term loans with floating interest rates. As at 31 December 2025, the Group's term loans amounted to BD 5,171,301 (2024: BD 5,541,258).

The effect on income due to a reasonably possible increase (i.e. + 100 basis points) in market interest rates, with all other variables held constant, is a decrease of BD 51,713 (2024: BD 55,413). The effect of decrease in market interest rates is expected to be equal and opposite to the effect of the increase shown.

The Group is not exposed to interest rate risk on its bank accounts and term deposits as these deposits are placed with reputable banks at pre-determined fixed interest rates.

### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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 are denominated in a different currency from the Group's functional currency.

The majority of the Group's transactions in foreign currency are dominated in the US Dollar. As the Bahraini Dinar is currently pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 27 RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

### 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 leasing activities and its investing activities, including deposits with banks. At the reporting date, the Group's maximum exposure to credit risk net of allowance for expected credit losses amounted to BD 22,870,399 (2024: BD 24,409,499) which represent certain trade and other receivables and bank balances and term deposits with reputed banks. An impairment analysis is performed at each reporting date based on the Group's policy for impairment of financial assets to measure expected credit losses. At 31 December 2025, the total ECL allowance against the Group's financial assets amounted to BD 1,719,278 (2024: BD 1,630,576).

Credit risk from rent receivables is managed by requiring tenants to pay monthly rentals in advance and by obtaining security deposits. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored.

### Concentration of credit risk

The Group provides its services to a large number of individuals and companies. Its five largest customers account for 18.9% of outstanding trade receivables at 31 December 2025 (2024: 21.0%).

### Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group limits its liquidity risk by ensuring that sufficient funds are available. The Group's terms of lease require tenants to pay monthly rentals in advance. Trade and other payables are normally settled on 30 to 60 days terms. Term loans and lease liability are repayable as per the underlying agreements and related repayment schedules.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

	Carrying amount BD	Contractual undiscounted cashflows years BD	Within 12 months BD	More than 12 months BD
<b>2025</b>				
Lease liability	2,435,243	7,041,667	250,000	6,791,667
Term loans	5,171,301	6,469,906	2,286,693	4,183,213
Unclaimed dividends	653,027	653,027	653,027	-
Trade and other payables	2,423,920	2,423,920	2,423,920	-
	<b>10,683,491</b>	<b>16,588,520</b>	<b>5,613,640</b>	<b>10,974,880</b>
		Contractual undiscounted cashflows years	Within 12 months	More than 12 months
<b>2024</b>	BD	BD	BD	BD
Lease liability	2,451,166	7,291,667	250,000	7,041,667
Term loans	5,541,258	6,770,314	3,366,845	3,403,469
Unclaimed dividends	665,313	665,313	665,313	-
Trade and other payables	2,623,905	2,623,905	2,623,905	-
	<b>11,281,642</b>	<b>17,351,199</b>	<b>6,906,063</b>	<b>10,445,136</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

## 27 RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

### Capital management

The primary objective of the Group's capital management process is to ensure that the Group maintains a strong liquidity and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the current and previous years. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For the purpose of the Group's capital management, equity includes share capital, treasury shares, statutory reserve, furniture and fixtures replacement reserve, retained earnings and equity attributable to non-controlling interest and is measured at 31 December 2025 at BD 166,561,417 (2024: BD 165,154,974).

## 28 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of bank balances, term deposits and cash, trade and other receivables, trade and other payables and unclaimed dividends approximate their fair values at the reporting date, largely due to the short-term maturities of these instruments (2024: same).

The carrying amounts of the long-term financial instruments, term loans and lease liability, also approximate their fair values at the reporting date as these are interest/profit bearing (2024: same).

## 29 COMPARATIVE INFORMATION

Certain of the prior year figures have been reclassified to conform to the presentation adopted in the current year. Such reclassifications did not affect the previously reported total assets, total liabilities, total equity or net profit of the Group.