

Growth.
Performance.
Resilience.
Discipline.





**His Majesty
King Hamad bin Isa
Al Khalifa**

The King of the
Kingdom of Bahrain



**His Royal Highness
Prince Salman bin Hamad
Al Khalifa**

Crown Prince and Prime
Minister of the Kingdom
of Bahrain

2026 Annual Report

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Established in 1973 and listed on the Bahrain Stock Exchange, Esterad Investment Company has pioneered the establishment of key national projects and industries and has a long-proven track record of secure investments across a variety of assets, regionally and internationally.

Esterad Investment Co. B.S.C.

Coraporte Overview

Esterad is one of the oldest, and leading investment firms in the Kingdom of Bahrain. Established in **1973** and listed on the Bahrain Stock Exchange, Esterad has pioneered the establishment of key national projects and industries and has a long and proven track record of secure investments in a variety of assets, regionally and internationally. These include **Saudi Cement Co**, now the largest cement production company in the Kingdom of Saudi Arabia; **Balexco**, the first privatisation by the Government of Bahrain; and the **Bahrain Livestock Firm**, amongst many other notable investments.

Esterad investment divisions include **Real Estate, Private Equity** and **Public Market** investments. The company invests proprietary capital across a broad spectrum of real estate investments in lucrative locations and sought after destinations. The company also leverages extensive experience and expertise in multi sector private equity, investing in diversified industries including Cement, Aluminum, Retail, Infrastructure and Technology across the GCC. Esterad's Public Instruments division invests capital in both equities and fixed income securities in Bahrain, regionally and internationally.

With an ambition rooted in **transformative investments** in Bahrain and beyond, the Company's world class management team select investments based on stringent risk parameters, including the value added to its shareholders, and to the economies and societies in which we operate and serve.

Financial Highlights

Key Figures

Net Profit
(BD '000)

6,747

Total Income
(BD '000)

11,354

Total Assets
(BD '000)

81,021

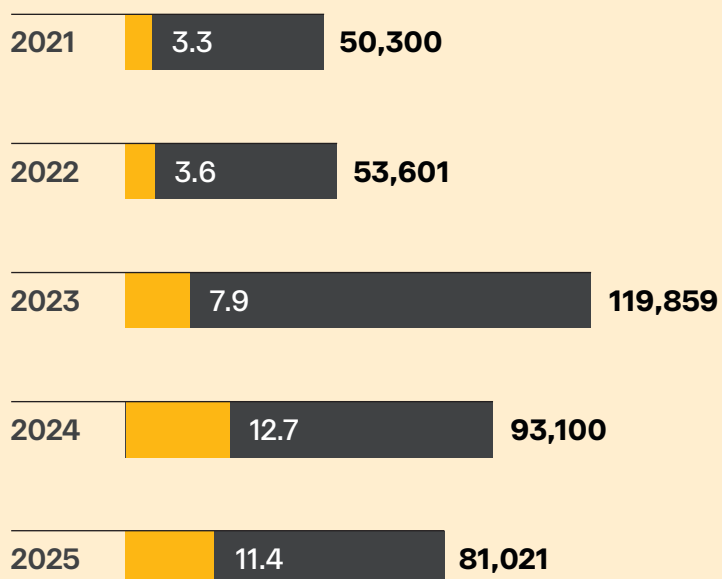
Total Shareholders Equity
(BD '000)

48,346

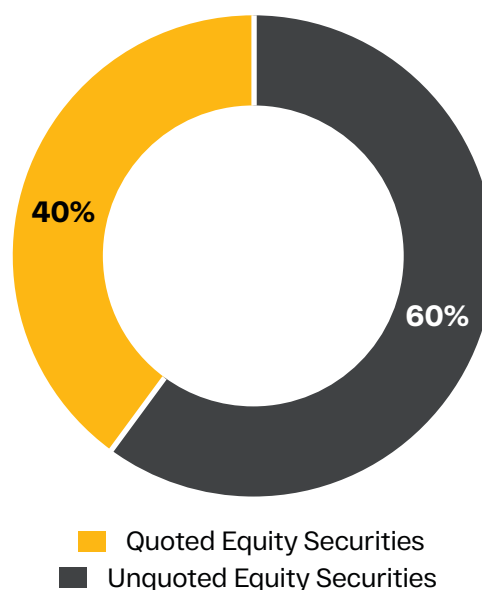


Financial Performance Overview (BD'000)

■ Total Assets
■ Total Income



Investment Securities Overview (as at 31 December 2025)



Asset Portfolio Overview (as at 31 December 2025)

■ Cash & Bank Balances ■ Other Assets ■ Investment Securities ■ Real Estate



Year on Year Financial Performance

(BD '000)	2021	2022	2023	2024	2025
Net Profit (BD)	1,701	2,161	5,524	6,133	6,747
Total Income (BD)	3,361	3,696	7,977	12,752	11,354
Total Assets (BD)	50,300	53,601	119,858	93,100	81,021
Total Liabilities (BD)	15,596	18,099	71,996	42,017	29,127
Shareholders' Equity (BD)	34,240	35,501	40,198	43,377	48,346
Dividend per share (BD)	0.006	0.006	0.020	0.020	0.015
Book Value (BD)	0.245	0.255	0.274	0.282	0.299
Return on Equity (%)	4.97	6.09	13.74	14.14	13.96
Return on Assets (%)	3.38	4.03	4.61	6.59	8.33

Our Chairman's Report



Nabeel Nooruddin
Chairman

The growth in net profitability during the fourth quarter and across 2025 underscores the strength and resilience of our diversified investment platform, as well as our prudent and selective approach to capital deployment.

The establishment of our **DFSA-licensed platform** in the DIFC marks a significant milestone, enhancing **Esterad's regional presence** within a globally recognised financial centre.

Our Key Achievements

- | | |
|--|---|
| <p>↗ Establishment of our DFSA-licensed platform in the DIFC</p> | <p>↗ Three successful funds launched across the Group's licensed asset management platforms</p> |
| <p>↗ Scalable regional expansion through the launch of Esterad Capital</p> | <p>↗ Net profit of BD 6,133,826</p> |
| <p>↗ A 15% recommendation for the dividend distribution</p> | <p>↗ Notable exit of a labour camp investment in the UAE</p> |

To our shareholders,

On behalf of the Board of Directors and management team, I am pleased to present Esterad Investment Company BSC ("Esterad" or the "Company") annual report for the year ended 31 December 2025. This year marked an important phase in our strategic journey, defined by disciplined execution, portfolio repositioning, and the continued strengthening of our investment platform. Despite an evolving global landscape, Esterad delivered solid financial performance while advancing key strategic initiatives that position the Company for sustainable long-term growth.

Performance Overview

The past year marked a defining period for Esterad as we reinforced the foundations of the Company and strengthened its long-term financial resilience. In 2025, Esterad delivered a 10% increase in net profit attributable to shareholders, reflecting the strength of our underlying platform and the disciplined execution of our strategic priorities. Earnings per share rose to 41.8 fils from 39.9 fils in 2024, demonstrating our continued commitment to delivering sustainable value to our shareholders.

Over the course of the year, our primary focus was the optimisation of our balance sheet and the acceleration of our deleveraging programme.

We took decisive steps to reduce leverage, enhance liquidity and improve the efficiency of our capital structure. Profitability growth was driven largely by prudent cost management and a significant reduction in finance costs, as we continued to proactively prepay debt facilities.

These efforts were built on the substantial debt reduction achieved in late 2024 following the sale of the Amwaj Beachfront asset, which marked a pivotal step in strengthening the Company's financial position.

Today, Esterad stands on firmer financial ground. Our improved leverage profile strengthened liquidity position and growth in shareholders' equity provide us with greater flexibility and resilience in an evolving market environment. This disciplined approach to financial management has not only enhanced earnings quality but has also positioned the Company to capitalise on emerging opportunities from a position of strength.

Looking ahead, we remain committed to a prudent and selective capital allocation strategy. We will continue to focus on high-quality investments with strong fundamentals and long-term income visibility, while maintaining rigorous risk management standards. The Board remains confident that our disciplined investment philosophy and strengthened balance sheet will support sustainable growth and consistent value creation for our shareholders in the years to come.

Continued...

Our Chairman's Report

Strategic & Corporate Developments

During the year, Esterad made significant progress in executing its long-term strategy and strengthening its regional and international footprint.

A key milestone was the establishment of Esterad Capital Limited in the Dubai International Financial Centre, licensed by the Dubai Financial Services Authority. This platform enhances our asset management capabilities and expands our ability to access regional and international capital while offering institutional-quality investment solutions. The appointment of an experienced leadership team further strengthens our ability to originate and manage high-quality opportunities across markets.

In parallel, Esterad continued to grow its investment portfolio across income-generating and high-growth sectors. During the year, three funds were successfully launched across our licensed asset management platforms, Esterad Capital and Esterad Bank. These managed funds acquired investments in a travel centre in the United States, a domestic real estate commercial asset and a specialised leading healthcare facility in Bahrain, reflecting our focus on essential and defensive sectors with strong income visibility and long-term growth potential.

We also advanced our strategy of disciplined exits and value realisation. Notably, the successful exit from a labor camp investment located in the UAE, which has generated significant liquidity and reinforced our ability to navigate complex market conditions while delivering attractive outcomes for investors.

ESG and Sustainable Value Creation

At Esterad, sustainability and responsible investing remain integral to our strategy and decision-making. We continue to incorporate environmental, social, and governance principles across our investment processes, risk management frameworks, and corporate practices.

Our approach is guided by a commitment to ethical governance, transparency, and long-term stewardship. We prioritise investments that create value not only for our shareholders but also for the communities and markets in which we operate. This includes supporting sectors such as healthcare, infrastructure, and operational real estate that deliver tangible economic and social impact.

We also remain focused on enhancing governance standards, strengthening risk oversight, and embedding sustainability considerations across our operations and investment lifecycle.

Dividend Recommendation

In line with the Company's strong performance, solid financial position, and confidence in its long-term outlook, the Board of Directors is pleased to recommend a dividend distribution to shareholders for the financial year ended 31 December 2025, subject to regulatory and shareholder approvals at the upcoming Annual General Meeting. This recommendation reflects our continued commitment to delivering sustainable returns while maintaining the flexibility to pursue attractive growth opportunities.

Future Outlook

As we move into 2026, Esterad remains focused on building on its momentum and advancing its strategic priorities. Our key focus areas include scaling our asset management platform in the UAE, expanding into resilient and income-oriented sectors, enhancing recurring income streams, and continuing disciplined capital allocation.

We are confident that our strengthened platform, diversified portfolio, and experienced team position us well to capitalise on emerging opportunities and navigate evolving market dynamics. We will continue to pursue high-quality investments, strategic partnerships, and innovative structures that deliver consistent and sustainable value.

Appreciation and Recognition

On behalf of the Board of Directors, I would like to express our sincere appreciation to the Wise Leadership of the Kingdom of Bahrain, led by His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, and guided by His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, for their continued vision and support, which provide a strong foundation for economic growth and investment. We also extend our gratitude to the Central Bank of Bahrain, the Dubai Financial Services Authority, and all regulatory authorities for their guidance and oversight.

We thank our shareholders for their continued trust and confidence, our partners and clients for their collaboration, and our dedicated employees for their commitment and professionalism. Their collective efforts have been instrumental in Esterad's achievements.

Together, we remain committed to delivering sustainable growth, innovation, and long-term value, ensuring that Esterad continues to build on its legacy as a trusted investment partner for generations to come.



Nabeel Nooruddin
Chairman

Continued...

Our Chairman's Report

The table below that shows the remuneration of members of the Board of Directors and the Executive Management for the fiscal year ended 31 December 2025.

First: Board of Directors' Remuneration Details:

Name	Fixed remunerations				Variable remunerations				Aggregate amount (Does not include expense allowance)	Expenses Allowance	
	Remunerations of the Chairman and Board	Total allowance for attending Board and committee meetings	Others	Total	Remunerations of the Chairman and Board	Incentive plans	Others	Total			End-of-service award
First: Independent Directors:											
1- Fahad Yateem	30,000	3,500	-	33,500	-	-	-	-	-	33,500	-
2- Razi Almurbati	30,000	5,500	-	35,500	-	-	-	-	-	35,500	-
3- Ahmed Jamsheer	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
4- Mazen Abdulkarim	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
5- Zayed AlAmin	30,000	4,000	-	34,000	-	-	-	-	-	34,000	-
6- Faris Alkooheji	30,000	6,250	-	36,250	-	-	-	-	-	36,250	-
Second: Non-Executive Directors:											
7- Nabeel Nooruddin	40,000	7,000	-	47,000	-	-	-	-	-	47,000	-
8- Ali Bucheery	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
9- Hesham Alrayes	-	4,250	-	4,250	-	-	-	-	-	4,250	-
Total	250,000	51,500	-	301,500	-	-	-	-	-	301,500	-

Notes:

1. All amounts in Bahraini Dinars.
2. The Company does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors.
3. Board remuneration represents allocation of proposed remuneration for 2025, subject to approval of the Annual General Meeting.

Second: Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Remunerations for executives, including CEO and Senior Financial Officer	621,724	396,740	129,000	1,147,464

Notes:

1. All amounts in Bahraini Dinars.

Wishing everyone a blessed year ahead.

Nabeel Nooruddin
Chairman

Zayed Al Amin
Deputy Chairman

Board Of Directors

Nabeel Nooruddin

Chairman



Mr. Nabeel Nooruddin is an accomplished entrepreneur and business leader with over 30 years of experience in banking, investments, and entrepreneurship. He has established and led multiple successful ventures in the GCC, combining strategic insight with a deep understanding of global markets.

Throughout his career, he has founded and managed Nabeel Nooruddin Enterprise W.L.L, a firm specializing in luxury vehicle import and export, and co-founded Alpine Wealth Management, where he played a key role in defining the firm's strategy and client solutions. His expertise focused on establishing and managing portfolios of real estate projects for personal ownership and investment. He holds a Bachelor's degree in Business Administration from Pepperdine University – Malibu, CA.

Zayed A. R. Al-Amin

Vice Chairman



Zayed Al-Amin is a prominent Bahraini Businessman with more than 26 years of experience in the finance and investment sectors.

Zayed holds a post-graduate degree in Finance and Investment from the London School of Business & Finance, London, UK.

Other Board directorships:

- Executive Director of A. R. Al-Amin Group
- Board Member of Al-Salam Bank, Bahrain
- Vice Chairman of Solidarity Group Holding
- Board Member of SAYACORP
- Board Member of Gulf African Bank, Kenya
- Board Member of Seef Properties Co.
- Chairman of SAYACORP Aqar

Razi Al Murbati

Board Member



Razi Almerbati is a CEO GFH Capital S.A. and Group Chief Placement Officer, Placement & Relationship Management at GFH Financial Group. He brings to his role more than 19 years of experience in the banking and finance sector including a significant track record in Islamic investments and advisory. His areas of expertise include private banking and wealth management as well as private equity.

Previously, Razi served as Head of Investment Development & Distribution for the GCC region at The First Investor in Qatar, a subsidiary of Barwa Bank. Prior to that, he was Regional Director of the Investment Advisory Group of Abu Dhabi Investment House. He is a holder of Bachelor of Science in Business Information System from "AMA International University."

He currently holds an executive role and board membership in the following companies:

- CEO & Group Chief Placement & Relationship Manager GFH Capital, KSA
- Board Member, GBCORP
- Board Member, Falcon Cement Company

Ali Bucheeri

Board Member



Ali Bucheeri is the founder and managing director of Rahim Holdings WLL. He brings more than 10 years of experience focused on discovering new businesses opportunities within Franchising, Private Equity and Regional Investments.

He holds a Master of Business Administration (Majored in Marketing & Management) - McCallum Graduate School of Business – Boston, USA.

He currently holds an executive role and board membership in the following companies:

- Rahim Holdings and subsidiaries
- Serenity Holdings and Subsidiaries
- Foodvest Holdings
- SF Yacht LLC based out of Dubai
- Futurist Holdings
- Arabian Coffee Brewers based out of KSA

Continued...

Board Of Directors

Mazen I. Abdulkarim

Board Member



Mazen Abdulkarim holds over 30 years of banking, private equity and investment experiences gained through working in major financial centers such as Hong Kong, New York, London and Bahrain.

He holds a BSc with honours in Finance from Bentley University in Boston, USA.

Other Board directorships:

- Board Member, Gulf Investment Corporation G.S.C, Kuwait
- Board Member, Khaleeji Bank B.S.C, Bahrain
- Board Member, Sayacorp Aqar W.L.L., Bahrain

Faris Al Kooheji

Board Member



Faris Al Kooheji is the Chief Executive Officer of ME&F Holdings, which is a private single-family office with investments in Canada, United States, Europe, & Singapore. The office controls direct investments in real estate, fitness, construction & electrical contracting, hospitality, and its flagship family-only fund that invests in financial securities in developed markets.

Faris is also the Secretary General of the Bahrain Olympic Committee as well as the CEO of Middle East's leading sport facility, Spartan Fitness Bahrain.

He holds a Bachelor of Industrial Engineering from Concordia University as well as a Masters Diploma in Sports Management.

He currently holds an executive role and board membership in the following companies/ organizations:

- Managing Director and Chairman of the Executive Committee of The Art Resort & Hotel
- Board Member of KECC
- Board Member of Wildcat Royalty Corporation
- Member in the Coordination Committee for the 20th Asian Games in Aichi Nagoya, Japan 2026

Ahmed Abdulrahman Jamsheer

Board Member



Ahmed Jamsheer is the Head of Treasury Investments at GFH Financial Group, a leading publicly listed entity with more than \$21bn in assets under management. Ahmed leads the Groups investment strategy in equities, fixed income, structured products, alternative investments, and money markets. Ahmed has more than 16 years of diverse experience in investments, debt and capital markets raising, finance and risk management across various sectors and regions.

Ahmed holds a Master of Science in Finance from Bentley University with high distinction and a Bachelor of Business Administration with a major in Finance and minor in Information Technology with distinction.

Fahad Yateem

Board Member



Fahad Yateem is a seasoned banking professional with over 15 years of experience in banking and banking regulations. He began his career as a Risk Analyst with Bahrain Islamic Bank in 2007. In 2008, he joined the Central Bank of Bahrain (CBB) as a Banking Examiner, where he was responsible for conducting full-scope examinations of all types of financial institutions. He was then promoted to the position of Director at CBB in 2015, where he oversaw two major sectors: Islamic banks and ancillary service providers. During his time at CBB, he was involved in the creation of numerous regulations and was in charge of overseeing their implementation by relevant institutions.

Fahad currently provides private consulting services in the areas of governance, risk management, compliance and anti-money laundering (AML), Islamic banking, Sharia compliance, financial reporting, and internal controls. He is a graduate of the SOAS University of London, where he holds a Master's degree in Banking. He is also a Certified Public Accountant (CPA), Certified Management Accountant (CMA), and Certified Islamic Professional Accountant (CIPA).

Our CEO's Report



Ahmed Abdulrahman
Chief Executive Officer

Our results reflect the combined impact of disciplined portfolio management, selective capital deployment, and the successful execution of value-accretive transactions across our core investment verticals.

With a strengthened platform, enhanced regional presence, and a disciplined investment philosophy, Esterad is well-positioned to sustain positive momentum and deliver consistent, long-term returns to shareholders.

Message from the CEO

Navigating a Dynamic Economic Environment

The past year unfolded against a complex global economic backdrop, shaped by evolving monetary policies, geopolitical developments, and persistent market volatility. Despite these challenges, the Kingdom of Bahrain continued to demonstrate resilience and steady progress in advancing its economic diversification agenda. Ongoing reforms, strong financial sector regulation, and a supportive investment climate have reinforced Bahrain's position as a regional financial hub and an attractive destination for capital.

Across the GCC, governments continued to implement ambitious economic strategies aimed at strengthening non-oil sectors and expanding investment opportunities. Major initiatives in infrastructure, tourism, technology, and financial services have supported economic activity across the region and created new avenues for cross-border investments. This regional momentum has continued to present compelling opportunities for institutions with the expertise and discipline to identify value across multiple markets.

Globally, investors navigated an environment characterised by inflationary pressures, shifting interest rate cycles, and macroeconomic uncertainty. These dynamics reinforced the importance of prudent investment strategies, disciplined capital deployment, and portfolio diversification. Against this backdrop, Esterad remained focused on identifying resilient opportunities capable of generating sustainable long-term returns while maintaining a balanced and well-managed portfolio.

Delivering Strong Financial Performance

Despite the evolving market environment, Esterad delivered another year of solid financial performance and continued operational progress. Our results for 2025 reflect the strength of our diversified investment platform and the disciplined execution of our strategy.

Net Profit attributable to shareholders reached BD 6.75 million, representing a 10% increase compared to BD 6.13 million in 2024. EPS rose to 41.80 Fils, up from 39.90 Fils in the previous year, demonstrating the continued strength of our core operations. Total Comprehensive Income attributable to shareholders increased significantly to BD 6.93 million, representing 29% growth year-on-year.

In parallel, Total Equity attributable to shareholders increased by 11% to BD 48.35 million, reflecting the continued strengthening of the Company's balance sheet and our ability to capitalise on emerging opportunities. These results were driven by disciplined portfolio management, strategic capital recycling, and the successful execution of several value-accretive investments.

Expanding Our Investment Platform

During the year, Esterad continued to advance its long-term strategic objectives by expanding its investment and asset management capabilities. A key milestone was the continued development of Esterad Capital, our DFSA-licensed platform based in the DIFC. This strategic expansion strengthens Esterad's regional footprint while providing access to one of the world's leading international financial centres.

The establishment of this platform enables Esterad to further enhance its asset management capabilities and build stronger partnerships with institutional investors and global capital providers. Through this platform, we are able to structure investment vehicles that connect international investors with opportunities across the Middle East and beyond.

During the year, three investment funds were successfully launched across Esterad's licensed platforms, reflecting the growing scale of our asset management activities and our ability to structure institutional-grade investment solutions aligned with investor demand.

Continued... CEO Report

Strategic Investments and Portfolio Optimisation

Throughout the year, Esterad continued to deploy capital into carefully selected opportunities across sectors with strong long-term fundamentals. Among the notable transactions executed during the year were investments in a travel centre in the United States, a domestic commercial real estate asset, and a specialised healthcare facility in Bahrain representing a leading ophthalmology centre.

These investments align with our strategy of targeting sectors that offer stable income potential and strong demand dynamics. In particular, the healthcare investment highlights Esterad's commitment to supporting high-quality infrastructure and specialised services within Bahrain while delivering attractive returns for our shareholders.

In parallel, we continued to actively manage and optimise our portfolio through strategic exits and capital recycling. One of the notable achievements during the year was the successful exit from a labour camp investment in the UAE, which generated significant liquidity for the Group and enabled us to redeploy capital into new opportunities.

Our disciplined investment approach remains focused on rigorous due diligence, careful risk management, and the identification of differentiated opportunities that support sustainable value creation.

Looking Ahead

As we look ahead, Esterad remains well positioned to build on the momentum achieved during 2025. While global markets may continue to experience periods of uncertainty, we believe that disciplined investment strategies and a focus on resilient sectors will continue to generate compelling opportunities.

Our priorities for the coming period include further expanding our asset management platform, strengthening our regional presence, and pursuing investments that align with our long-term strategic vision.

At the same time, we remain committed to maintaining strong governance standards, enhancing operational efficiency, and delivering consistent value for our shareholders.

With a strengthened balance sheet, a growing regional platform, and a clear strategic direction, Esterad is well positioned to continue its growth journey and contribute to the development of the markets in which we operate.

I would like to express our sincere appreciation to the wise leadership of the Kingdom of Bahrain, under the leadership of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, and the forward-looking vision of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister.

Their continued commitment to strengthening Bahrain's economic resilience and fostering a dynamic investment environment has played a pivotal role in supporting the Kingdom's growth. We also extend our appreciation to the Central Bank of Bahrain for its prudent regulatory framework and ongoing efforts to enhance the stability and development of the financial sector.

I would like to extend my sincere appreciation to our Board of Directors for their continued guidance and to our shareholders for their trust and confidence. I would also like to thank our employees and partners whose dedication and commitment have played a vital role in the progress we have achieved.

Together, we look forward to the opportunities ahead as we continue building on Esterad's legacy and shaping the next phase of its growth.



Ahmed Abdulrahman
Chief Executive Officer

“Throughout the year, we remained focused on strengthening our core foundations, enhancing governance frameworks, and positioning Esterad for scalable regional expansion through the launch of Esterad Capital.”

 ESTERAD

Executive Team

Ahmed Abdulrahman

Chief Executive Officer



Ahmed Abdulrahman has over 20 years of experience in Investment Banking, Mergers & Acquisitions and Private Equity, gained from working with leading financial institutions in Bahrain & UK. He has served on the board of over 40 companies globally, including Bahrain Financing Company ("BFC"), and has held a number of board positions which include chairmanships to the board and Investment committees. Prior to Esterad, he served as the Founder & Managing Partner of Clan Partners Advisory, a Bahrain based boutique advisory firm.

Currently, Mr. Abdulrahman serves as Chairman of Esterad Capital Limited as well as Vice Chairman and Acting Chief Executive Officer of Esterad Bank B.S.C. (c) and holds board positions and memberships in several other companies as well. He holds a Bachelor's degree (Hons) in Business Systems & Information Technology from the University of Northumbria, Newcastle, UK.

Nasir Maqsood

Chief Financial Officer



Nasir Maqsood has over 25 years experience with an impressive track record in global financial services gained from working with leading multinational institutions in banking and public practice across North America and the Middle East. His experience covers auditing and accounting, retail, commercial and investment banking (both Islamic and conventional); private equity and asset management; M&A and capital markets; and regulatory reporting. He worked recently at Venture Capital Bank where he served as Deputy CEO and CFO for 3 years. Prior to joining Esterad Bank, Nasir had served as CFO at HSBC Bahrain and HSBC Canada for 10 years.

Mr. Maqsood holds a Master's degree in Business Administration from the Hayworth College of Business, Western Michigan University, USA; and a Bachelor's degree in Business Administration from Southern Arkansas University, USA. He is a member of the Institute of Chartered Accountants in England & Wales.

Mohamed Ahmed Noor

Head of Treasury



Mohammed holds a BSc in business Administration from the University of Bahrain. Over the past 34 years, he has acquired vast experience in portfolio management, project finance, project analysis, and marketing. He is an investment professional specializing in GCC and International Equity, Fixed Income portfolio management.

His career started at Merrill Lynch International, the Bahrain Saudi Aluminum Marketing Co. (BALCO) and Bahrain Development Bank before joining Esterad in 1998 as an investment Manager.

Ahmed Habib

Head of Real Estate Development



Ahmed has over 21 years of experience in the Investments sector with emphasis on Real Estate Development, Management and Placement. He has a track record of launching and managing multiple Real Estate Investments and Developments exceeding \$3 billion in value across the MENA region. Further he has been a board member of multiple real estate companies and was previously the Chief Executive Officer of Gulf Holding Company KSCC, a real estate and asset management company with a multimillion-dollar portfolio of assets across the GCC.

He has a BSc (Hons) in EBusiness from the University of Bedfordshire (Luton) in the United Kingdom.

Continued...

Executive Team

Naser Al Naser

Head of Private Equity



Naser has over 12 years of experience in private equity, real estate and asset management. He has executed private equity and real estate acquisitions within MENA, Turkey, UK and USA. Prior to joining Esterad, Naser was a Principal in the Investment and Post Acquisition department at Venture Capital Bank, and has executed acquisitions within F&B, Healthcare and Real Estate and was responsible for managing the investment portfolio within these sectors. Previously he worked in private equity with Beacon Capital Management and KPMG Bahrain in their Deal Advisory department.

Mr. AlNaser holds a Master's degree in Global Entrepreneurship from Babson College, USA; and dual Bachelor's degrees in Finance and Global Commerce & Cultures, from Bentley University, USA.

Throughout 2025, the company continued to deliver solid growth in profitability and reinforcing the Company's strategic momentum across its diversified investment platform.



Investment Spotlight

Supported by disciplined exits and high-quality acquisitions across real estate and private equity, Esterad's trajectory has been reinforced toward sustainable value creation, underpinned by prudent capital allocation, robust oversight and long-term strategic clarity.



New Asset Management Firm

Esterad Capital Limited

The launch of Esterad Capital Limited marks a pivotal step in Esterad's growth journey and reflects a long-term vision to position the company as a leading regional investment platform.

The launch of Esterad Capital Limited marks a key milestone in Esterad's growth journey and reflects its long-term vision to become a leading regional investment platform. Established as a Category 3A asset management firm licensed by the Dubai Financial Services Authority (DFSA) and headquartered in the Dubai International Financial Centre (DIFC), the new entity strengthens Esterad's presence in one of the region's most dynamic financial hubs and enhances access to international capital markets and investment opportunities.

Esterad Capital will serve as a regional platform for originating, structuring, and managing investments across private equity, real estate, and other strategic asset classes. This expansion enables closer engagement with select families, High-Net-Worth Individuals, and international partners, while supporting Esterad's strategy to expand its regional footprint, strengthen deal origination, and accelerate capital deployment within a strong governance framework.





Esterad Bank Managed Funds

Exit from the Amwaj Mezzanine Programme

The exit of the Amwaj Mezzanine Programme (AMP), the first private credit opportunity launched by Esterad Bank following its acquisition by Esterad Investment Company, delivered the returns promised to investors ahead of schedule, underscoring the strength of the Bank's renewed strategy, enhanced execution capabilities, and growing presence in the private credit space.

Launched in December 2023, the Amwaj Mezzanine Programme was uniquely structured to provide secured and attractive investment yields to participating investors, offering 10% per annum cash-on-cash returns for up to two years, in addition to 2% per annum Profit in Kind (PIK) payable upon maturity.



Bahrain

Exit of the Reserve at Glenbridge

The successful exit of a U.S. multifamily investment, The Reserve at Glenbridge, generated significant returns on the capital invested, underscoring Esterad Bank's ability in capturing value from selective opportunities across international markets.

Originally acquired in 2019, the investment delivered strong results through Esterad Bank's active asset management strategy, including operational restructuring, leasing optimization, and targeted property upgrades that improved occupancy, tenant retention, and operational efficiency. Despite challenging conditions in the U.S. real estate market, the Bank successfully exited the investment at a 5% capitalization rate for USD 64.75 million, demonstrating its ability to deliver solid outcomes through disciplined management even in difficult market environments.



United States

**Esterad Bank
Managed Funds**

Strategic Investment in The Eye Infirmary

Esterad Investment Co. B.S.C., alongside Kanoo Ventures and strategic investors, partnered with The Eye Infirmary W.L.L., a leading ophthalmology center in Bahrain, to support its growth through enhanced resources, advanced technologies, and continued clinical excellence.

Founded in 2016 by Dr. Shaikh Saad bin Ahmed bin Sultan Al Khalifa, the center has built a strong reputation in eye care. The investment will support its next phase of growth, including Bahrain's first private pediatric ophthalmology center, expanded services, and selective regional expansion.



Bahrain



Esterad Bank Managed Funds

Launch of Diversified Investment Tree Fund

The Diversified Investment Tree Fund completed its first transaction with the acquisition of a prominent commercial real estate asset in the Kingdom of Bahrain, supporting Esterad Bank's strategy to strengthen and expand its income-generating real estate investment platform. The asset is leased to a leading Bahraini business group under a long-term agreement, providing investors with stable and predictable cash flows.

Structured in accordance with Sharia principles, the investment offers investors a 10% annual cash return paid quarterly and includes a structured exit option, providing enhanced investor protection. The Fund aims to continue acquiring similar income-generating real estate assets across the region, focusing on properties with strong fundamentals and long-term cash flow visibility.



Bahrain

Investment
Spotlight

Review Of Operations

Operating Environment

During the year 2025, the global economic environment experienced a period of moderate growth, with ongoing challenges such as inflationary pressures and geopolitical uncertainties. The economic performance in the Middle East in 2025 showed resilience, supported by strong oil prices, diversification efforts, and investments in infrastructure and technology. Overall, the region demonstrated steady economic recovery, with a focus on sustainable development and economic diversification initiatives. Despite the constantly evolving dynamics, Esterad effectively positioned itself to capitalize on emerging opportunities while proactively mitigating potential risks, ensuring continued growth and resilience in a rapidly changing environment.

In 2025, the global economy faced several key challenges. Many economies struggled with persistent inflation, which remained a concern despite efforts by central banks to tighten monetary policies, and ongoing conflicts, particularly in regions such as Eastern Europe and the Middle East, created uncertainties in global trade and energy markets, impacting economic stability.

Although supply chains had partially recovered from the pandemic, they continued to experience disruptions due to factors such as labor shortages, logistical bottlenecks, and fluctuating demand, affecting global production and trade.

In addition, Central banks in many countries raised interest rates to combat inflation, which increased borrowing costs, slowing down investment and consumer spending, particularly in housing and business expansions.

Throughout these challenges, Esterad demonstrated its ability to adapt and thrive, positioning itself as a resilient player in the regional business arena.

Financial Performance

In 2025, Esterad Investment Company "Esterad" built upon its record-breaking growth from the previous year, achieving further increases across key performance indicators. This continued success is a direct result of the company's steadfast commitment to its strategic transformation. The significant rise in profitability validates Esterad's robust strategy and clear vision for delivering sustained, long-term value, a path the company is dedicated to following.

Esterad's net profit attributable to shareholders for 2025 was BD 6,746,767, a 10% increase compared to BD 6,133,826 in 2024. Consequently, earnings per share rose to 41.80 fils in 2025, up from 39.90 fils in 2024. Total comprehensive income attributable to shareholders grew by 29% to BD 6,934,283, compared to BD 5,379,133 in the prior year.

In line with the overall strengthening of the financial position, shareholders' equity also increased by 11%, reaching BD 48,345,942 in 2025, up from BD 43,377,483 at the end of 2024. Total assets were managed strategically to support profitable growth, aligning with the company's focused portfolio approach.

Reflecting our strong performance and ongoing confidence in the company's future trajectory, the Board of Directors is pleased to recommend a 15% dividend distribution to shareholders for the 2025 financial year. This recommendation is subject to approval at the forthcoming Annual General Meeting.

Investment Activity

Our results for the year 2025 reflect the combined impact of disciplined portfolio management, selective capital deployment, and the successful execution of value-accretive transactions across our core investment verticals. These outcomes underscore the resilience of our diversified platform and the tangible impact of our strategic repositioning efforts throughout the year.

During the year 2025, three funds were successfully launched across the Group's licensed asset management platforms, Esterad Capital and Esterad Bank. These managed funds acquired investments in a travel center in the United States, a domestic commercial real estate asset and a specialised healthcare facility, representing a leading specialised ophthalmology centre in Bahrain. These transactions demonstrate our ability to originate unique, differentiated opportunities, structure investments with downside protection, and align capital deployment with resilient and income-generating sectors that support long-term stability and growth.

Human Resources

Esterad's Human Resources department continued to play a pivotal role in advancing the company's strategy and growth agenda throughout the year. We remained committed to fostering a high performance culture rooted in accountability, transparency, and mutual respect, while strengthening communication channels and enhancing collaboration across all levels of the organization.

Our focus on attracting, retaining, and developing top local talent remained central to our HR priorities, supported by initiatives aimed at equipping employees with the tools, training, and resources needed to excel and reach their full potential.

Looking ahead, Esterad will continue building on this momentum by reinforcing workforce agility, deepening employee engagement, and enhancing organizational readiness to support the company's evolving strategic objectives. Key priorities for the coming year include advancing digital transformation and processes, strengthening governance and control frameworks, and introducing targeted learning and development initiatives that ensure our teams remain adaptable, capable, and future ready.

Operations

The Operations Department continues to be the central hub for all transactional processing at Esterad. Throughout 2025, the division built on its previous successes by further advancing the digitization and automation of core processes. By leveraging enhanced technologies and continuously empowering our team, we have achieved new levels of operational resilience, efficiency, and scalability. These efforts ensure Esterad's infrastructure is robust, agile, and fully capable of supporting the company's ambitious growth objectives.

Continued...

Review Of Operations

Compliance

Esterad's Compliance Department oversees Compliance and Anti-Money laundering functions and ensures adherence to applicable laws, rules and regulations. The Compliance function is responsible for promoting sound compliance standards within the Company by formulating appropriate policies and ensuring that regulatory requirements are met. This includes full compliance with due diligence and reporting obligations in accordance with the MOIC, CBB, BHB, and any other relevant regulatory authorities, as well as best industry practices.

The Department acts as the central coordinator and is responsible for ensuring compliance with CBB regulations for Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). This is to ensure regulatory compliance in combating corruption, money laundering and bribery, and to support international and local efforts to eliminate corruption and financial crime. During 2024, Esterad remained compliant with the regulatory requirements of the MOIC, CBB and BHB.

Esterad recognizes that compliance with applicable regulatory requirements is an ongoing process, and the Company is conscious of its responsibilities in observing all regulatory provisions and best international practices. These play an important role in fulfilling the Company's obligation to regulatory authorities through adherence to applicable regulations and the prompt remediation of any identified violations.

All employees and directors are expected to comply with all applicable laws, regulations and internal policies.

An overview of Esterad's corporate governance framework, along with key developments during the reporting period, is presented in the Corporate Governance section of this Annual Report.

Corporate Social Responsibility

Since its foundation in 1973, Esterad has been engaged in business with the following mission statement as the basis of its business management: "Contribute to the development of society and the welfare of the shareholders and stakeholders alike with our sincere and enthusiastic dedication" and "Promote the prosperity of our society, our Company, and all of our employees."

Esterad is socially accountable to itself, its stakeholders, and the public, the Company is committed to follow best practices and market standards in areas of accountability, transparency and business ethics in order to promote the highest Standards of governance, business ethics, compliance and sustainability. Good governance and Corporate Social Responsibility (CSR) form an integral part of market standards. Consequently, Esterad has remained committed to supporting and giving back to the community in which it operates.

Esterad Investment Company voluntary adopts policies and operates in an ethical, sustainable, and socially conscious way that goes beyond legal requirements. At Esterad, we considers our impact on society, the environment, and its stakeholders including employees, customers, and the wider community. Through CSR initiatives, Our goal is to create positive outcomes for both society and the business by balancing economic success with ethical responsibilities and long-term sustainability.

Environmental, Social And Governance (“ESG”)

Emphasizing ESG factors helps companies reduce risks, enhance reputation, attract investors, and meet regulatory requirements. By prioritizing environmental stewardship, social responsibility, and strong governance, businesses can drive innovation, improve operational efficiency, and build stronger relationships with stakeholders, ultimately contributing to sustainable growth and value creation. ESG is increasingly crucial for Esterad business and aligns with the Company's commitment to long-term sustainability and responsible growth.

By integrating ESG principles into its operations, Esterad not only mitigates risks related to environmental impact, social responsibility, and governance practices but also enhances its reputation as a forward-thinking and ethical business. Prioritizing ESG allows Esterad to attract responsible investors, foster innovation, and strengthen relationships with stakeholders, ensuring continued success in an increasingly ESG conscious global market. Moreover, it reinforces the company's dedication to creating positive economic, environmental, and social value for the communities it serves.

2025 marked a year of exceptional performance, with the Company achieving record growth. Strong net income results underscore the effectiveness of Esterad's transformation strategy and its clear vision for sustained value creation.



Corporate Governance

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Corporate Governance Report

OVERVIEW

Esterad Investment Company BSC (“Esterad” or the “Company”) is a Bahraini public joint stock company, established in 1973 originally as National Imports and Exports Company and its shares are listed in Bahrain Bourse (“BHB”) since 1974. The principal activity of the Company is to invest in a wide-ranging variety of investment assets in both local and international markets.

Corporate Governance is a system of rules, policies and practices that govern the way an organization is operated and dictates the company’s responsibilities to its stakeholders by promoting sound business ethics, fairness and transparency. Esterad Investment Company fully adheres to its Board of Directors’ (“Board”) Charter. The Charter clearly delineates the roles and responsibilities of the Board, establishing a robust framework of professional conduct and governance principles. It serves as a guiding document for both the Board and Management, ensuring effective oversight, sound decision-making, and proper management and control of the Company.

The Corporate Governance principles followed by Esterad are in line with the requirements of the Corporate Governance Code of the Kingdom of Bahrain, issued by the Ministry of Industry and Commerce (“MOIC”) and the Central Bank of Bahrain (“CBB”) Rulebook applicable to listed entities.

IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

As a Bahrain-based public joint stock company, the Company adheres to the Corporate Governance standards set by Bahrain Commercial Companies Law, the 2018 Corporate Governance Code issued by the Ministry of Industry and Commerce (amended on 2022), and the Central Bank of Bahrain’s Volume 6 – Capital Markets High-Level Controls. Committed to ethical conduct and international best practices, the Company has established a robust Corporate Governance framework to enhance operational efficiency and protect shareholders’ rights. The Board of Directors ensured compliance with the Code for the year ending December 31, continuous efforts are made to strengthen governance through policies and procedures aligned with best practices.

During the year, the governance framework was enhanced through the strengthening of the Board and Committee structure, the refinement of the delegation of authority, and the enhancement of related party transaction controls. These enhancements were implemented to reinforce oversight, improve internal controls, clarify decision-making authority, and ensure full alignment with regulatory requirements and best-practice standards.

KEY PERSONS POLICY

The Company is committed to upholding market integrity and transparency by adhering to regulations governing securities trading by individuals with access to sensitive information. This includes the Board of Directors and Executive Management. Compliance is actively monitored, with regular reporting to regulatory authorities to ensure adherence and protect investor interests.

CODE OF CONDUCT AND WHISTLE BLOWING POLICY

The Board of Directors has implemented a Code of Conduct and Ethics policy in line with the Corporate Governance Code. This policy incorporates initiatives to promote ethical practices. Additionally, a whistleblowing policy has been communicated to all employees, encouraging honesty, integrity, and ethical behaviour.

ESG POLICY

The Company integrates environmental, social, and governance practices across operations, ensuring compliance with national and international standards. It reflects the Company’s commitment to sustainability and aligns all subsidiaries with common objectives, promoting responsible business practices and continuous improvement for long-term sustainability. ESG report for the year ended 31 December 2024 is available on Bahrain Bourse.

BOARD PERFORMANCE EVALUATION

In accordance with the Kingdom's laws, the Board and its committees undergoes an annual performance evaluation, assessing the Board, its committees, and individual directors. The process is managed by the Board Secretary and Nomination, Remuneration and Corporate Governance Committee ("NRGC"), with results reviewed and improvement proposals made. For 2025, all directors completed their evaluations.

BOARD INDEPENDENCY EVALUATION

The Company evaluates the independence of the Board members to assess their status annually. The Board also commits to investigating any non-compliance with its Corporate Governance Guidelines.

BOARD OF DIRECTORS REMUNERATION

Under the Bahrain Commercial Companies Law and pursuant to the Company's amended and restated Articles of Association (Article 46), the remuneration of the Board of Directors is determined by the Company's shareholders during the Annual General Meeting. The shareholders approve the remuneration for board members based on the Company's financial performance, the directors' roles, and duties. Additionally, the Board Members remuneration details are disclosed in the financial statements to ensure transparency and compliance with corporate governance standards. The aggregate remuneration paid to the Directors for the year 2025 is BHD 247,000 (2024: BHD 200,000).

OWNERSHIP STRUCTURE

Esterad Investment Company shares are listed on the Bahrain Bourse (symbol: ESTERAD).

DESCRIPTION OF THE SHAREHOLDERS WHO HOLD 5% OR MORE OF THE COMPANY'S SHARE CAPITAL

No	Name	No of Shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Manarat Investment Holding, Cayman Islands	25,292,237	15.60%	Manarat Investment Holding
2	Nooruddin Abdulla Nooruddin Yusuf	10,136,095	6.25%	Nooruddin Abdulla Nooruddin Yusuf
3	Serenity Asset 1 W.L.L	10,040,830	6.20%	Serenity Asset 1 W.L.L

Note:

- During 2025, Manarat Investment Holding (Cayman Islands) reduced its shareholding from 20.19% to 15.61%, as a result of one of its shareholders transferring their indirect interest in Esterad into a direct shareholding in the Company, as was announced on BHB.
- Serenity Asset 1 W.L.L. increased its shareholding in the Company through the acquisition of 1,933,975 shares, raising its ownership from 5.00% to 6.20% of the Company's total issued shares, as was announced on BHB.
- In addition, Nooruddin Abdulla Noorudding Yusuf increased his shareholding by acquiring 1,933,976 shares, resulting in an increase from 5.30% to 6.25% as was announced on BHB.
- Manarat Investment Holding, Cayman Island and Lewan Investment Holding, Cayman Islands (1% Shareholder in the Company), act in concert.

Continued...

Corporate Governance Report

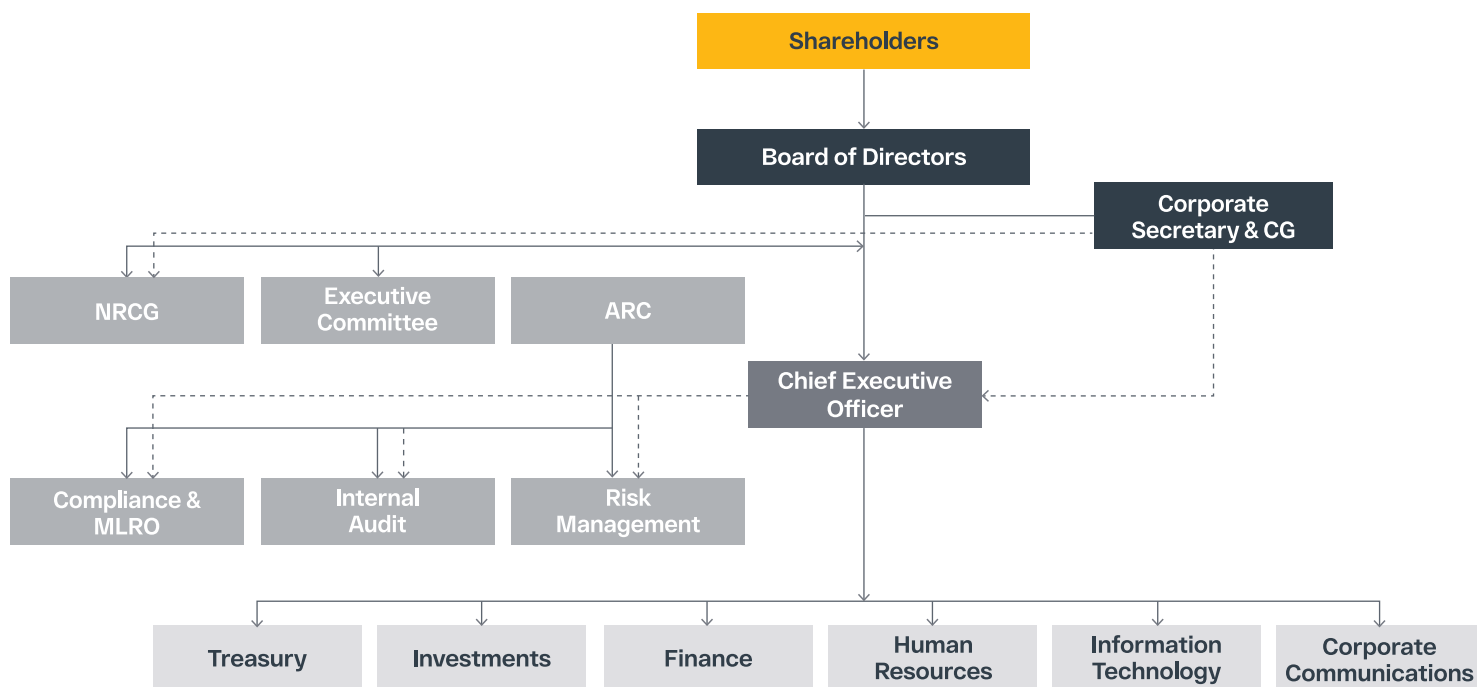
STATEMENT OF SHAREHOLDER EQUITY CLASSIFICATION

No	Name	Shareholder %			Total
		Individuals	Corporate	Government or Organization	
1	Local	61.320 %	20.258 %	0.821 %	82.399 %
2	Arabic	0.837%	0.012%	-	0.849%
3	Foreign	0.148%	16.604%	-	16.752%
4	Total	62.305%	36.874%	0.821%	100.00%

DESCRIPTION OF SHAREHOLDER BY NATIONALITY

No.	Nationality	No. of Holders	Total Shares	% to Equity
1	Bahraini	4,049	133,552,273	82.399257
2	Emarati	23	502,427	0.309988
3	Kuwaiti	15	337,631	0.208312
4	Omani	1	5,230	0.003227
5	Qatari	9	76,948	0.047475
6	Saudi	37	364,775	0.225059
GCC Total		4,134	134,839,284	83.193318
7	American	2	8,597	0.005304
8	British	1	61,282	0.037810
9	Cayman Islands	2	26,911,159	16.603682
10	Indian	5	168,227	0.103793
11	Jordanian	2	1,111	0.000685
12	Others	1	2,514	0.001548
13	Yemeni	1	87,288	0.053855
NON-GCC Total		15	27,240,178	16.806680
Grand Total		4,149	162,079,462	100.00

COMPANY STRUCTURE



THE GROUP STRUCTURE OF ESTERAD INVESTMENT COMPANY BSC AND ITS SUBSIDIARIES

Name/Entity	Nationality	Legal Status	Percentage	Invested Capital
Esterad ReallInvest 1 W.L.L.	Bahraini	WLL	100.00%	BHD 3,300,000/-
Esterad Hospitality 1 W.L.L.	Bahraini	WLL	100.00%	BHD 1,000/-
BLUE SKY COMPANY W.L.L.	Cayman	Ltd	100.00%	BHD 50,000 /-
Esterad Amwaj Partnership Co.	Cayman	Ltd	100.00%	USD 8,500/-
Esterad Share Invest I WLL	Bahraini	WLL	100.00%	BHD 1,000/-
Esterad Ventures W.L.L.	Bahraini	WLL	100.00%	BHD 1,000/-
Esterad Education 1 W.L.L.	Bahraini	WLL	100.00%	BHD 1,000/-
Nurture Ventures B.S.C Closed *	Bahraini	Ltd	49.00%	BHD 347,165 /-
Esterad Capital Limited**	UAE	Ltd	100.00%	USD 1,000,000

* 49% owned by Esterad

** Regulated by Dubai Financial Services Authority

Continued...

Corporate Governance Report

BOARD MEMBERS

In line with the rules and regulations of the Ministry of Industry and Commerce as well as Esterad's Articles of Association, the Board shall always consist of executive, non-executive and independent Directors. The Board of Directors is elected by the shareholders at general meeting. The Board is responsible for protecting shareholders' interests, establishing policies for management, and overseeing the Company.

ELECTIONS OF THE BOARD OF DIRECTORS

According to Article (27) of the Company's Articles of Association, the term of Board membership shall not exceed three years. The most recent term began in March 2024, with the next term set to commence in March 2027. The 2024 Annual General Meeting included the election and appointment of new members to the Board of Directors for a three-year term, effective from 26 March 2024. The elections were conducted through a cumulative secret ballot in accordance with the MOIC regulations.

In line with best governance practices, the Board has established formal, rigorous, and transparent procedures for the appointment of new directors, ensuring compliance with relevant laws and guidelines governing elections, nominee announcements, and shareholder communications. The election process is designed to ensure an appropriate balance of skills, experience, and independence necessary for effective oversight of the Company. The Nomination Committee oversees the nomination process, ensuring its efficiency and adherence to applicable laws and regulations in the Kingdom of Bahrain.

To facilitate this, the committee has approved a structured Board appointment, election, and nomination procedure. This framework outlines the processes undertaken during Board nominations, ensuring transparency and alignment with regulatory requirements. When reviewing candidates, all nominations are assessed against criteria set by the Company, in accordance with Article (28) of the Company's Articles of Association.

BOARD CHARTERS

Esterad's Board of Directors Charter was initially constituted in 2012 in line with the Corporate Governance Code of the Ministry of Industry and Commerce (MOIC) and Volume 6 of the Central Bank of Bahrain's Rulebook on Capital Markets to ensure compliance and completeness of the governance framework and, it is periodically reviewed and updated thereafter. It states that the Board's key purpose is to manage the Company in the best interest of the shareholders. Directors have a fiduciary duty to prosper the Company by collectively directing the Company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

CHAIRMAN DUTIES AND RESPONSIBILITIES

The Company shall be headed by an effective, qualified and expert board. In addition, in the Corporate Governance Code 2018 the Chairman of the Board responsibilities include but not limited to:

- Representing Esterad before others.
- Ensuring that the directors have access to complete and accurate info in a timely manner.
- Ensuring that the Board discussed all info as stated in the agendas for each meeting.
- Encouraging effective communication between shareholders and Board; and
- Encouraging all directors to effectively exercise their roles in the best interest of the Company.

BOARD RESPONSIBILITIES

The primary role of the board is to provide entrepreneurial leadership to achieve the Company's goals through the implementation of strategic initiatives and ultimately maximizing the value of shareholders. Essentially it is the role of the Board of Directors to hire the Chief Executive Officer (CEO) of the Company and assess the overall direction and strategy of the Company. The CEO is responsible for hiring all of the other employees and overseeing the day-to-day operations of the business. That said, the Board has the authority to set forth all matters relating to the directions, policies, practices, management, and operations of the Company, and as such, is wholly accountable to the Shareholders as well as the Stakeholders of the Company.

The four points below outline the major responsibilities of the Board of Directors:

- The Board has a strategic function in providing the vision, mission, and goals of the organization.
- The Board has the responsibility of developing a governance system for the Company. The Articles of Association provide a framework, but the Board develops a series of policies that guide their own actions as well as the actions of senior management.
- The Board must develop a Corporate Governance system that involves how the Board interacts with the CEO and senior management; and
- The Board has a fiduciary responsibility to represent and protect shareholders' interests.

In addition, in line with the Corporate Governance Code 2018 (amended 2022), the board's role and responsibilities shall include but are not limited to:

- The overall business performance and strategy for the company.
- Causing financial statements to be prepared which accurately disclose the company's financial position.
- Monitoring management performance.
- Convening and preparing the agenda for shareholder meetings.
- Monitoring conflicts of interest and preventing abusive related party transactions; and
- Assuring equitable treatment of shareholders including minority shareholders.

The directors are responsible both individually and collectively for performing these responsibilities. The Board shall not delegate its ultimate responsibility to ensure that an adequate, effective, comprehensive, and transparent corporate governance framework is in place.

INDEPENDENCE OF DIRECTORS

An independent director is a member of the Board of Directors who does not have a material relationship with the Company that can interfere with their judgement and is not involved with the day-to-day operations of the Company. In line with the obligations of the CBB's HC Module and the MOIC's Corporate Governance Code, Esterad has adopted comprehensive procedures to review and determine the independence of Directors on an annual basis. The Board of Directors comprises of eight members which includes, six of whom are Independent Directors, two Non-Executive Directors as below:

Independent Directors	
1	Zayed Al Amin
2	Razi Al Merbati
3	Ahmed Jamsheer
4	Faris Al Koohji
5	Mazen Abdulkarim
6	Fahad Yateem
Non - Executive Directors	
7	Mr. Nabeel Nooruddin
8	Mr. Ali Abdulrahim Bucheeri

Continued...

Corporate Governance Report

COMPOSITION OF THE BOARD, INCLUDING DIRECTORSHIPS – AS OF 31ST DECEMBER 2025

1. Mr. Nabeel Nooruddin - Chairman

Mr. Nabeel Nooruddin was appointed as Chairman of Esterad Investment Company on May 2025.

Directorship Type	Non-Executive
Qualification and Experience	<p>Mr. Nabeel Nooruddin is an accomplished entrepreneur and business leader with over 30 years of experience in banking, investments, and entrepreneurship. He has established and led multiple successful ventures in the GCC, combining strategic insight with a deep understanding of global markets.</p> <p>Throughout his career, he has founded and managed Nabeel Nooruddin Enterprise W.L.L, a firm specializing in luxury vehicle import and export, and co-founded Alpine Wealth Management, where he played a key role in defining the firm's strategy and client solutions. His expertise focused on establishing and managing portfolios of real estate projects for personal ownership and investment. He holds a bachelor's degree in business administration from Pepperdine University – Malibu, CA.</p>
First Appointment	26 March 2024
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	Nil
Positions in any key regulatory, government or commercial entities	Nil

2. Mr. Zayed Al Amin - Vice Chairman (Director)

Mr. Zayed Al Amin was appointed as vice Chairman of Esterad Investment Company in August 2025.

Directorship Type	Independent
Qualification and Experience	<p>Zayed Al Amin is a prominent Bahraini Businessman with more than 25 years of experience in the finance and investment sectors.</p> <p>Zayed holds a post-graduate degree in Finance and Investment from the London School of Business & Finance, London, UK.</p>
First Appointment	25-Mar-2020
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> • Al Salam Bank B.S.C • Solidarity Group Holding B.S.C • SAYACORP B.S.C • A. R. Al-Amin Investments • A.R.AL-Amin Investments B.S.C • SAYACORP AQAR B.S.C • Gulf African Bank – Kenya • Seef Properties Co.
Positions in any key regulatory, government or commercial entities	<ul style="list-style-type: none"> • Al Salam Bank B.S.C

COMPOSITION OF THE BOARD, INCLUDING DIRECTORSHIPS – AS OF 31ST DECEMBER 2025 (Continued)

3. Mr. Razi Al Merbati - Board Member

Directorship Type	Independent
Qualification and Experience	Razi Al Merbati brings to his role more than 19 years of experience in the banking and finance sector including a significant track record in Islamic investments and advisory. He is holder of Bachelor of Science in Business Information System from "AMA International University.
First Appointment	20-Dec-2018
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> Falcon Cement Company B.S.C (c) GFH Equities B.S.C (c) Khaleeji Bank B.S.C
Positions in any key regulatory, government or commercial entities	<ul style="list-style-type: none"> CEO GFH Capital closed joint stock company.

4. Mr. Mazen Abdulkarim - Board Member

Directorship Type	Independent
Qualification and Experience	Mazen Abdulkarim holds over 29 years of banking, private equity and investment experiences. He holds a BSc with honours in Finance from Bentley University in Boston, USA.
First Appointment	10-Sep-2008
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> Khaleeji Bank B.S.C. Sayacorp Aqar W.L.L. Gulf Investment Corporation G.S.C
Positions in any key regulatory, government or commercial entities	<ul style="list-style-type: none"> Khaleeji Bank B.S.C.

Continued...

Corporate Governance Report

COMPOSITION OF THE BOARD, INCLUDING DIRECTORSHIPS – AS OF 31ST DECEMBER 2025 (Continued)

5. Mr. Ali Abdulrahim Bucheeri - Board Member

Directorship Type	Non - Independent
Qualification and Experience	<p>Ali Abdulrahim Bucheeri is the founder and managing director of Rahim Holdings WLL. He brings more than 10 years of experience focused on discovering new businesses opportunities within Franchising, Private Equity and Regional Investments.</p> <p>He holds a Master of Business Administration (Majored in Marketing & Management) - McCallum Graduate School of Business – Boston, USA.</p>
First Appointment	26-Mar-2024
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> • Rahim Holding WLL • Serenity Holding WLL • SF Yacht LLC
Positions in any key regulatory, government or commercial entities	Nil

6. Mr. Ahmed Jamsheer - Board Member (Director)

Directorship Type	Independent
Qualification and Experience	<p>Ahmed A.Rahman had more than 5 years including experience in leading publicly listed entity, Managing investment strategy in equities, fixed income, structured products, alternative investments, and money markets.</p> <p>He holds a MA Master of Science in Finance from "Bentley University, Waltham.</p>
First Appointment	26-Mar-2024
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> • Fortuna Co.W.L.L
Positions in any key regulatory, government or commercial entities	Nil

COMPOSITION OF THE BOARD, INCLUDING DIRECTORSHIPS – AS OF 31ST DECEMBER 2025 (Continued)
7. Mr. Fahad Yateem - Board Member

Directorship Type	Independent
Qualification and Experience	<p>Fahad Yateem is a seasoned banking professional with over 15 years of experience in banking and banking regulations during his work with CBB where he was involved in the creation of numerous regulations and was in charge of overseeing their implementation by relevant institutions.</p> <p>He is a graduate of the SOAS University of London, where he holds a Master's degree in Banking. He is also a Certified Public Accountant (CPA), Certified Management Accountant (CMA), and Certified Islamic Professional Accountant (CIPA).</p>
First Appointment	11 May 2025
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> • GFH Partners, DIFC • GFH Capital, KSA • Infracorp, Bahrain
Positions in any key regulatory, government or commercial entities	Nil

8. Mr. Faris Al Kooheji - Board Member

Directorship Type	Independent
Qualification and Experience	<p>Faris Al Kooheji has over 10 years of experience in global investments, real estate, fitness, construction, and financial securities.</p> <p>He holds a Bachelor of Industrial Engineering from Concordia University as well as a Masters Diploma in Sports Management</p>
First Appointment	27-Sep-2020
Current Board Term (start and End)	March 2024 – March 2027
Directorships and positions in other companies	<ul style="list-style-type: none"> • Managing Director & Chairman of the Executive Committee of The ART Resort & Hotel • Board Member of KECC • Board Member of Wildcat Royalty Corporation
Positions in any key regulatory, government or commercial entities	Nil

Continued...

Corporate Governance Report

BOARD PERFORMANCE EVALUATION, INDUCTION AND TRAINING

Esterad's Nomination, Remuneration and Corporate Governance Committee conducts a comprehensive evaluation of the Board's performance on 23 February 2025. The Board evaluation examines the Board's obligations and responsibilities, and how effectively these are fulfilled by the Board. The evaluation concluded that all Board Members possess the appropriate competency, skills and expertise to effectively undertake their responsibilities as Board and Committee members. Every year, at the Annual General Meeting (AGM), the Board reports to the shareholders participation at the AGM that the required performance evaluation has been satisfied.

Esterad's formal induction program is designed for all new Directors to adjust swiftly. The induction includes meetings with senior management, strategic planning, and compliance programs. Additionally, there are presentations covering significant financial, accounting and risk management issues. We believe that our induction programme is a structured method to help new directors understand Esterad, the environment in which it operates and their role in making the Company a success.

An induction session was conducted for the new director Mr. Fahad Yateem to ensure that the Board member is well-equipped with the necessary knowledge and understanding of the company's operations, governance framework, and strategic objectives. The induction included an overview of the company's financial position, key policies and procedures, as well as their roles and responsibilities as board members.

DIRECTORS SHAREHOLDING INTERESTS AND TRADING ACTIVITIES

The number of shares held by Directors, senior management and their related parties as of 31st December 2025:

Name of Director	Title	31 Dec 2025	% of Share Capital	31 Dec 2024	% of Share Capital
Mr. Nabeel Nooruddin	Chairman	6,012,940	3.710%	5,726,610	3.709%
Mr. Zayed Al Amin	Director	2,751,523	1.698%	2,690,896	1.743%
Mr. Razi Al Merbati	Director	0	0.000%	367,500	0.238%
Mr. Mazen Abdulkarim	Director	474,190	0.293%	451,610	0.293%
Mr. Faris Al Kooheji	Director	138,626	0.086%	132,025	0.086%
Mr. Ahmed Jamsheer*	Director	983,169	0.607%	795,701	0.515%
Mr. Ali Abdulrahim Bucheeri**	Director	10,040,830	6.195%	7,720,815	5.001%
Mr. Fahad Yateem	Director	0	0.000%	0	0.000%
TOTAL	-	12.587%	12.587%	17,885,157	11.585%

Percentage calculated based on 154,388,620 shares in 2024 and 162,079,462 in 2025.

*Partially through Fortuna Company WLL, Bahrain.

**Via Serenity Asset 1 W.L.L

DIRECTORS TRADING ACTIVITIES DURING 2025

No.	Name	Transaction Date	Share Bought/ Sold	Total	Percentage Holding
1	Razi Al Merbati	23 June 2025	1,361,934	1,747,809	1.08%
		3 December 2025	1,747,809	0	0.00%
2	Ali Abdulrahim Bucheeri*	23 December 2025	1,933,975	10,040,830	6.20%
3	Zayed Al Amin	16 January 2025	12,060	2,678,836	1.74%
		30 January 2025	2,444	2,676,392	1.73%
		22 April 2025	20,155	2,830,366	1.75%
		27 May 2025	7,674	2,838,040	1.75%
		24 August 2025	42,728	2,795,312	1.72%
		28 August 2025	5,075	2,790,237	1.72%
		11 December 2025	29,984	2,760,253	1.70%
		22 December 2025	3,581	2,756,672	1.70%
		26 December 2025	5,149	2,751,523	1.70%

* Through SERENITY ASSET 1 WLL.

TERMINATION OF BOARD MEMBERSHIP

A Director's membership of the Board of Directors terminates in the following events:

1. Upon the expiry of the specified membership term, upon resignation of a member or upon death of a member.
2. If the Director was appointed or elected contrary to the provisions of the Central Bank of Bahrain's rules and regulations, the Commercial Companies Law and/or the Company's Articles of Association.
3. If the Director forfeits any of the conditions stated in Article 26 of the Company's Articles of Association.
4. If the Director abuses his position as a Director in undertaking personal or commercial matters in which he has a personal interest or that is competitive to that of the Company, causes any type of actual damage to the Company or adversely affects the Company's reputation;
5. If the Director fails to attend at least 75% of all Board meetings in any given financial year without a lawful excuse or permission from the Board.
6. If the Director resigns or withdraws from his office, provided that the Director does so in an opportune and suitable time, otherwise the Director shall be liable to pay compensation to the Company; and
7. If the Director accepts another position in the Company for which he would receive a salary or remuneration other than which the Board of Directors may decide from time to time to remunerate him because of the executive nature of his duties.

Continued...

Corporate Governance Report

REMOVAL OF THE DIRECTORS

The General Assembly may remove all, or some, of the members of the Board of Directors, even if the Company's Articles of Association states otherwise. The General Assembly has the authority to request the removal of a director which is represented by shareholders holding at least 10% of the capital. The general meeting to remove a director must be within a maximum period of one month of the invitation to convene the General Assembly. The removal of a director must be on the meeting's agenda in order for the General Assembly to consider the termination of a director, unless significant developments regarding the director subject to removal have unfolded during the general meeting.

FILLING VACANCIES ON THE BOARD

If a director's office becomes vacant, the candidate preceding said director in the number of votes in the latest board election shall replace said director. In any other case, the Board shall hold elections to appoint a new director in accordance with Article 179 of the Commercial Companies Law. The Board of Directors of Esterad Investment Company decided in its meeting held 10 May 2025 to appoint Mr. Fahad Yateem (the member next in the line in number of votes at the latest board elections held on 26 March 2025) as a board member in the company completing the unexpired term of the Board Membership.

BOARD DUTIES

DESCRIPTION OF THE BOARD'S DUTIES AND FUNCTIONS

As previously mentioned, the Board's primary role is to promote the Company's profitability and growth by ensuring the organization's management adequately acts on their behalf, while safeguarding shareholder and stakeholder interests. This includes:

- Providing leadership within a framework of prudent and effective controls which enable risk to be adequately assessed and managed.
- Acting as trustees to the property and welfare of the Company. Therefore, the Board must use the Company's property for the long-term gain of the organization, but not for their personal use.
- Designing the structure of the Company based on the objectives, policies, environmental factors, degree of competition, expectations of employees etc.
- Screening and selecting the top executives who can formulate and implement the Company's strategies. Chief Executives are key personnel in the process of strategy implementation.
- Sanctioning of finances to various investments, reserves, distribution of profit to shareholders, repayment of loans etc.
- Ensuring all financial information is accurate and that the financial controls and systems of risk management are robust.
- Setting the Company's strategic aims by ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance.
- Setting the Company's values and standards to ensure that its obligations to its shareholders and stakeholders are understood and upheld.
- Serving on Committees to accomplish specific goals and tasks, such as the Audit & Risk Committee, the Executive Committee, and the Nomination & Remuneration Committee; and
- Overseeing the direction and management of the Company in accordance with the Commercial Companies Law, Bahrain Bourse Listing Rules and other rules and regulations issued by the Government of Bahrain.

Apart from the aforementioned duties above, Directors at Esterad strictly adhere to the Company's Constitutional Documents, such as the Board's Charter (the Charter), Corporate Governance Framework, Compliance Policy, Whistle-Blower Policy, AML Policy, Declaration of Interest and the Board's Code of Ethics. Esterad's Directors takes pride in the fact that the Board immensely scrutinizes the abovementioned policies and procedures. The ever-increasing demands from regulators on Bahrain's corporate governance standards motivates the Board to go beyond what is required. A good starting point in setting such high standards involves familiarizing, reading, applying, and adding to the applicable laws and regulations, including but not limited to Bahrain Commercial Companies Law, the Corporate Governance Code, the CBB Rulebook and their subsequent amendments.

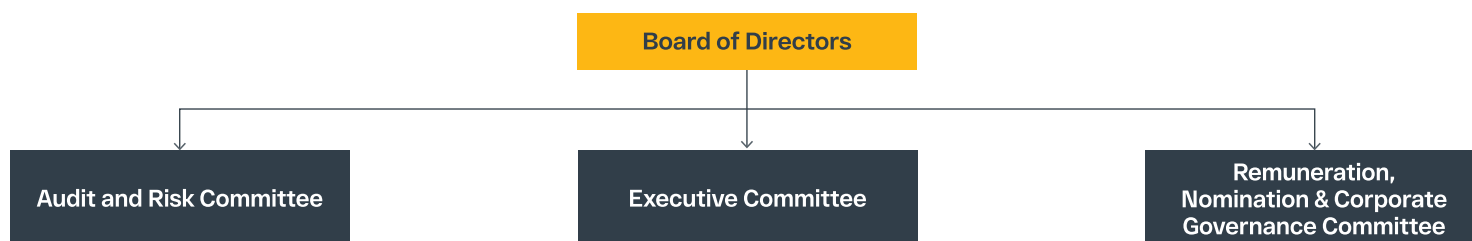
MATERIAL TRANSACTIONS THAT REQUIRE BOARD APPROVAL

The following material items require the Board of Directors' review, evaluation, and approval:

- The Company's strategy.
- The annual budget, capital expenditure budget, major contracts, and diversification plans/divestment.
- The financial statements.
- Major resource allocations and capital investments; and
- Succession plans for Executive Management.

BOARD COMMITTEES STRUCTURE

In line with the Code of Governance and CBB rule book, the Board have set up three sub committees with clear Terms of Reference set out in separate charters. The main role of the committees is to assist the board in looking at specific matters that require specialized areas of expertise and accordingly provide recommendations to the board for approval, below is the Company's Board Committee's Structure:



BOARD MEETINGS AND ATTENDANCE

BOARD OF DIRECTORS' MEETINGS

According to Bahraini law, the Board of Directors have a legal obligation to hold Board meetings at least four times a year, on a quarterly basis, and must have an attendance of at least 75% of all Board meetings within a calendar year. Directors at Esterad are not accustomed to doing the bare minimum. In fact, our directors are especially proactive in that they consistently convene more than four times a year and hold strong attendance records.

Regular board meetings are a critical component of building and sustaining a successful business. For companies in competitive industries, board meetings provide a platform for setting the agenda– determining priorities, setting targets, reviewing strategic investments – all while overseeing the general progression of the business.

Continued...

Corporate Governance Report

BOARD MEETINGS AND ATTENDANCE (Continued)

BOARD OF DIRECTORS MEETING - 2025

Directors Name	Attendance %	25 February 2025	10 May 2025	9 August 2025	6th November 2024
Hisham Alrayes*	100%	✓	✓		
Nabeel Nooruddin	100%	✓	✓	✓	✓
Mazen Abdulkarim	100%	✓	✓	✓	✓
Ali Abdulrahim Bucheeri	100%	✓	✓	✓	✓
Zayed Al Amin	100%	✓	✓	✓	✓
Razi Al Merbati	100%	✓	✓	✓	✓
Ahmed Jamsher	100%	✓	✓	✓	✓
Faris Al Koohji	100%	✓	✓	✓	✓
Fahad Yateem**	100%			✓	✓

*Resigned on 11 May 2025

**Became a Board member on 11 May 2025

MATERIAL TRANSACTIONS REQUIRING BOARD APPROVAL

The Board has delegated certain authorities to the Executive Management to ensure smooth and effective day to day management however, all material financing transaction, as provided in the delegation of authority matrix of the Company, are subject to Board approval. Furthermore, major decisions such as change in strategy, changes in the organization structure, significant capital expenditures, amending policies and hiring/ dismissal of executive management is subject to approval of either Board or relevant Board committees.

BOARD COMMITTEES

The Board of Directors accomplish their goals through the work and dedication of Committees. The Board's Committees serve in the Company's best interest in key areas like audit, nomination, remuneration and executive matters. Board Committees constitute a fundamental aspect of the governance process and should be established with well-defined reporting procedures and a written scope of authority.

AUDIT & RISK COMMITTEE ("ARC") MEETINGS

The Audit & Risk Committee's purpose is to oversee the integrity of Esterad's financial reporting, which includes supporting the Board in meeting its responsibilities regarding financial statements, the financial reporting systems, and internal controls. In addition to this, the Committee oversees the Company's risk management framework and monitors the framework's effectiveness in order to mitigate unnecessary risks.

Directors Name	25 February 2025	10 May 2025	9 August 2025	13 November 2025
Razi Al Merbati	✓	✓		
Fahad Yateem			✓	✓
Ahmed Jamsher	✓	✓	✓	✓
Faris Al Koohji	✓	X	✓	X

- The Audit and Risk Committee was reconstituted on 10 May 2025, following which Mr. Razi Al Merbati stepped down from the Committee and Mr. Fahad Yateem was appointed as Chairman of the Committee.
- As per the Audit & Risk Committee Charter a minimum of 4 meetings are to be held annually.
- Actual number of meetings held: 4.

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE MEETINGS (“NRGC”)

The Nomination, Remuneration and Corporate Governance Committee reviews and supervises the structure, size and composition of the Board and its Committees and assists the Board of Directors in matters related to the appointment and re-appointment of Directors, CEO and Senior Executives. The Committee also evaluates the Senior Executives' performances against the corporate targets and objectives and is responsible for determining Directors' and Senior Executives' remuneration.

Members	19 January 2025	29 September 2025
Zayed Al Amin	✓	✓
Razi Al Merbati	✓	✓
Ali Abdulrahim Bucheeri	✓	✓

- Mr. Zayed Al Amin is the Chairman of the committee and he is independent, duly elected by the Board
- As per the NRGCC Charter, a minimum of 2 meetings are to be held annually.
- Actual number of meetings held: 2.

EXECUTIVE COMMITTEE MEETINGS (“EXCOM”)

The Executive Committee is central to the Board of Directors' commercial strategy. The authority delegated to the Committee by the Board is predominately related to investment decisions as per the Company's Investment Policies and Guidelines Manuals. This entails acting as a panel for vetting strategic plans, critical decision-making on budgetary plans and producing investment policies, procedures, and guidelines. To this end, the Executive Committee is mandated by a coherent set of rules to approve corporate and operational issues.

Members	19 February 2025	28 July 2025	2 September 2025	29 September 2025
Hisham Alrayes	✓			
Nabeel Nooruddin	✓	✓	✓	✓
Mazen Abdulkarim	✓	✓	✓	✓
Ali Abdulrahim Bucheeri	✓	✓	✓	✓
Razi Al Merbati*		✓	X	✓

- Joined the Executive Committee on 10 May 2025

Continued...

Corporate Governance Report

WORK OF COMMITTEES AND ANY SIGNIFICANT ISSUES

The Committees report their activities and put forward recommendations to the Board during the quarterly Board Meetings. No significant issues were reported during 2025.

THE ANNUAL GENERAL MEETING

As per the Commercial Companies Law Decree No. 21 of 2001 (and as amended 2022), all shareholding companies shall hold an annual general meeting (AGM). AGMs are yearly meetings orchestrated for shareholders to discuss company matters and address raised resolutions. AGMs are Esterad's highest decision-making body in which shareholders have the opportunity to be aware of and evaluate the Company's health and participate in the management of the Company. Esterad's Corporate Governance Framework obligates Directors to attend AGMs to present the annual accounts and the Board of Directors' Report. Apart from consolidating annual highlights of the Company, the AGM is a platform for the Board to gather official approval from shareholders on resolutions and votes on Board elections. At the Company's last annual shareholder meeting dated 6 April 2025, 15% cash dividends and 5% bonus share were paid to shareholders for the year ending 2024.

There are statutory rules that govern the notice period to convene the AGM. Directors are responsible for giving notice to the shareholders and representatives at least 21 days before the meeting. Esterad's notice to convene the AGM is traditionally published in local newspapers and as a Bahrain Bourse announcement. The notice shall include the meeting's agenda and the invitation to the AGM. The agenda must be set to prepare the Board and the shareholders of the agenda items to be deliberated to provide shareholders with expectations on the discussion points.

AGMs must meet the legal quorum requirements as per the Commercial Companies Law to confirm the validity of the voting results. The quorum is the minimum number of members that must be present at the meeting to make the decisions of that meeting valid.

Prior to the AGM, crucial documents like the financial statements, Chairman's statement, auditor's report, proposed dividend announcement and nomination for board membership (election year only) will be released on Esterad's website, www.esterad.net and Bahrain Bourse, where applicable, so shareholders can easily access these documents.

DIRECTORS VOTING PROCESS

In accordance with the MOIC requirements and applicable corporate governance rules, shareholders exercise their right to vote on the appointment, reappointment, or removal of Directors during the Annual General Meeting. The shareholders elect the members of the Board of Directors through cumulative voting conducted by secret ballot. Under cumulative voting, each shareholder is entitled to a number of votes equal to the total shares they own, and they may allocate all their votes to a single candidate or distribute them among multiple candidates of their choice.

Any person holding ten percent (10%) or more of the Company's capital may appoint members to the Board of Directors in proportion to their ownership, rounding to the nearest whole number. If a shareholder exercises this right, they forfeit the ability to vote for the portion of the capital for which they appointed a representative. Shareholders who do not exercise their right to appoint Board members, or who hold less than the qualifying percentage, may use their voting rights for the election of other members. Any shareholder who does not exercise this right in an election or to appoint Board members will forfeit their right to do so.

THE EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting (EGM) refers to any shareholder meeting called by a Company other than its scheduled annual meeting. The Company hold an Extraordinary General Meeting on 6 April 2025.

REMUNERATION AND SITTING FEES OF DIRECTORS

The members of the Board of Directors are remunerated for their services and is determined by a combination of their performance and Esterad's performance. Article 188 of the Commercial Companies Law No.21 of 2001 explains the method of payment of remuneration to the Directors. The Directors' remuneration is determined by the Board and approved by the shareholders at the AGM.

- Total remunerations paid to the Directors for pervious year (2024): BHD 200,000/-
- The proposed total remunerations to be paid to the Directors for the year 2025, which will be presented at the Annual General Meeting for approval: BHD 250,000 (subject to approval at the AGM), for details, please refer to Chairmans' Statement in the Consolidated Financial Statements for the financial year ended 31 December 2025.
- Total sitting fees paid to the Company's Board of Directors for Board and Committee meeting attendance during 2025:

Directors Name	Board Meetings - 2025		Board Committee Meetings - 2025	
	No. of Meetings	Total Sitting Fees (BHD)	No. of Meetings	Total Sitting Fees (BHD)
Hisham Alrayes*	2	2,000	1	750
Nabeel Nooruddin	4	4,000	4	3,000
Mazen Abdulkarim	4	4,000	4	3,000
Ali Abdulrahim Bucheeri	4	4,000	6	4,500
Zayed Al Amin	4	4,000	2	1,500
Razi Al Merbati	4	4,000	4	4,500
Ahmed Jamsher	4	4,000	4	3,000
Faris Al Koohji	4	4,000	2	2,250
Fahad Yateem**	2	2,000	2	1,500
Total		32,000		24,000

*Resigned on 11 May 2025

**Joined the Board on 10 May 2025

Continued...

Corporate Governance Report

EXECUTIVE MANAGEMENT

LIST OF EXECUTIVE MANAGEMENT & SHAREHOLDING INTERESTS

No.	Name and Position	Experience	Employment date	Qualification	Directorships and positions in other companies
1.	Mr. Ahmed Abdulrahman Chief Executive Officer	+20 years	1 December 2020	BSc Honours, Business Systems & IT	<ul style="list-style-type: none"> Independent Board Member, Bahrain Telecommunications Company BSc (BATELCO) and member of the Executive Committee Vice Chairman of the Board and Chairman of the Audit Committee of Dhiraagu Telecommunications Company, Maldives Vice Chairman of Esterad Bank B.C.S Chairman, Esterad Capital Limited Director, Goknure (GÖKNUR GIDA MADDELERİ ENERJİ İMALAT İTHALAT İHRACAT TİCARET VE SANAYİ ANONİM ŞİRKETİ) – Turkey Director, Saudi Venture Capital Investment Company Director, Topsis (Topsis Tarım Hayvancılık Gıda Sanayi ve Ticaret Anonim Şirketi) – Turkey
2.	Nasir Maqsood Chief Financial Officer	+23 years	11 September 2023	BSc, Business Administration, Master's degree in Business Administration, Associate Chartered Accountant (ACA)	<ul style="list-style-type: none"> Director, Saudi Venture Capital Investment Company
3.	Mr. Mohamed Noor Head of Treasury	+25 years	1 March 1998	BSc, Business Administration	<ul style="list-style-type: none"> Director, Esterad Amwaj Co WLL Esterad Charitable Institution

THE NUMBER OF SHARES HELD BY SENIOR EXECUTIVE MANAGEMENT AND THEIR RELATED PARTIES

Name	Title	31 December 2025	31 December 2024
Mr. Ahmed Abdulrahman	Chief Executive Officer	0	0
Mr. Nasir Maqsood	Chief Financial Officer	0	0
Mr. Mohamed Noor	Head of Treasury	0	0
Mr. Ahmed Habib	Head of Real Estate Development	0	0
Mr. Naser Al Naser	Head of Private Equity	0	0
Mr. Tariq Abdulmalik	Head of Finance, Operations & Administration	0	0
TOTAL		0	0
As a percentage of total number of shares*		0%	0%

* Percentage calculated based on 162,079,462 shares in 2025

SENIOR EXECUTIVE MANAGEMENT TRADING ACTIVITIES DURING THE FINANCIAL YEAR 2025: Nil

TOTAL REMUNERATIONS PAID TO THE KEY EXECUTIVE OFFICERS

Total remunerations (lump-sum) paid to the top key Senior Executives/ employees, including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions for the year 2025: BHD 1,147,464.

STOCK OPTIONS AND PERFORMANCE LINKED INCENTIVES

There are no stock option schemes or performance-linked incentive programs adopted by the Company yet.

CONFLICT OF INTEREST

The Board has established robust procedures to ensure that directors exercise independent judgment when considering transactions or agreements in which a director or executive officer has a material interest. These procedures include mandatory advance disclosure of conflicts of interest, the exclusion and abstention of the interested Director or executive officer from deliberations and voting, and the referral of such matters to the relevant Board committee for independent review. Where appropriate, the Board seeks external advice to confirm that the terms of the transaction are fair, reasonable, and conducted on an arm's-length basis. All deliberations, disclosures, and decisions are formally documented to ensure transparency and accountability.

Continued...

Corporate Governance Report

DETAILS OF TRANSACTIONS WITH RELATED PARTIES (STAKEHOLDERS) DURING THE FINANCIAL YEAR ENDING 2025

In compliance with the requirement of Article 189 of the Commercial Companies Law, and the Corporate Governance Code of MOIC, all transactions in which the company enters into an agreement with the related parties, shall be approved by the BOD prior to implementation.

The Board of Directors reviews the transactions and approved these, which were summarised, within the Related Parties notes in the annual financial statements, Note # 21, Page 35.

Esterad Investment Company (The "Company")	
Transactions with related parties or major shareholders during the FY ended 31st Dec 2025	
1	Receivable from Esterad Bank BSC (c) as the Group's share of fee for certain advisory services amounting to BD 188,228 and reimbursement of expenses incurred by the Group on behalf of the Esterad Bank BSC (c) of BD 228,205 as per service level agreements.
2	Receivable from non-controlling interest represents the advance paid to the non-controlling shareholders of the subsidiary, Reef Venture Real Estate W.L.L of BD 676,617.
3	Financing payable of BD 94,250 represents payable in the form of a murabaha facility availed from key management personnel over a period of 2 years at a profit rate of 12% per annum. Accrued interest payable of BD 1,324 represents the interest accrued on the financing payable availed from key management personnel. Interest expense on the Murabaha facility availed from key management personnel was BD 137,921.
4	Payable to a related party of BD 139,679 represent the asset management fee payable to Esterad Bank BSC (c) by the subsidiaries Blue Sky Company W.L.L and Reef Venture Real Estate W.L.L.
5	Fee income of BD 641,948 recognized during the current year represents the Group's share of fee for certain advisory services provided to Esterad Bank BSC (c).
6	Loan given to a related party represents an interest-free loan provided by the Group to Esterad Bank BSC (c) at an amount of BD 112,471, which was fully repaid during the year.
7	In-kind settlement of loan and receivable represents the settlement of receivable from Esterad Bank BSC (c) through transfer of investment securities and other assets at an amount of BD 3,725,335.

DETAILS OF ANY IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR ENDING 2025

During 2025 no irregularities were detected/ committed.

INTERNAL CONTROLS, POLICIES & PROCEDURES

At Esterad, we believe the internal policies and procedures we put in place are the pillars to safeguard the integrity of financial information, encourage accountability and prevent fraud. All of Esterad's policies and procedures provide a behavioural framework for senior management and their ability to effectively implement the necessary controls. Internal controls enable Esterad to fulfil the following fundamental goals:

1. Ensuring accurate financial reporting.
2. Complying with rules and regulations; and
3. Improving operational efficiency and effectiveness.
4. Safeguarding company assets

Part of an effective system of internal controls is facilitating an internal structure to scrutinize the Company's policies and procedures, managing risks and meeting pre-established targets. While arguably executive management plays a considerable role in the development of the Company's system of internal controls, we believe every employee of Esterad has a responsibility and a role in making sure the system is adequate in achieving its goals.

CORPORATE GOVERNANCE OFFICER

In accordance with the Corporate Governance Code, Esterad has appointed a Corporate Governance Officer to be responsible for the Company's adherence to corporate governance principles, regulatory requirements, and best practices. The Corporate Governance Officer has the authority to explicitly request information and clarification from the Board of Directors, its Committees and/or the executive management.

Name	Date of Appointment	Contact Details
Mrs. Sameera AlBulushi		Tel: +(973) 17 51 88 18 s.albulushi@esterad.net

COMPANY ADOPTION OF THE CORPORATE GOVERNANCE CODE AND COMPLIANCE AS FOLLOWS

Principle	Non-Compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company Shall be Headed by an Effective, Collegial and Expert Board.			✓	
Principle 2: The Directors and Executive management Shall have Full Loyalty to the Company.			✓	
Principle 3: The Board Shall Have Rigorous Controls for Financial Audit and Reporting, Internal Control, and Compliance with the Law.			✓	
Principle 4: The Company Shall have Effective procedures for Appointment, Training, and Evaluation of the Directors.			✓	
Principle 5: The Company Shall Remunerate Directors and Senior Officers Fairly and Responsibly.			✓	
Principle 6: The Board Shall Establish a Clear and Efficient Management Structure for the Company and Define the Job Titles, Powers, Roles and Responsibilities.			✓	
Principle 7: The Company Shall Communicate with Shareholders, Encourage Their Participation, and Respect Their Rights.			✓	
Principle 8: The Company Shall Disclose its Corporate Governance.			✓	
Principle 9: Companies Which Offer Islamic Services Shall Adhere to the Principles of Islamic Shari'a.*			N/A	
Principle 10: The Board Shall Ensure the Integrity of the Financial Statements Submitted to Shareholders Through Appointment of External Auditors.			✓	
Principle 11: The Company Shall Seek Through Social Responsibility to Exercise its Role as a Good Citizen.			✓	

Continued...

Corporate Governance Report

COMPANY ADOPTION OF THE CORPORATE GOVERNANCE CODE AND COMPLIANCE AS FOLLOWS (continued)

The Board has adopted the Company's Code of Conduct on the criteria and determinants of professional conduct and ethical values, as mentioned in Chapter Two, Section Two, Paragraph five, of the Code and confirms its compliance with the Corporate Governance Code of the Kingdom of Bahrain and the High-Level Controls Module of Vol. 6 of the CBB Rule Book, with the exception of the following:

AUDITORS AND CONSULTANCY SERVICES

External Audit: The Audit & Risk Committee is responsible for the appointment, compensation, oversight and termination of the external auditor. The external auditor has a number of obligations concerning the disclosure of financial results and audit-related activities. These obligations include:

- Reviewing the administrative and financial operations within Esterad to determine whether they meet the necessary standards for effective functioning.
- Ensuring that the Company is following all applicable regulatory governance requirements, taking into consideration the "Comply or Explain" principle.
- Providing a professional opinion on the validity and credibility of the Company's financial results.
- Verifying the Company's ownership of assets and legality of obligations.
- Reading the external auditor's report at the AGM; and
- Notifying the Board of Directors of the violations discovered or suspected, if any.

Esterad's current external auditor is KPMG, details below:

Name of the audit firm	KPMG FAKHRO
Years of service as the Company's external auditor	Since 1973
Name of the partner in charge of the Company's audit	Harish Gopinath
The partner's years of service as the partner in charge of the Company's audit	1
Total audit fees for the financial statements for the year 2025 (BHD)	BHD 65,550 (excluding VAT)
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2025 (BHD) if any. In the absence of such fees, this shall be expressly stated.	BHD 111,071 (excluding VAT)

Categories of services	Fees in BD	Main type of services included in each category
a. Audit of the Group's consolidated financial statements	65,550	<ul style="list-style-type: none"> • Audit of the consolidated financial statements of the Group for the year ended 31 December 2025. • Audit of the statutory financial statements of the subsidiaries for the year ended 31 December 2025. • Review of the condensed consolidated interim financial information of the Group for the periods ended 31 March, 30 June and 30 September 2025.
b. Services other than audit		Audit related services
<ul style="list-style-type: none"> • Audit related • Advisory 	1,250 109,821	<ul style="list-style-type: none"> • Agreed-upon procedures related to Esterad Investment Company BSC's compliance with the Corporate Governance Code issued by the Ministry of Industry and Commerce and on related party transactions for the year ended 31 December 2024.
		Other non-audit services (advisory)
		<ul style="list-style-type: none"> • Advisory services related to financial due diligence. • Advisory services related to accounting. • Assistance with ESG reporting. • Tax advisory services.

The Board has recommended the reappointment of KPMG for the audit year ending 2025, subject to the shareholders at the General Assembly Meeting.

During the Annual General Meeting held on 6 April 2025, the shareholders approved the re-appointment of KPMG Fakhro as external auditors for the year ended 31 December 2025 and authorized the Board of Directors to determine their remuneration.

Internal Audit: The internal auditor's primary role is to conduct an independent and objective evaluation of the efficiency of the Company's operations. Part of the evaluation is to include the accuracy and reliability of the Company's accounting statements and financial reports, as well as evaluating the Company's risk management, control and governance processes.

Esterad's current internal auditor is Deloitte & Touche ME, details below:

Name of the audit firm	Deloitte & Touche ME
Years of service as the Company's internal auditor	May 2024
Name of the partner in charge of the Company's audit	Irshad Mahmood, Partner, Audit & Assurance Business Leader
The partner's years of service as the partner in charge of the Company's audit	2
Total internal audit fees for the financial year 2025 (BHD)	BHD 12,000
Other special fees and charges for non-audit services for the year 2025 (BHD) if any. In the absence of such fees, this shall be expressively stated.	NIL

CORPORATE SOCIAL RESPONSIBILITY

Here at Esterad, we view Corporate Social Responsibility (CSR) as a binding promise to society that we operate with considerable regard to the quality of life of the local communities. Which is why, since Esterad's founding in 1973, we have deeply rooted traditions of acting responsibly, ethically and being a positive member in Bahraini communities. Our CSR belief should reflect the core values that make us who we are; openness, integrity, diversity, respect, sincerity and stakeholder focus.

Esterad is devoted its CSR activities and established its own "Esterad Charitable Institution" to facilitate contributions to community welfare.

By establishing a charitable institution, Esterad has the opportunity to lay its own foundation for effective philanthropy. Therefore, the power is in our hands to concentrate our efforts and resources into areas of Bahrain that can make a difference.

For the welfare of the community, we take pride in donating to Crown Prince's International Scholarship Program, supporting the program's vision of equipping outstanding young Bahrainis with the necessary tools to excel and achieve their aspirations and contribute to the building of a modern Bahraini state.

Similarly, Esterad Charitable Institution supported the Be-Free Program until mid 2025. The Program started in 2002 with the project "I'm Strong, Smart, and Safe Child". Be Free is a child empowerment program on elimination of child abuse and neglect, it aims to help parents and educators to protect children to tackle these issues.

We also participated in a charitable humanitarian initiative launched by the Bayan Bahrain School Parents' Council in collaboration with the Sanabel Association for Orphan Care and provided sponsorship to the Sheikh Ebrahim Center for Culture and Research and Riffa Sports Club under the "Sponsorship of Youth from Needy Families" program.

Whether through creating our own charity or donating to well-established charities, our CSR philosophy always focuses on yielding long-term, sustainable benefits for all our stakeholders, our communities and, above all else, the people of Bahrain.

Continued...

Corporate Governance Report

SHAREHOLDER RIGHTS

The core obligations of the Board of Directors to shareholders relate to their fiduciary duties. Such duties obligate the Board to act in such a manner that places the best interests of the Company ahead of their own. Therefore, the Board must be comprised of well-qualified, prudent individuals capable of adept decision-making to oversee the Company's operations. This assures shareholders that their Company is equipped with talented employees that can produce financially strong performances and can continuously prosper the Company. Esterad continuously observes the statutory obligations imposed by the Commercial Companies Law (and as amended 2022) in respect of shareholders' rights and general assemblies. We have dedicated a section on Esterad's website, www.esterad.net, on shareholders' rights.

SHAREHOLDER SERVICES

The Company's share register is maintained by KFINTECH (formerly Karvy Fintech (Bahrain) W.L.L.) in addition to an electronic version maintained by the Bahrain Clear. Any matters in relation to the transfer of shares, change of name or address, or loss of share certificate or dividend cheques etc. should be addressed to KFINTECH directly:

Address:	7th Floor, Al Zamil Tower, building 31, Road 383, Block 305 Manama, Kingdom of Bahrain
Tel:	+973 17215080
Email:	bahrain.helpdesk@kfintech.com

SHAREHOLDERS INFORMATION

Esterad's shares are listed on the Bahrain Bourse under the Symbol: ESTERAD. In 2025, the Company distributed bonus shares to its shareholders at 5% of the paid-up capital. Therefore, the Company's paid-up capital after the distribution increased from 154,388,620 shares to 162,079,462 in 2025. by issuing 7,690,842 ordinary shares of nominal value BHD 0.100 each.

COMMUNICATION TO SHAREHOLDERS'

Esterad's Board of Directors has an ongoing line of communication with its shareholders. To guarantee that all shareholders have an equal and timely access to key Company information, Esterad makes regular announcements and press releases via the Bahrain Bourse. Additionally, the annual audit serves as a fundamental communication tool that provides shareholders an accurate picture of Esterad's financial health. All material facts and information, such as annual reports, audited financial statements (annual and quarterly), corporate governance report, media releases and any other important announcements and newsletters, can be accessed on the Company's website at www.esterad.net. The Board Secretary/Corporate Governance Officer is responsible for communications with the shareholders and regulators ensuring that the Company meets its disclosure obligations as defined in the Corporate Governance Code.

RUMOURS AND INFORMATION LEAKS

Esterad's reputation is a central concern for shareholders. We know that shareholders depend on the Board to protect Esterad from fraudulent practices, negative press and other matters which may damage our reputation. With that in mind, we as a Company, and in compliance with Bahrain Bourse regulations, will not comment on rumours circulating the market, share price performance, competitors' actions, or clients' actions unless it is necessary to clear up misleading and incorrect information regarding Esterad. The Company will also not make any remarks on any of its commercial transactions that are deemed confidential or incomplete from the Company's perspective. In the event unpublished material has unintentionally been disclosed, Esterad, in conjunction with its Compliance Officer, will do everything it can to remedy the situation.

CONTACT ESTERAD AND ITS BOARD OF DIRECTORS

The Board values the significance of reachability, and therefore, has incorporated an efficient and transparent structure to enable shareholders to easily contact Esterad. Shareholders are invited by the Chairman of the Board to attend the AGM to directly answer any questions or queries. Furthermore, any interested person can contact the Board of Directors by mail or e-mail through Investor Relations mentioned below:

Investor Relations	Tel: +973 17585400
Esterad Investment Company	Fax: +973 17585444
GFH Tower – 3rd Floor,	Email: mail@esterad.net
Bahrain Financial Harbour	
Unit Nos. 301 – 302, Building: 1411, Road: 4626,	
Block: 346, Area: Sea-front/ Manama, Kingdom of Bahrain.	



Nabeel Nooruddin
Board of Directors Chairman



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Chairman's Statement

To our shareholders,

On behalf of the Board of Directors and management team, I am pleased to present Esterad Investment Company BSC ("Esterad" or the "Company") annual report for the year ended 31 December 2025. This year marked an important phase in our strategic journey, defined by disciplined execution, portfolio repositioning, and the continued strengthening of our investment platform. Despite an evolving global landscape, Esterad delivered solid financial performance while advancing key strategic initiatives that position the Company for sustainable long-term growth.

Performance Overview

The past year marked a defining period for Esterad as we reinforced the foundations of the Company and strengthened its long-term financial resilience. In 2025, Esterad delivered a 10% increase in net profit attributable to shareholders, reflecting the strength of our underlying platform and the disciplined execution of our strategic priorities. Earnings per share rose to 41.8 fils from 39.9 fils in 2024, demonstrating our continued commitment to delivering sustainable value to our shareholders.

Over the course of the year, our primary focus was the optimisation of our balance sheet and the acceleration of our deleveraging programme. We took decisive steps to reduce leverage, enhance liquidity and improve the efficiency of our capital structure. Profitability growth was driven largely by prudent cost management and a significant reduction in finance costs, as we continued to proactively prepay debt facilities. These efforts were built on the substantial debt reduction achieved in late 2024 following the sale of the Amwaj Beachfront asset, which marked a pivotal step in strengthening the Company's financial position.

Today, Esterad stands on firmer financial ground. Our improved leverage profile strengthened liquidity position and growth in shareholders' equity provide us with greater flexibility and resilience in an evolving market environment. This disciplined approach to financial management has not only enhanced earnings quality but has also positioned the Company to capitalise on emerging opportunities from a position of strength.

Looking ahead, we remain committed to a prudent and selective capital allocation strategy. We will continue to focus on high-quality investments with strong fundamentals and long-term income visibility, while maintaining rigorous risk management standards. The Board remains confident that our disciplined investment philosophy and strengthened balance sheet will support sustainable growth and consistent value creation for our shareholders in the years to come.

Strategic & Corporate Developments

During the year, Esterad made significant progress in executing its long-term strategy and strengthening its regional and international footprint. A key milestone was the establishment of Esterad Capital Limited in the Dubai International Financial Centre, licensed by the Dubai Financial Services Authority. This platform enhances our asset management capabilities and expands our ability to access regional and international capital while offering institutional-quality investment solutions. The appointment of an experienced leadership team further strengthens our ability to originate and manage high-quality opportunities across markets.

In parallel, Esterad continued to grow its investment portfolio across income-generating and high-growth sectors. During the year, three funds were successfully launched across our licensed asset management platforms, Esterad Capital and Esterad Bank. These managed funds acquired investments in a travel centre in the United States, a domestic real estate commercial asset and a specialised leading healthcare facility in Bahrain, reflecting our focus on essential and defensive sectors with strong income visibility and long-term growth potential.

We also advanced our strategy of disciplined exits and value realisation. Notably, the successful exit from a labor camp investment located in the UAE, which has generated significant liquidity and reinforced our ability to navigate complex market conditions while delivering attractive outcomes for investors.



ESG and Sustainable Value Creation

At Esterad, sustainability and responsible investing remain integral to our strategy and decision-making. We continue to incorporate environmental, social, and governance principles across our investment processes, risk management frameworks, and corporate practices.

Our approach is guided by a commitment to ethical governance, transparency, and long-term stewardship. We prioritise investments that create value not only for our shareholders but also for the communities and markets in which we operate. This includes supporting sectors such as healthcare, infrastructure, and operational real estate that deliver tangible economic and social impact. We also remain focused on enhancing governance standards, strengthening risk oversight, and embedding sustainability considerations across our operations and investment lifecycle.

Dividend Recommendation

In line with the Company's strong performance, solid financial position, and confidence in its long-term outlook, the Board of Directors is pleased to recommend a dividend distribution to shareholders for the financial year ended 31 December 2025, subject to regulatory and shareholder approvals at the upcoming Annual General Meeting. This recommendation reflects our continued commitment to delivering sustainable returns while maintaining the flexibility to pursue attractive growth opportunities.

Future Outlook

As we move into 2026, Esterad remains focused on building on its momentum and advancing its strategic priorities. Our key focus areas include scaling our asset management platform in the UAE, expanding into resilient and income-oriented sectors, enhancing recurring income streams, and continuing disciplined capital allocation.

We are confident that our strengthened platform, diversified portfolio, and experienced team position us well to capitalise on emerging opportunities and navigate evolving market dynamics. We will continue to pursue high-quality investments, strategic partnerships, and innovative structures that deliver consistent and sustainable value.

Appreciation and Recognition

On behalf of the Board of Directors, I would like to express our sincere appreciation to the Wise Leadership of the Kingdom of Bahrain, led by His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, and guided by His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, for their continued vision and support, which provide a strong foundation for economic growth and investment. We also extend our gratitude to the Central Bank of Bahrain, the Dubai Financial Services Authority, and all regulatory authorities for their guidance and oversight.

We thank our shareholders for their continued trust and confidence, our partners and clients for their collaboration, and our dedicated employees for their commitment and professionalism. Their collective efforts have been instrumental in Esterad's achievements. Together, we remain committed to delivering sustainable growth, innovation, and long-term value, ensuring that Esterad continues to build on its legacy as a trusted investment partner for generations to come.

Continued...

Chairman's Statement

The table below that shows the remuneration of members of the Board of Directors and the Executive Management for the fiscal year ended 31 December 2025.

First: Board of Directors' Remuneration Details:

Name	Fixed remunerations				Variable remunerations				Aggregate amount (Does not include expense allowance)	Expenses Allowance	
	Remunerations of the Chairman and Board	Total allowance for attending Board and committee meetings	Others	Total	Remunerations of the Chairman and Board	Incentive plans	Others	Total			End-of-service award
First: Independent Directors:											
1- Fahad Yateem	30,000	3,500	-	33,500	-	-	-	-	-	33,500	-
2- Razi Almurbati	30,000	5,500	-	35,500	-	-	-	-	-	35,500	-
3- Ahmed Jamsheer	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
4- Mazen Abdulkarim	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
5- Zayed AlAmin	30,000	4,000	-	34,000	-	-	-	-	-	34,000	-
6- Faris Alkooheji	30,000	6,250	-	36,250	-	-	-	-	-	36,250	-
Second: Non-Executive Directors:											
7- Nabeel Nooruddin	40,000	7,000	-	47,000	-	-	-	-	-	47,000	-
8- Ali Bucheery	30,000	7,000	-	37,000	-	-	-	-	-	37,000	-
9- Hesham Alrayes	-	4,250	-	4,250	-	-	-	-	-	4,250	-
Total	250,000	51,500	-	301,500	-	-	-	-	-	301,500	-

Notes:

- All amounts in Bahraini Dinars.
- The Company does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors.
- Board remuneration represents allocation of proposed remuneration for 2025, subject to approval of the Annual General Meeting.

Second: Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Remunerations for executives, including CEO and Senior Financial Officer	621,724	396,740	129,000	1,147,464

Notes:

- All amounts in Bahraini Dinars.

Wishing everyone a blessed year ahead.

Nabeel Nooruddin
Chairman

Zayed Al Amin
Deputy Chairman

Independent Auditors' Report

To the Shareholders of Esterad Investment Company BSC
P.O. Box 1080, Manama, Kingdom of Bahrain

Opinion

We have audited the consolidated financial statements of Esterad Investment Company BSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

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 Auditors' 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 the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Kingdom of Bahrain. We have also 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 of the current period. 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.

Valuation of unquoted equity investments at fair value

Refer to the accounting policy in note 3 (H) and notes 5 and 25 for disclosures related to carrying value of investments and valuation techniques.

The key audit matter

17% of the Group's total assets is held in equity investments where no quoted market price is available. The fair value for such investments are assessed using valuation techniques.

The application of valuation techniques involves the exercise of judgment by the Group and the use of assumptions and estimates about the future performance of the investee company. Accordingly, this was a key area of audit focus.

How the matter was addressed in our audit

With the assistance of our valuation specialists, our audit procedures for unquoted equity investments, amongst others, included:

- assessing the appropriateness of the valuation techniques used by comparing with observed industry practice;
- challenging key inputs and assumptions used in the valuations, such as, discount factors by using our knowledge of the industries in which the investees operate and industry norms;
- comparing the key underlying financial data inputs to external sources, investee company financial and management information as applicable; and
- assessing the adequacy of the Group's disclosures in relation to valuation of unquoted equity investments by reference to the requirements of the relevant accounting standards.

Continued...

Independent Auditors' Report

Net realisable value of development properties and fair value of investment properties

Refer to the accounting policy in note 3 (J), 3 (K), note 6 and note 7 for disclosures related to development properties and investment properties.

The key audit matter

Development properties represent 36% of the Group's total assets and represents project under construction. Development properties are stated at the lower of cost and net realisable values. The Group engages external valuers to assess net realisable values of these development properties. The assessment of net realisable value involves significant management estimate and judgement and is underpinned by number of assumptions.

Investment properties represent 18% of the Group's total assets and are carried at fair value. The Group engages external valuers to assess fair value of these investment properties. The assessment of fair value of these properties involves significant management estimate and judgement and is underpinned by number of assumptions.

How the matter was addressed in our audit

With the assistance of our valuation specialists, our audit procedures in this area included, amongst others:

- evaluating the qualifications and competence of the external valuers' and read the terms of their engagement letter to determine whether there were any matters that might have affected their objectivity or limited their scope of work;
- challenging the appropriateness of the valuation techniques and critical inputs such as expected sale prices on completion, cost to complete and comparable transaction price. Where any component was out of our expected range, we undertook additional procedures including sensitivity analysis, to understand the effect on the assessed values and carrying amounts in the consolidated financial statements;
- on a sample basis, assessing whether the source data used for the valuation are reasonable by comparing it to the underlying supporting information to obtain insight into the calculation model used to determine the net realisable value and fair value; and
- assessing the adequacy of disclosures in the consolidated financial statements by reference to the requirements of the relevant accounting standards.

Other Information

The board of directors is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the Chairman's statement, 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 and will not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' 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 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.

Auditors' 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 auditors' 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Continued...

Independent Auditors' Report

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 board of directors, 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Regulatory Requirements

- 1) As required by the Commercial Companies Law 2001 (as amended), we report that:
 - a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
 - b) the financial information contained in the Chairman's statement is consistent with the consolidated financial statements;
 - c) we are not aware of any violations during the year of the Commercial Companies Law 2001 (as amended) or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
 - d) satisfactory explanations and information have been provided to us by management in response to all our requests.

- 2) As required by the Ministry of Industry and Commerce in their letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:
 - a) a corporate governance officer; and
 - b) a Board approved written guidance and procedures for corporate governance.

The engagement partner on the audit resulting in this independent auditors' report is Harish Gopinath.

KPMG Fakhro

Partner Registration Number 136

25 February 2026

Consolidated Statement of Financial Position

as at 31 December 2025

Bahraini Dinars

	Note	31 December 2025	31 December 2024
Assets			
Cash and bank balances	4	2,010,352	5,293,472
Investment securities	5	22,395,409	36,771,708
Development properties	6	29,110,603	51,870,150
Investment properties	7	14,614,000	4,376,935
Other assets	8	12,890,214	21,546,246
Total assets		81,020,578	93,100,840
Liabilities			
Borrowings	9	24,739,846	33,092,788
Other liabilities	11	4,387,210	8,924,245
Total liabilities		29,127,056	42,017,033
Total net assets		51,893,522	51,083,807
Equity			
Shareholders' equity			
Share capital	12	16,207,946	15,438,932
Share premium		8,121,691	8,121,691
Treasury shares	12	(108,700)	(101,873)
Statutory reserve		7,460,228	7,443,177
General reserve		460,241	460,241
Charity reserve		190,000	100,000
Fair value reserve		(1,961,831)	(2,149,347)
Retained earnings		17,976,367	14,064,662
Total equity attributable to owners of the Company		48,345,942	43,377,483
Non-controlling interest	13	3,547,580	7,706,324
Total equity		51,893,522	51,083,807

The consolidated financial statements were approved by the board of directors on 25 February 2026 and signed on its behalf by:

Nabeel Nooruddin
Chairman

Zayed Al Amin
Deputy Chairman

Ahmed Abdulrahman
Chief Executive Officer

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

Bahraini Dinars

	Note	2025	2024
Income from investment securities	15	564,539	9,231,252
Gain on sale of subsidiary	16	6,540,506	1,096,926
Profit from sale of development properties	6.4	-	1,286,138
Change in fair value of investment properties	7	(9,000)	235,921
Net fee income	17	386,346	826,887
Other income	18	3,871,827	298,277
Total income		11,354,218	12,975,401
General and administrative expenses	19	(2,621,633)	(2,575,022)
Interest expense	20	(1,966,106)	(4,223,542)
Profit for the year		6,766,479	6,176,837
Profit for the year attributable to:			
Owners of the Company		6,746,767	6,133,826
Non-controlling interest		19,712	43,011
		6,766,479	6,176,837
Basic and fully diluted earnings per 100 fils share	12	41.8 fils	39.9 fils

Nabeel Nooruddin
Chairman

Zayed Al Amin
Deputy Chairman

Ahmed Abdulrahman
Chief Executive Officer

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

Bahraini Dinars

	Note	2025	2024
Profit for the year		6,766,479	6,176,837
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net changes in fair value of equity investments at fair value through other comprehensive income (FVTOCI)		(111,540)	(777,044)
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of debt securities at FVTOCI		2,348	19,547
Fair value gain on debt securities at FVTOCI reclassified to profit or loss on sale	15	319,902	2,804
Transfer to profit or loss on changes in expected credit losses of debt securities at FVTOCI	15	(23,194)	-
Other comprehensive income		187,516	(754,693)
Total comprehensive income for the year		6,953,995	5,422,144
Total comprehensive income attributable to:			
Owners of the Company		6,934,283	5,379,133
Non-controlling interest		19,712	43,011
		6,953,995	5,422,144

Nabeel Nooruddin
Chairman

Zayed Al Amin
Deputy Chairman

Ahmed Abdulrahman
Chief Executive Officer

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

Bahraini Dinars

2025	Attributable to the owners of the Company									Non-controlling interest (NCI)	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	General reserve	Charity reserve	Fair value reserve	Retained earnings	Total		
At 1 January 2025	15,438,932	8,121,691	(101,873)	7,443,177	460,241	100,000	(2,149,347)	14,064,662	43,377,483	7,706,324	51,083,807
Comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	6,746,767	6,746,767	19,712	6,766,479
Total other comprehensive income	-	-	-	-	-	-	187,516	-	187,516	-	187,516
Total comprehensive income for the year	-	-	-	-	-	-	187,516	6,746,767	6,934,283	19,712	6,953,995
Dividend declared for 2024 (note 14)	-	-	-	-	-	-	-	(2,307,253)	(2,307,253)	-	(2,307,253)
Issue of bonus shares (note 12.2 and note 14)	769,014	-	-	-	-	-	-	(769,014)	-	-	-
Charity approved (note 14)	-	-	-	-	-	100,000	-	(100,000)	-	-	-
Charity paid	-	-	-	-	-	(10,000)	-	-	(10,000)	-	(10,000)
Treasury shares acquired	-	-	(6,827)	-	-	-	-	-	(6,827)	-	(6,827)
Acquisition of NCI (note 13)	-	-	-	-	-	-	-	358,256	358,256	(4,178,456)	(3,820,200)
Transfer to statutory reserve	-	-	-	17,051	-	-	-	(17,051)	-	-	-
At 31 December 2025	16,207,946	8,121,691	(108,700)	7,460,228	460,241	190,000	(1,961,831)	17,976,367	48,345,942	3,547,580	51,893,522

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025 (continued)

Bahraini Dinars

2024	Attributable to the owners of the Company										Non-controlling interest (NCI)	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	General reserve	Hedging reserve	Charity reserve	Fair value reserve	Retained earnings	Total		
At 1 January 2024	14,706,316	8,121,691	(99,363)	7,440,668	460,241	-	(4,374,486)	13,943,639	40,198,706	7,663,313	47,862,019	35,501,813
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	6,133,826	6,133,826	43,011	6,176,837	5,524,450
Total other comprehensive income	-	-	-	-	-	-	(754,693)	-	(754,693)	-	(754,693)	(826,781)
Total comprehensive income for the year	-	-	-	-	-	-	(754,693)	6,133,826	5,379,133	43,011	5,422,144	4,697,669
Dividends declared for 2023 (note 14)	-	-	-	-	-	-	-	(2,197,846)	(2,197,846)	-	(2,197,846)	(836,720)
Issue of bonus shares (note 12.2 and note 14)	732,616	-	-	-	-	-	-	(732,616)	-	-	-	-
Charity approved (note 14)	-	-	-	-	-	100,000	-	(100,000)	-	-	-	(25,000)
Transfer of realised fair value changes of equity securities at FVTOCI	-	-	-	-	-	-	2,979,832	(2,979,832)	-	-	-	861,706
Treasury shares acquired	-	-	(2,510)	-	-	-	-	-	(2,510)	-	(2,510)	(762)
Sale of a subsidiary	-	-	-	(2,500)	-	-	-	2,500	-	-	-	7,663,313
Transfer to statutory reserve	-	-	-	5,009	-	-	-	(5,009)	-	-	-	-
At 31 December 2024	15,438,932	8,121,691	(101,873)	7,443,177	460,241	100,000	(2,149,347)	14,064,662	43,377,483	7,706,324	51,083,807	47,862,019

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

Bahraini Dinars

	2024	2023
Operating activities		
Dividends received	664,449	455,098
Interest received	175,901	736,063
Proceeds from sale of investment securities	21,920,106	13,490,515
Acquisition of investment securities	(5,264,523)	(8,447,752)
Custody fees and investment related expenses paid	(34,575)	(11,036)
Proceeds from sale of development properties	-	1,613,733
Payment for additions to properties	(42,163)	(2,853,218)
Settlement of advance from customer	(1,042,500)	-
Pledged deposit	406,100	-
Salaries and benefits paid	(1,372,689)	(1,089,054)
Payments for other general and administrative expenses	(1,132,703)	(1,071,657)
Payments made on behalf of former subsidiary	(303,877)	(204,011)
Reimbursement of payments made on behalf of former subsidiary	537,537	-
Fee income received	88,538	-
Payments to a related party	-	(229,470)
Net cash from operating activities	14,599,601	2,389,211
Investing activities		
Acquisition of subsidiary, net of cash acquired	-	(50,895,000)
Cash flows on sale of a subsidiary, net	-	(468,260)
Acquisition of equipment	(53,745)	(52,072)
Net cash used in investing activities	(53,745)	(51,415,332)
Financing activities		
Borrowings availed	-	54,599,253
Borrowings repaid	(8,420,939)	(2,661,149)
Payment towards deferred liability	-	(2,601,500)
Interest paid	(3,633,705)	(1,138,677)
Dividends paid	(2,308,755)	(2,198,270)
Payment of lease liabilities	(51,120)	(30,553)
Purchase of treasury shares	(6,827)	(2,510)
Charity payments	(10,000)	-
Net cash (used in)/ from financing activities	(14,431,346)	45,966,594
Net increase/ (decrease) increase in cash and cash equivalents during the year	114,510	(3,059,527)
Cash and cash equivalents as at 1 January	1,833,147	4,892,674
Cash and cash equivalents at 31 December	1,947,657	1,833,147
Cash and cash equivalents comprise of:		
Cash and bank balances (note 4)	2,015,654	1,833,147
Less: bank overdraft (note 9)	(67,997)	-
	1,947,657	1,833,147

The accompanying notes 1 to 29 are an integral part of these consolidated financial statements.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

1. REPORTING ENTITY

Esterad Investment Company BSC (‘the Company’) is a Bahraini public joint stock company, established in 1973 by Amiri Decree 9/1973 and its shares are listed on Bahrain Bourse. The Company was registered with the Ministry of Industry and Commerce under commercial registration no.1545-1. The principal activity of the Company is to invest in a wide-ranging variety of investment assets in both local and international markets.

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the ‘Group’).

2. BASIS OF PREPARATION

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The Group also comply with the requirements of the Commercial Companies Law 2001 (as amended).

(ii) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for the following:

- investments designed at fair value through profit or loss (FVTPL) and at FVTOCI are measured at fair value;
- development properties are measured at lower of cost and net realisable value; and
- investment properties are measured at fair value.

The consolidated statement of financial position is presented in order of liquidity and the items in the consolidated statement of comprehensive income is presented based on their nature.

(iii) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Bahraini Dinars (‘BD’), which is the Company’s functional and presentation currency.

(iv) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements and estimates about the future, that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management objectives. Revisions estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is as follows:

- Note 3 (G): classification of investment securities: assessment of business model within which the assets are held;
- Note 3 (A): consolidation - whether the Group has de facto control over an investee;
- Note 3 (A) (v): whether divisions qualify as venture capital organisations under IAS 28; and
- Going concern: The Group has recognised a net profit of BD 6,766,479 for the year ended 31 December 2025 (2024: BD 6,176,837) and, as of that date, assets exceeds liabilities by BD 51,893,522 (31 December 2024: BD 51,083,807)

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

2 BASIS OF PREPARATION (continued)

The Group has sufficient unused credit facilities available at the date of authorisation of these consolidated financial statements. The appropriateness of the going concern basis of accounting is dependent on the ability of the Group to having access to sufficient external resources and continued availability of borrowings by compliance with loan covenants. Based on these factors, the board of directors has a reasonable expectation that the Group has adequate resources and sufficient credit facilities available to support any cash shortfall and provide sufficient resources to continue with the business as a going concern for at least 12 months from the date of these consolidated financial statements.

Estimates

Information about estimates at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is as follows:

- Note 3 (H) and note 25: measurement of the fair value of equity securities on the basis of significant unobservable inputs;
- Note 3 (J) and note 6: assessing net realisable value of development properties;
- Note 3 (I) (ii): Estimate of total forecast cost to complete the development of properties;
- Note 3 (K) and note 7: measurement of fair value of investment properties; and
- Note 3 (G) (iv) and note 22: measurement of expected credit loss allowance for financial assets: key assumptions in determining the loss rate.

(v) New standards and amendments to standards effective from 1 January 2025

The following relevant new standards and amendments to the standards, which became effective as of 1 January 2025, do not have a material impact on the consolidated financial statements.

- Lack of exchangeability – Amendments to IAS 21

(vi) New standards, amendments and interpretations issued but not yet effective

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

- Classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7
- IFRS 18 Presentation and disclosure in financial statements
- Annual improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 Subsidiaries without public accountability disclosures
- Sale or contribution of assets between an investor and its Associates or Joint Venture - Amendments to IFRS 10 and IAS 28

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for Management-defined performance measures ("MPM").

Other than IFRS 18, the management does not expect that the adoption of the above amendments and standards will have a material impact on the Group's consolidated financial statements in future periods.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These have been consistently applied by the Group to all periods presented in these consolidated financial statements.

(A) Basis of consolidation

(i) Business combination

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in consolidated profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in consolidated profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in consolidated profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control – non-controlling interest

When Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in consolidated profit or loss. Any interest retained in former subsidiary is measured at fair value when control is lost.

(v) Associate

Associates are those entities in which the Group has significant influence, but not control or joint, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

3 MATERIAL ACCOUNTING POLICIES (continued)

On initial recognition of investment in each associate, the Group makes an accounting policy election as to whether the associate shall be equity accounted or designated as an investment at FVTPL in the consolidated financial statements. Certain divisions within the Group qualify as venture capital organisations under IAS 28, as their principal activity is investing capital to generate returns from capital appreciation and investment income, with investments managed and evaluated on a fair value basis. Accordingly, the Group has elected to measure its investment in the associate at FVTPL. Currently there are no associates which are equity accounted and all associates are measured at FVTPL.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(B) Foreign currency

Transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities are translated into Bahraini Dinars at exchange rates ruling at the consolidated statement of financial position date. Transactions in foreign currencies during the year are converted at the rate ruling at that time. Foreign exchange gains and losses are generally recognised in the consolidated profit or loss and presented in 'investment income'.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income (OCI):

- an investment in equity securities designated as at FVTOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to consolidated profit or loss); and
- qualifying cash flow hedges to the extent that the hedges are effective.

Group entities

The other group entities presentation currency is the Bahraini Dinars and hence, the translation of financial statements of the group entities does not result in exchange differences.

(C) Interest income and expense

Interest income and expense are recognised in the consolidated profit or loss using the effective interest method. Interest bearing financial assets and liabilities except those classified as FVTPL are recognized using effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of financial asset or liability, or where appropriate, a shorter period, to the net carrying amount of the financial asset or liability. The application of effective interest rate method has effect of recognising the interest income or expense evenly in proportion to the amount outstanding over the period to maturity or repayment.

interest expenses that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Capitalization of interest expense commences when expenditures for the qualifying asset are incurred, interest expenses are incurred and activities necessary to prepare the asset for its intended use or sale are in progress, and ceases when substantially all such activities are complete.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

(D) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

(E) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at bank and deposits maturing within 90 days, which are subject to insignificant risk of fluctuation in its realisable value. Cash and cash equivalents are recorded at amortized cost in the consolidated financial statements less expected credit loss.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(F) Trade receivables

Trade receivables are measured at the original invoice amount less any impairment allowances. Other receivables are stated at amortised cost less expected credit loss.

(G) Financial instruments

Financial instruments in these consolidated financial statements include financial assets and financial liabilities. Financial assets mainly comprise of investment securities, cash and bank balances (including deposits) and other assets and financial liabilities comprise borrowings and other liabilities. Investment securities comprise quoted and unquoted equity securities and quoted debt securities.

(i) Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price, the trade receivable will be initially measured at the amount of that unconditional right.

(ii) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as subsequently measured at: amortised cost; fair value through other comprehensive income (FVTOCI) - debt investment; FVTOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

3 MATERIAL ACCOUNTING POLICIES (continued)

On initial recognition of certain equity investments that are not held for trading, the Group has made an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not measured at amortised cost or FVTOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. This includes all derivative financial assets.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt securities measured at FVTOCI.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

3 MATERIAL ACCOUNTING POLICIES (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof and is charged to the consolidated profit or loss. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(v) Offsetting financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(H) 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Notes to the 2025 Consolidated Financial Statements

for the year ended 31 December 2025

Bahraini Dinars

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision.

There is no certainty about future events (such as continued operating profits and financial strength). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in consolidated profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. If the bid-ask spread for a specific asset or liability is wide, then the Group uses the price within the bid-ask spread that is most representative of fair value in the circumstances.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(I) Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

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

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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3 MATERIAL ACCOUNTING POLICIES (continued)

(i) Investment income

- Dividend income is recognised when the Group's right to receive payment is established.
- Interest income is recognised using the effective interest method.
- Gains or losses on disposal of investments are recognised in profit or loss on the date the investment is derecognised and are measured as the difference between the consideration received and the carrying amount of the investment.

(ii) Revenue from sale of development properties

The revenue is measured at the fair value of the consideration received or receivable as per the contract with a customer. Revenue is recognised over time using the input method, based on contract costs incurred to date as a percentage of total estimated contract costs, where this reflects the transfer of control to the customer. The related costs of sales are recognised in consolidated profit or loss as the related revenue is recognised. Amounts received in advance from customers are presented as contract liabilities, while revenue recognised in excess of billings is presented as contract assets.

(iii) Fee income

Fee income comprises management fees, advisory fees, and other similar service-related income earned by the Group. Fee income is recognised when the related services are rendered and the performance obligations are satisfied.

(J) Development properties

Development properties are properties held for sale or development and sale in the ordinary course of business. Development properties are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimates costs of completion and the estimated costs necessary to make the sale.

(K) Investment properties

Investment properties are properties held for earning rental income or capital appreciation or both. They are initially measured at the acquisition price and subsequently at fair value with any change therein recognised in consolidated profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in consolidated profit or loss.

(L) Equipment

Equipment held for operational purposes, are carried at cost less accumulated depreciation and impairment losses. The cost of additions and major improvements are capitalised.

Depreciation is charged to the consolidated profit or loss on a straight-line basis over the estimated useful lives of items of equipment as follows:

Computer hardware:	3 years
Vehicles, furniture and leasehold improvements:	5 years
Right-of-use asset:	Over the lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date. When an item of equipment is sold or discarded, the respective cost and accumulated depreciation relating thereto are eliminated from the consolidated statement of financial position, the resulting gain or loss being recognised in the consolidated profit or loss.

(M) Provision

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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(N) Statutory reserve

In accordance with the Commercial Companies Law 2001 (as amended), 10% of the net profit is appropriated to a statutory reserve, until it reaches 50% of the paid-up share capital. This reserve is not normally distributable except on liquidation.

(O) General reserve

General reserve was appropriated from retained earnings and are available for distribution.

(P) Treasury shares

When share capital of the Company is repurchased, the amount of consideration paid is recognised as a change in equity. Repurchased shares classified as treasury shares are carried at cost and are presented as a deduction from equity. Gains/losses on disposal of treasury shares are recognised in equity.

(Q) Segments

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from other segments. The Group divides its business activities into strategic equity holdings portfolio, fixed income portfolio, trading portfolio and properties & other income producing portfolios and the revenue information of these components are reported to the Chief Operating Decision Maker (CODM). However, expenses and results are reviewed at the Group level and therefore no operating segment disclosure is provided in these consolidated financial statements.

(R) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Pensions and other social Benefits for Bahraini employees are covered by the Social Insurance Organisation ("SIO") scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's contribution to this scheme, which represents a defined contribution scheme under International Accounting Standard 19 – Employee Benefits, is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector, based on length of service and final remuneration. The provision for this unfunded commitment which represents a defined benefit plan under International Accounting Standard 19 – Employee benefits, is made by calculating the notional liability had all employees left at the reporting date. Effective 1 March 2024, all Bahrain based employers are required to make monthly contributions in relation to the expatriate indemnity to SIO, who would be responsible to settle leaving indemnities for expatriates at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Group.

(S) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is equal to the basic EPS as there are no dilutive potential ordinary shares.

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4. CASH AND BANK BALANCES

	31 December 2025	31 December 2024
Cash and cash equivalents	2,015,654	1,833,147
Pledged deposit (note 4.1)	-	406,100
Less: Allowance for expected credit losses	(5,302)	(5,302)
	2,010,352	2,233,945

4.1 Pledged deposit represents restricted bank balance of nil (31 December 2024: BD 406,100) which was held as collateral for a credit facility from a local bank and not available for day-to-day operations.

5. INVESTMENT SECURITIES

Investment securities comprise:

	31 December 2025	31 December 2024
At FVTOCI		
Quoted debt securities - mandatorily at FVTOCI (note 5.1)	-	6,976,134
Unquoted equity securities – designated at FVTOCI (note 5.2)	1,242,330	1,353,870
	1,242,330	8,330,004
At FVTPL		
Quoted equity securities (note 5.3)	8,950,834	16,815,013
Unquoted equity securities (note 5.4)	12,202,245	14,847,215
	21,153,079	31,662,228
	22,395,409	39,992,232

5.1 Debt securities at FVTOCI were sold during the year.

5.2 The Group has designated investments in equity securities with carrying value of BD 1,242,330 (31 December 2024: BD 1,353,870) at FVTOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes. No strategic investments were disposed of during 2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments. Dividend income of nil (2024: BD 286,259) was recognized on investments in equity securities designated at FVTOCI.

5.3 Quoted equity securities at FVTPL of BD 990,660 (31 December 2024: nil) are pledged against bank overdraft of BD 67,997 (31 December 2024: nil) (note 9.3)

5.4 Unquoted equity securities include the following material associates at FVTPL with a carrying value of BD 7,018,045 (31 December 2024: BD 1,355,430):

Name of the entity	Principal place of business	Principal activities	Percentage of holding
Nurture Ventures BSC (c)	Bahrain	Selling and buying shares and securities	49%
Esterad Bank BSC (c)	Bahrain	Investment bank	100% (note 27)
Bahrain Reef Hospitality	Bahrain	Real estate Development	71.698% (#)
Liquidity Program I	Bahrain	Leasing of properties	38.40%

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(#) As a result of changes in shareholder rights and governance provisions under a shareholders' agreement, the investment has been accounted for as an investment at FVTPL.

6. DEVELOPMENT PROPERTIES

	2025	2024
At 1 January	32,980,592	51,870,150
Additions	590,977	8,508,350
Cost of sales	-	(2,623,710)
Reclassified from investment properties (note 7)	-	654,032
Sale of subsidiary (note 16)	(4,460,966)	(25,428,230)
At 31 December	29,110,603	32,980,592

6.1 Development properties consist of the Difaaf Project, located in Reef Island in the Kingdom of Bahrain and owned by Reef Venture Real Estate W.L.L (a subsidiary), with a total area of 16,000 square meters. The properties were acquired by the Group in a partly developed condition in 2023. The Difaaf Project upon completion will include 604 units with 65,251 square meters saleable area.

6.2 Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Purchase cost of acquired development properties;
- Amounts paid to contractors for construction including the cost of construction of infrastructure;
- Value added tax which are not recoverable;
- Salaries of the project manager; and
- Interest costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

6.3 The net realisable value of the properties as at 31 December 2025 was assessed by management assuming the unit of account will be individual saleable units. Key observable inputs included expected market selling prices of similar completed units, cost to complete and cost of funding required for development completion. Any changes in these assumptions would result in the lower/ higher net realisable value of these assets. The net realisable value of the development properties as determined by an external real estate consultant as at the reporting date is higher than its carrying value. A downward change in the key assumptions by 5% does not lead to impairment provision on the carrying value of the development properties.

6.4 During the year, revenue of nil (2024: BD 3,909,848) has been recognised. The related costs of sales of nil (2024: BD 2,623,710) are also recognized in consolidated profit or loss and the profit from sale of development properties of nil (2024: BD 1,286,138) is recognised. Advances received are included in "contract liabilities" under other liabilities and unbilled revenues are recognised as "contract assets" under other assets. In the prior year, the Group recognised revenue from the sale of units in the Amwaj Project, which was exited during that year (note 16.2). During the current year, no development property units were ready for sale.

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7. INVESTMENT PROPERTIES

	2025	2024
At 1 January	14,623,000	21,546,246
Additions	-	640,614
Reclassified to development properties (note 6)	-	(654,032)
Change in fair value	(9,000)	235,921
Sale of subsidiary (note 16)	-	(7,145,749)
At 31 December	14,614,000	14,623,000

- 7.1 Investment properties comprise of 14,214 square meter land plot located in Reef Island, Kingdom of Bahrain, and owned by Global Real Estate Co W.L.L (a subsidiary).
- 7.2 All reclassification between development properties and investment properties is done at its fair value at the date of transfer. Fair valuation of land plot is determined by an external real estate consultant using market comparable approach (level 3 measure). 5% increase/ (decrease) in the comparable transaction price would have increased/ (decreased) consolidated profit or loss and equity by BD 730,700 (2024: BD 731,150).

8. OTHER ASSETS

	31 December 2025	31 December 2024
Investment related receivables (note 8.1)	10,859,850	996,976
Receivable from non-controlling interest (note 21.3)	676,617	188,163
Advances to suppliers	451,524	479,159
Receivable from a related party (note 21.2)	416,433	791,758
Fee income receivable	159,098	-
Right-of-use asset and equipment	134,629	175,917
Accrued interest receivable	8,828	112,223
Prepaid expenses	2,666	19,951
Receivable from former subsidiary	-	204,011
Other assets	180,569	302,913
	12,890,214	3,271,071

- 8.1 Investment relates receivables represents the amounts receivable from the sale of investment securities. Significant portion of this amount was received subsequent to the year end.
- 8.2 Information about the Group's exposure to credit risk, and impairment losses for other financial assets is included in note 22.

9. BORROWINGS

	31 December 2025	31 December 2024
Financing payable (note 9.1)	24,671,849	29,505,633
Short-term borrowings (note 9.2)	-	3,587,155
Bank overdrafts (note 9.3)	67,997	-
	24,739,846	33,092,788

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9.1 Financing payable represents two facilities availed by the Group.

The first facility of BD 24,281,654 (31 December 2024: BD 25,758,878) is a payable in the form of a murabaha which is repayable over a period of 7 years and carries a profit rate of 8.5%. The total facility availed amounted to BD 52,893,100, of which BD 28,611,446 was partially settled as of the reporting date. Facility was used for the acquisition of the subsidiary, Blue Sky Company W.L.L from Esterad Bank BSC (c) and for the settlement of related liabilities. Facility is secured against 100% of the Company's shares in Blue Sky Company W.L.L and Esterad Hospitality 1 W.L.L. Current portion of the facility is BD 6,029,326 (31 December 2024: BD 1,477,224) and non-current portion of the facility is BD 18,252,328 (31 December 2024: BD 24,281,654).

The second facility of BD 390,195 (31 December 2024: BD 3,746,755) is a mezzanine financing in the form of a murabaha which is repayable over a period of 2 years and carries a profit rate of 12%. Current portion of the facility is BD 390,195 (31 December 2024: BD 3,356,560) and non-current portion of the facility is nil (31 December 2024: BD 390,195).

9.2 Short-term borrowings of nil (31 December 2024: BD 3,587,155) were used for the purchase of debt securities and were secured against debt securities having fair value of nil (31 December 2024: BD 6,601,402). Short-term borrowings were fully repaid during the year. Interest on short-term borrowings were paid on monthly and quarterly basis at rates ranging from 4.99% to 5.78% per annum (2024: 5.05% to 6.16% per annum).

9.3 Bank overdrafts of BD 67,997 (31 December 2024: nil) with credit limit of BD 650,000 (31 December 2024: nil) are secured against quoted equity securities at FVTPL having fair value of BD 990,660 (31 December 2024: nil) as disclosed in note 5. Bank overdraft carries an interest rate of 7.5% per annum (2024: nil). Bank overdrafts are payable within 6 months.

10. EMPLOYEE BENEFITS

Bahraini employees are covered by the Social Insurance Organization pension scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's contributions in respect of Bahraini employees for 2025 which represent a defined contribution scheme under International Accounting Standard 19 – Employee Benefits amounted to BD 51,386 (2024: BD 42,313).

Employees are entitled to leaving indemnities based on length of service and final salary paid in accordance with the policy of the Group. Provision for this commitment which represents a defined benefit plan under International Accounting Standard 19 – Employee Benefits has been made by calculating the notional liability had all employees left at the statement of financial position date. At 31 December 2025, the Group employed 12, Bahrainis (31 December 2024: 10) and 3 expatriates (31 December 2024: 2). Provision for employees' leaving indemnities included in "other liabilities" under other liabilities. Movement in provision for employees' leaving indemnities is as below:

	2025	2024
At 1 January	49,428	28,700
Charge for the year	31,094	24,066
Paid during the year	-	(331)
Transferred to SIO during the year (10.1)	(3,861)	(3,007)
At 31 December	76,661	49,428

10.1 As per the changes in end-of-service benefits system for expatriate employees introduced by SIO effective from 1 March 2024, employers are required to pay the monthly end-of-service contributions electronically through the SIO portal in relation to the expatriate employees. SIO would be responsible to settle leaving indemnities for expat employees at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Group.

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11. OTHER LIABILITIES

	31 December 2025	31 December 2024
Accrued interest payable	1,751,038	714,468
Payable for additions to properties	340,000	4,220,800
Retention payable	321,153	321,153
Payable to a related party (note 21.6)	139,679	733,862
Payable for purchase of investment	130,955	240,289
Lease liability	38,078	86,008
Contract liabilities	-	1,042,500
Other liabilities	1,666,307	1,565,165
	4,387,210	8,924,245

12. SHARE CAPITAL

	31 December 2025		31 December 2024	
	Number	Value	Number	Value
Authorized: Shares of 100 fils each	200,000,000	20,000,000	200,000,000	20,000,000
Issued and fully paid: Shares of 100 fils each	162,079,462	16,207,946	154,388,620	15,438,932
Total treasury shares at cost	(585,000)	(108,700)	(550,115)	(101,873)
Net shares in public issue	161,494,462	16,099,246	153,838,505	15,337,059

Below is the movement in number of shares in public issue.

	2025	2024
At 1 January	153,838,505	146,523,128
Issued during the year (note 12.2)	7,690,842	7,325,459
Treasury shares acquired	(34,885)	(10,082)
At 31 December	161,494,462	153,838,505

	31 December 2025	31 December 2024
Stock exchange price per 100 fils share	200 fils	220 fils
Market capitalization of the Company	32,415,892	33,965,496
Basic earnings per 100 fils share	41.8 fils	39.9 fils

12.1 The earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of BD 6,746,767 (2024: BD 6,133,826) by the weighted average number of shares outstanding at the end of the year of 161,494,462 (2024: 153,838,505) excluding treasury shares.

12.2 During the year, the Company issued 7,690,842 (2024: 7,325,459) ordinary shares at par value of 100 fils per share to existing shareholders as bonus shares (note 14).

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Additional information on shareholding pattern

- (i) Names and nationalities of the major shareholders and the number of equity shares held through which they have an interest of 5% or more of outstanding shares.

31 December 2025	Nationality	Number of shares	% of holding
Manarat Investment Holding	Cayman Islands	25,292,237	15.60%
Nooruddin Abdulla Nooruddin Yusuf	Bahraini	10,136,095	6.25%
Serenity Asset 1 W.L.L.	Bahraini	10,040,830	6.20%
31 December 2024	Nationality	Number of shares	% of holding
Manarat Investment Holding	Cayman Islands	31,166,159	20.19%
Nooruddin Abdulla Nooruddin Yusuf	Bahraini	7,805,116	5.05%
Serenity Asset 1 W.L.L.	Bahraini	7,720,815	5.00%

- (ii) Distribution of the directors' holdings:

31 December 2025	Between 0 and 99,999 shares	Between 100,000 and 499,999 shares	Between 500,000 and 2,000,000 shares	Above 2,000,000 shares
Number of directors	-	1	1	2
31 December 2024	Between 0 and 99,999 shares	Between 100,000 and 499,999 shares	Between 500,000 and 2,000,000 shares	Above 2,000,000 shares
Number of directors	-	4	1	2

- (iii) The Company has only one class of equity shares which carry equal voting rights.

- (iv) The distribution of ordinary shares ownership based on nationality of the shareholder is shown below:

31 December 2025	Number of shares	Number of shareholders	% of total outstanding shares
Bahraini	133,552,273	4,049	82.40%
Other GCC countries	1,287,011	85	0.79%
Others	27,240,178	15	16.81%
Total	162,079,462	4,149	100.00%
31 December 2024	Number of shares	Number of shareholders	% of total outstanding shares
Bahraini	117,267,248	4,059	75.96%
Other GCC countries	4,232,664	77	2.74%
Others	32,888,708	14	21.30%
Total	154,388,620	4,150	100.00%

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12. SHARE CAPITAL (continued)

(ii) Distribution schedule of equity shares, setting out the number of holders and percentage in the following categories:

31 December 2025	Number of shares	Number of shareholders	% of total outstanding shares
Less than 1%	82,772,802	4,137	51.07%
1% up to less than 5%	33,837,498	9	20.88%
5% up to less than 10%	20,176,925	2	12.45%
10% up to less than 20%	25,292,237	1	15.60%
Total	162,079,462	4,149	100.00%

31 December 2024	Number of shares	Number of shareholders	% of total outstanding shares
Less than 1%	77,852,205	4,139	50.42%
1% up to less than 5%	29,844,325	8	19.33%
5% up to less than 10%	15,525,931	2	10.06%
20% up to less than 30%	31,166,159	1	20.19%
Total	154,388,620	4,150	100.00%

13. SIGNIFICANT SUBSIDIARIES

Set out below are the Group's principal subsidiaries at the reporting date. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly and indirectly by the Group and the proportion of ownership interests held equals to the voting rights held by the Group. Investments in subsidiaries mainly comprise special purpose vehicles which have been set-up to hold the strategic and equity investments and assets of the Company. These entities are not engaged in any other activities. All subsidiaries have the same reporting date as the Group.

Name of the entity	Principal place of business	Proportion of ownership interest held by the Group	
		31 December 2025	31 December 2024
Esterad ReallInvest 1 W.L.L	Bahrain	100.00%	100.00%
Esterad Amwaj Partnership Company	Cayman Islands	100.00%	100.00%
Esterad Share Invest I W.L.L	Bahrain	100.00%	100.00%
Esterad Hospitality 1 W.L.L	Bahrain	100.00%	100.00%
Esterad Ventures W.L.L	Bahrain	100.00%	100.00%
Esterad Education 1 W.L.L	Bahrain	100.00%	100.00%
Blue Sky Company W.L.L	Bahrain	100.00%	100.00%
Reef Venture Real Estate W.L.L	Bahrain	89.08%	86.10%
Global Realestate Co W.L.L	Bahrain	100.00%	78.00%
Esterad Capital Limited	United Arab Emirates	100.00%	-
Esterad Development Limited	Cayman Islands	100.00%	100.00%

Acquisition of NCI

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In March 2025, the Group acquired an additional 2.98% stake in Reef Venture Real Estate W.L.L, increasing its ownership from 86.10% to 89.08%. The carrying amount of Reef Venture Real Estate W.L.L's net assets in the Group's consolidated financial statements on the date of acquisition was BD 32,306,483.

	2025
Carrying amount of NCI acquired (BD 32,306,483 * 2.98%)	962,733
Consideration paid to NCI	(604,477)
A increase in equity attributable to the owners of the Company	358,256

In November 2025, the Group acquired an additional 22% stake in Global Realestate Co W.L.L, increasing its ownership from 78% to 100%. The carrying amount of Global Realestate Co W.L.L's net assets in the Group's consolidated financial statements on the date of acquisition was BD 14,616,924.

	2025
Carrying amount of NCI acquired (BD 14,616,924 * 22%)	3,215,723
Consideration paid to NCI	(3,215,723)
A increase in equity attributable to the owners of the Company	-

Total carrying amount of the NCI derecognised upon the acquisition amounted to BD 4,178,456 (2024: nil).

Non-controlling interests

The following table summarize the information relating to the Group's subsidiary, Reef Venture Real Estate W.L.L that has a material NCI, before any intra-group elimination:

	31 December 2025	31 December 2024
NCI percentage	10.92%	13.90%
Non-current assets	29,110,603	32,980,592
Current assets	5,103,276	640,993
Current liabilities	(1,726,883)	(1,315,101)
Net assets	32,486,996	32,306,484
Net assets attributable to NCI	3,547,580	4,490,601
Revenue	-	-
Profit/ (loss)	180,511	(59,135)
OCI	-	-
Total comprehensive income	180,511	(59,135)
Profit/ (loss) allocated to NCI	19,712	(8,220)
OCI allocated to NCI	-	-
Cash used in operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	-	-

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13. SIGNIFICANT SUBSIDIARIES (continued)

The following table summarize the information relating to the Group's subsidiary, Global Realestate Co W.L.L that has a material NCI, before any intra-group elimination:

	31 December 2024	31 December 2023
NCI percentage	-	22.00%
Non-current assets	-	14,623,000
Current assets	-	2,712
Current liabilities	-	(8,788)
Net assets	-	14,616,924
Net assets attributable to NCI	-	3,215,723
Revenue	-	132,079
Profit	-	128,808
OCI	-	-
Total comprehensive income	-	128,808
Profit allocated to NCI	-	28,338
OCI allocated to NCI	-	-
Cash used in operating activities	-	(3,095)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	3,547
Net increase/ (decrease) in cash and cash equivalents	-	452

Total carrying amount of the NCI as at 31 December 2025 is BD 3,547,580 (31 December 2024: BD 7,706,324).

14. APPROPRIATIONS

The board of directors proposed a cash dividend of 15% (15 fils per share) of the paid-up capital (excluding treasury shares) amounting to BD 2,422,159 for the year 2025. In the annual general meeting of the shareholders held on 6 April 2025, the shareholders approved a cash dividend of 15% (15 fils per share) amounting to BD 2,307,253 (2024: BD 2,197,846), 5% bonus shares of the paid-up capital (excluding treasury shares) amounting to BD 769,014 (2024: BD 732,616) and payment of charity donation of BD 100,000 (2024: BD 100,000) for the year 2024.

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15. INCOME FROM INVESTMENT SECURITIES

	2025	2023
Income from equity securities		
Dividend income	720,753	467,943
Realised gains on quoted equity securities at FVTPL	642,602	286,455
Realised gains on unquoted equity securities at FVTPL	3,399,422	542,783
Fair value (losses)/ gains on quoted equity securities at FVTPL	(3,162,282)	5,750,585
Fair value (losses)/ gains on unquoted equity securities at FVTPL	(960,818)	1,577,022
	639,677	8,624,788
Income from debt securities		
Interest income	223,980	620,304
Realised losses on sale of debt securities at FVTOCI	(319,902)	(2,804)
Changes in expected credit losses of debt securities at FVTOCI	23,194	-
	(72,728)	617,500
Custody fees	(2,410)	(11,036)
	564,539	9,231,252

16. GAIN ON SALE OF SUBSIDIARY

16.1 During the year, the Group established a new subsidiary via an in-kind contribution of certain areas in a real estate development project.

Subsequently, the Group disposed of significant portion of its stake in the new subsidiary. As a result of changes in shareholder rights and governance provisions under a shareholders' agreement, the Group divested its investment in the new subsidiary during the year.

Upon sale of subsidiary, the Group derecognised the assets and liabilities of that subsidiary and recognised the consideration received and the retained interest at fair value. The retained interest has been accounted for as an investment at FVTPL. The gain arising on the sale of subsidiary has been recognised in the consolidated statement of profit or loss and is calculated as follows:

	2025
Development properties	4,460,966
Net assets	4,460,966
Proportion of ownership interest held by the Group	89.08%
Group's share of net assets (A)	3,973,829
Fair value of the consideration received (B) (#)	3,215,723
Fair value of retained interest (C)	3,792,184
Gain on sale of subsidiary (B+C-A)	3,034,078

(#) The consideration was received in in-kind.

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16. GAIN ON SALE OF SUBSIDIARY (continued)

16.2 During 2024, the Group sold its 100% stake in a subsidiary, resulting in the loss of control of the subsidiary and the recognition of a gain on sale of subsidiary of BD 1,096,926, after allocating provisions for expected completion costs. During the year, upon completion of all performance obligations and conditions stipulated in the sale agreement, the Group determined that no further costs were expected to be incurred in relation to the sale agreement and accordingly recognised a residual gain on sale of subsidiary of BD 3,506,428.

16.3 Total gain on sale of subsidiary is BD 6,540,506 (2024: BD 1,096,926).

17. NET FEE INCOME

	2025	2024
Fee income (note 17.1)	801,046	776,620
Placement fee income (note 21.8)	-	50,267
Fee-income related expenses	(414,700)	-
	386,346	826,887

17.1 Fee income recognised during the current year represents the Group's share of fee for certain advisory services provided.

18. OTHER INCOME

	2025	2024
Gain from recoveries of fully impaired receivables (note 18.1)	3,273,058	222,430
Liabilities no longer required (note 18.2)	605,419	-
Interest income on financial assets measured at amortised cost	44,489	93,521
Foreign exchange loss	(51,139)	(17,674)
	3,871,827	298,277

18.1 During the year, a subsidiary of the Group made a settlement and recovery of previously impaired receivables resulting in a gain of BD 3,273,058 (2024: BD 222,430).

18.2 Liabilities no longer required represent the write-back of liabilities that are no longer required, following a review of obligations upon the completion of related transactions.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Staff cost	1,401,153	1,340,346
Professional and legal fees	560,681	701,232
Board remuneration and committees' fees	316,012	242,000
Office expenses	110,283	122,792
Other expenses	233,504	168,652
	2,621,633	2,575,022

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20. INTEREST EXPENSE

	2025	2024
Interest on financing payable	1,917,501	3,559,464
Interest on bank borrowings	46,712	446,424
Interest on payable for acquisition of subsidiary	-	139,417
Interest on advance received from customer (note 20.1)	-	75,682
Interest on lease liability	656	2,555
Interest on bank overdraft	1,237	-
	1,966,106	4,223,542

20.1 Interest on advance received from customer represents the interest paid on settlement of advance received from customer for sale of development properties upon cancellation of the sale agreement of nil (2024: BD 75,682).

20.2 Interest expenses directly attributable to the properties under construction amounting to BD 527,828 (2024: BD 485,776) was capitalized during the year (note 6.5) and interest rate used for capitalization was 8.50% per annum (2024: 8.50% per annum).

21. RELATED PARTIES

Transactions with key management personnel

Key management personnel of the Company include the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	2025	2024
Board remuneration (note 21.1)	250,000	180,000
Board sitting fees	51,500	42,250
Remuneration to key management personnel	1,147,464	1,095,490

21.1 The Group has accrued board remuneration of BD 250,000 (31 December 2024: BD 180,000) for the year ended 31 December 2025 which is subject to shareholders and regulatory authorities' approval. During the year, the Group paid BD 200,000 (2024: BD 168,778) as board of directors' remuneration.

Transactions with shareholders and entities in which directors are interested

Transactions with shareholders, entities controlled by directors, or over which they exert significant influence, are conducted on terms as approved by the Board of Directors. There were no other significant transactions with entities where the directors were interested. Transactions during the year and balances as at the year-end are as follows:

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21. RELATED PARTIES (continued)

Transactions with shareholders and entities in which directors are interested

Transactions with shareholders, entities controlled by directors, or over which they exert significant influence, are conducted on terms as approved by the Board of Directors. There were no other significant transactions with entities where the directors were interested. Transactions during the year and balances as at the year-end are as follows:

Balances with related parties	31 December 2025	31 December 2024
Assets		
Receivable from a related party (note 21.2)	416,433	791,758
Receivable from non-controlling interest (note 21.3)	676,617	188,163
Liabilities		
Financing payable (note 21.5)	94,250	2,425,386
Accrued interest payable (note 21.5)	1,324	84,335
Payable to a related party (note 21.6)	139,679	733,862
Transactions with related parties		
	2025	2024
Income		
Fee income from a related party (note 21.7)	641,948	776,620
Revenue from sale of development properties (note 21.4)	-	281,312
Reimbursement of expenses (note 21.2)	228,205	147,295
Placement fee income (note 21.8)	-	50,267
Expenses		
Interest expense on financing payable (note 21.5)	137,921	271,046
Revenue shared with a related party (note 21.9)	-	197,297
Asset management fee (note 21.6)	139,679	174,844
Transactions		
Loan given to a related party (note 21.10)	(112,471)	(1,987,921)
In-kind settlement of loan and receivable (note 21.11)	3,725,335	3,950,080

21.2 Receivable from a related party represents the amount receivable from Esterad Bank BSC (c) as the Group's share of fee for certain advisory services amounting to BD 188,228 (31 December 2024: BD 521,336) and reimbursement of expenses incurred by the Group on behalf of the Esterad Bank BSC (c) of BD 228,205 (31 December 2024: BD 270,422) as per service level agreements. Receivable from related party is secured by pledge of investment securities amounting to nil (31 December 2024: BD 568,025).

21.3 Receivable from non-controlling interest represents the advance paid to the non-controlling shareholders of the subsidiary, Reef Venture Real Estate W.L.L.

21.4 Revenue from sale of development properties represent the revenue recognized from the sale of development properties to key management personnel.

21.5 Financing payable represents payable in the form of a murabaha facility availed from key management personnel over a period

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of 2 years at a profit rate of 12% per annum. Accrued interest payable represents the interest accrued on the financing payable availed from key management personnel.

21.6 Payable to a related party represent the asset management fee payable to Esterad Bank BSC (c) by the subsidiaries Blue Sky Company W.L.L and Reef Venture Real Estate W.L.L.

21.7 Fee income of BD 641,948 recognized during the current year represents the Group's share of fee for certain advisory services provided to Esterad Bank BSC (c).

Fee income of BD 776,620 recognized in 2024 represent the compensation received from Esterad Bank BSC (c) for termination of put option in relation to the mudaraba agreement between previous owners of Blue Sky Company W.L.L and Esterad Bank BSC (c).

21.8 Placement fee income represents the Group's share of fee received from Esterad Bank BSC (c) in the form of equity stake in a real estate project for certain advisory services provided in relation to the successful completion of the transaction.

21.9 Revenue shared with a related party represents the amount shared with Esterad Bank BSC (c) in the form of equity stake in a real estate project, in compensation for their contribution to successful completion of the sale transaction.

21.10 Loan given to a related party represents an interest-free loan provided by the Group to Esterad Bank BSC (c), which was fully repaid during the year.

21.11 In-kind settlement of loan and receivable represents the settlement of receivable from Esterad Bank BSC (c) through transfer of investment securities and other assets.

22. FINANCIAL RISK MANAGEMENT

Overview

Financial instruments of the Group include cash and bank balances, investment securities, other financial assets, borrowings and other financial liabilities.

Accounting policies for financial instruments are set out in note 3. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Further qualitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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22. FINANCIAL RISK MANAGEMENT (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedure, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit which is outsourced to a professional firm.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causes the other party to incur a financial loss.

Exposure to credit risk

The Group's maximum exposures to credit risk is as follows.

	31 December 2025	31 December 2024
Cash and bank balances	2,010,352	2,233,945
Debt securities	-	6,976,134
Other financial assets	12,752,919	3,075,203
	14,763,271	12,285,282

Cash and bank balances

Cash and bank balances are placed with banks with good credit ratings. Credit risk on cash and bank balances is considered to be limited due to the short-term nature and quality of the limited local customers which the Group deals with.

Expected credit losses on cash and bank balances has been measured on the 12-month ECL basis and reflects the short-term maturities of the exposures. The Group uses a similar approach for assessment of ECLs for cash and bank balances to that used for debt securities at FVTOCI. The allowance as at 31 December 2025 for cash and bank balances was BD 5,302 (31 December 2024: BD 5,302).

Debt securities

Credit risk also arises from the Group's investment activities particularly debt securities. Debt securities are either sovereign or sovereign backed and accordingly credit risk is limited.

The movement in the allowance for impairment (12-months ECL) for debt securities at FVTOCI during the year was as follows.

	31 December 2025	31 December 2024
At 1 January	23,194	23,194
Reversal during the year	(23,194)	-
At 31 December	-	23,194

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The following table presents an analysis of the credit quality of debt securities.

	31 December 2025	31 December 2024
At FVTOCI		
A- to AA+	-	1,300,526
BB- to BB+	-	2,748,736
B- to B+	-	3,249,122
ECL allowance	-	(23,194)
Amortised cost	-	7,275,190
Carrying value	-	6,976,134

Other financial assets

The table below shows the past due profile of the Group's financial assets.

	31 December 2025	31 December 2024
Not past due	11,659,869	1,840,315
No specified maturity	1,093,050	1,234,888
	12,752,919	3,075,203

The management believes that based on the significant collection of the outstanding receivables subsequent to the year-end, available fallback arrangements and current status of discussion and collaterals, no allowance for impairment is necessary in respect of receivables other financial assets. The Group has collaterals in the form of investment securities amount to nil (31 December 2024: BD 568,025) against certain receivable balances.

Maturity of financial assets exposed to credit risk

The Group monitors concentrations of credit risk by maturity. An analysis of concentrations of credit risk at the reporting date is shown below:

31 December 2025	Less than 1 year	1 – 5 years	Above 5 years	Total
Cash and bank balances	2,010,352	-	-	2,010,352
Other financial assets	12,752,919	-	-	12,752,919
Total	14,763,271	-	-	14,763,271

31 December 2024	Less than 1 year	1 – 5 years	Above 5 years	Total
Cash and bank balances	2,233,945	-	-	2,233,945
Debt securities	-	5,856,182	1,119,952	6,976,134
Other financial assets	3,075,203	-	-	3,075,203
Total	5,309,148	5,856,182	1,119,952	12,285,282

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22. FINANCIAL RISK MANAGEMENT (continued)

Geographical concentration of financial assets

The Group also monitors concentrations of credit risk by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

31 December 2025	Cash and bank balances	Debt securities	Other financial assets	Total
Bahrain and other GCC countries	1,979,861	-	12,752,919	14,732,780
USA, EU and others	30,491	-	-	30,491
	2,010,352	-	12,752,919	14,763,271

31 December 2024	Cash and bank balances	Debt securities	Other financial assets	Total
Bahrain and other GCC countries	2,080,207	5,481,451	3,075,203	10,636,861
USA, EU and others	153,738	1,494,683	-	1,648,421
	2,233,945	6,976,134	3,075,203	12,285,282

Liquidity risk

Liquidity risk is defined as the risk that the Group will not have funds available to meet its financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Residual contractual maturities of financial liabilities are presented below:

31 December 2025	Carrying value	Gross nominal outflow	Less than 1 month	1 – 3 months	3 months to 1 year	Above 1 year
Borrowings	24,739,846	32,382,007	252,522	5,184,435	2,716,785	24,228,265
Other financial liabilities	4,310,549	4,311,141	955,718	808,100	2,547,323	-
Total financial liabilities	29,050,395	36,693,148	1,208,240	5,992,535	5,264,108	24,228,265
Commitments	21,000,000	21,000,000	-	-	7,000,000	14,000,000
Total	50,050,395	57,693,148	1,208,240	5,992,535	12,264,108	38,228,265

31 December 2024	Carrying value	Gross nominal outflow	Less than 1 month	1 – 3 months	3 months to 1 year	Above 1 year
Borrowings	33,092,788	46,831,472	3,822,795	439,851	1,979,338	40,589,488
Other financial liabilities	7,832,317	7,836,099	144,954	376,366	7,226,681	88,098
Total financial liabilities	40,925,105	54,667,571	3,967,749	816,217	9,206,019	40,677,586
Commitments	-	-	-	-	-	-
Total	40,925,105	54,667,571	3,967,749	816,217	9,206,019	40,677,586

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Market risk

Market risk is the risk that changes in market prices -e.g. interest rate, equity prices and foreign exchanges rates will affect the Group's income or the value of its holdings of financial instruments. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

The Group is exposed to market risk with respect to its cash and bank balances, investment in debt securities and borrowings. All such transactions are carried out within the guidelines set by the Investment Policies & Procedures.

The Group regularly assesses these risks and has established policies and business practices to protect against the adverse effects of market movement and other potential exposures.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily from its floating rate bank borrowings. The Group manages interest rate risk by constantly monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

The Group is exposed to interest rate risk on the following financial assets and liabilities:

	31 December 2025		31 December 2024	
	Carrying value	Effective interest rates (%)	Carrying value	Effective interest rates (%)
Assets				
Cash and cash equivalents	282,750	3.80%	406,100	5.60%
Debt securities	-	-	6,976,134	7.25%
Liabilities				
Borrowings	24,739,846	9.28%	33,092,788	7.07%

A change of 1% in interest rates would have increased/ (decreased) equity and consolidated profit or loss by BD 244,571 (2024: BD 257,106). This analysis assumes that all other variables, in particular foreign currency rates remain constant.

Exposure to currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group had the following significant net exposures denominated in foreign currency as at the reporting date:

	31 December 2025	31 December 2024
US Dollar	(9,648,981)	(21,265,972)
Kuwaiti Dinars	581,575	400,743
Other GCC Currencies (*)	4,283,395	10,503,646
Euros	12,924	12,939
Turkish Lira	7,966,163	15,999,156
Sterling Pounds	121,567	146,038

(*) These currencies are pegged to the US Dollar.

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22. FINANCIAL RISK MANAGEMENT (continued)

The Bahraini Dinar is effectively pegged to the US Dollar, thus currency risks occur mainly in respect of other currencies. The Group normally uses forward exchange contracts to hedge a specific foreign currency risk. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Equity price risk – sensitivity

All of the Group's listed equity investments are listed on recognised regional and global stock exchanges. For investments classified as at FVTPL, the impact of a 2% change in the index at the reporting date would have increased/ (decreased) consolidated profit or loss and equity by BD 139,675 (2024:BD 185,959).

23. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's target is to achieve a return on shareholders' equity at a margin above the risk-free rate which is appropriate for the level of investment risk. In 2025 the total return on equity was 13.96% (2024: 14.14%).

The Group does not have a defined share buy-back plan and treasury shares are purchased depending on favourable market prices. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24. COMMITMENTS AND CONTINGENT LIABILITIES

	31 December 2025	31 December 2024
Commitments to the contractor in consideration for the execution and completion of development of properties	21,000,000	-
	21,000,000	-

24.1 The Company has provided corporate guarantee of BD 24,671,849 (31 December 2024:BD 29,505,633) for the financing facility availed (note 9).

24.2 The Company has provided a performance guarantee of nil (31 December 2024: BD 6,015,154) to Esterad Bank BSC (c), who has issued a letter of guarantee to RERA, on behalf of Company's former subsidiary, Esterad Amwaj Co. W.L.L (note 16). During the year, the letter of guarantee issued to RERA was replaced by the buyer of the subsidiary.

25. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

a. Fair value

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. as derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, like listed equities and interest rate swaps that use only observable market data and require little management judgment and estimation. For complex models, the valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the IFRS Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Audit Committee.

The table below analyses financial instruments, measured at fair value as at the end of the year, by level in the fair value hierarchy into which the fair value measurement is categorized:

31 December 2025	Level 1	Level 2	Level 3	Total
Investment securities				
FVTOCI				
Equity securities	-	-	1,242,330	1,242,330
FVTPL				
Equity securities	8,889,290	61,544	12,202,245	21,153,079
	8,889,290	61,544	13,444,575	22,395,409
31 December 2024	Level 1	Level 2	Level 3	Total
Investment securities				
FVTOCI				
Debt securities	6,601,402	374,732	-	6,976,134
Equity securities	-	-	1,353,870	1,353,870
FVTPL				
Equity securities	2,118,490	14,696,523	14,847,215	31,662,228
	8,719,892	15,071,255	16,201,085	39,992,232

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25. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

During the year, certain equity securities at FVTPL with a carrying value of BD 7,960,174 were transferred from level 2 to level 1 of the fair value hierarchy, as quoted prices were available at or near the reporting date with sufficient trading volumes. Further, certain equity securities at FVTPL with a carrying value of BD 61,544 were transferred from level 1 to level 2 of the fair value hierarchy, as quoted prices were not available at or near the reporting date with sufficient trading volumes. The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

The table below shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

	2025	2024
At 1 January	16,201,085	15,811,958
Total gains or losses:		
- in profit and loss	2,438,604	1,122,012
- in other comprehensive income	(111,540)	10,541
Purchases	6,115,575	3,710,640
Sales	(11,199,149)	(2,352,552)
Transfer to level 2	-	(2,101,514)
At 31 December	13,444,575	16,201,085

The following table shows the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity investments at fair value	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITOA of the investee. The estimate is adjusted for the net debt of the investee.	Discount for lack of marketability	The estimated fair value would increase (decrease) if the discount for lack of marketability were lower (higher).
	Discounted cash flow technique	<ul style="list-style-type: none"> • Estimated cash flow • WACC • Discount for lack of marketability 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • Estimated cash flow were higher (lower) • WACC were lower (higher) • Discount for lack of marketability were lower (higher)
	Adjusted net asset value	Discount for lack of marketability	A significant increase in discount would result in a lower fair value.
	Latest transaction price	Not applicable	Not applicable

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Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effect:

	31 December 2025		31 December 2024	
	Profit or Loss	OCI	Profit or Loss	OCI
WACC (1% increase)	(206,885)	-	(764,493)	-
Discount for lack of marketability (10% increase)	(211,420)	-	(201,472)	-
Estimated cash flow (10% increase)	252,043	-	564,663	-
Net asset value (10% increase)	264,200	124,233	431,501	135,387
Latest transaction price (10% increase)	539,930	-	96,413	-

	31 December 2025		31 December 2024	
	Profit or Loss	OCI	Profit or Loss	OCI
WACC (1% decrease)	232,137	-	912,843	-
Discount for lack of marketability (10% decrease)	211,363	-	201,406	-
Estimated cash flow (10% decrease)	(249,039)	-	(565,503)	-
Net asset value (10% decrease)	(264,200)	(124,233)	(431,501)	(135,387)
Latest transaction price (10% decrease)	(539,930)	-	(96,413)	-

b. Classification

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

31 December 2025	At FVTPL	At FVTOCI	At amortised cost	Total carrying value	Fair value
Cash and bank balances	-	-	2,010,352	2,010,352	2,010,352
Investment securities					
- Equity securities	21,153,079	1,242,330	-	22,395,409	22,395,409
- Debt securities	-	-	-	-	-
Other financial assets	-	-	12,752,919	12,752,919	12,752,919
Total financial assets	21,153,079	1,242,330	14,763,271	37,158,680	
Borrowings	-	-	24,739,846	24,739,846	24,739,846
Other financial liabilities	-	-	4,310,549	4,310,549	4,310,549
Total financial liabilities	-	-	29,050,395	29,050,395	

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Bahraini Dinars

25. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2024	At FVTPL	At FVTOCI	At amortised cost	Total carrying value	Fair value
Cash and bank balances	-	-	2,233,945	2,233,945	2,233,945
Investment securities					
- Equity securities	31,662,228	1,353,870	-	33,016,098	33,016,098
- Debt securities	-	6,976,134	-	6,976,134	6,976,134
Other financial assets	-	-	3,075,203	3,075,203	3,075,203
Total financial assets	31,662,228	8,330,004	5,309,148	45,301,380	
Borrowings	-	-	33,092,788	33,092,788	33,092,788
Other financial liabilities	-	-	7,832,317	7,832,317	7,832,317
Total financial liabilities	-	-	40,925,105	40,925,105	

The carrying values of cash and bank balances, other assets, borrowings and other liabilities are a reasonable approximation of fair value due to their short-term nature. Borrowings and liabilities in excess of 12 months within other liabilities are priced closer to market rates for similar instruments and hence the carrying value is assessed as being a reasonable approximation of the fair value.

26. DOMESTIC MINIMUM TOP-UP TAX

The Group is domiciled and operates in the Kingdom of Bahrain which has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the Multi-National Enterprise (MNE) group for fiscal years commencing on or after 1 January 2025.

As per the Group's assessment of applicability of the DMTT law, the Group has assessed and concluded that the Group is not in scope for the Bahrain DMTT law or the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules'). The reason for this conclusion is:

- the Group does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, the Group does not expect to be subject to the Bahrain DMTT law and GloBE rules for the next fiscal year.

27. INVESTMENT IN ESTERAD BANK BSC (c)

During 2022, the Group acquired 100% effective stake in Esterad Bank BSC (c) ("EB"), a wholesale bank licensed by the Central Bank of Bahrain ("CBB"), which is currently undergoing internal reorganization.

While EB's banking activities remains suspended by the regulator due to capital deficiencies, EB received restrictive approvals from CBB to reactivate part of its asset management activities which allowed it to initiate new transactions subject to CBB approval on a case-by-case basis. As part of its investment strategy, the Group intends to work with EB's customers and creditors to recapitalize EB in a gradual manner after concluding the requisite agreements with major creditors, AUM investors and the regulators, to enable it to continue business activities. As part of recapitalization plan, EB obtained CBB approval and launched an AT1 Perpetual Sukuk Program during 2023 which was subscribed for by third parties and has improved its capital structure. At this stage, the financial terms of various reorganization proposals are under negotiations and hence the financial impact of any future changes cannot be quantified.

The acquisition did not grant the Group control over relevant activities of EB, as its operations are currently subject to significant restrictions imposed by the regulator. However, the Company exercises significant influence over the investee. The investment in EB is accounted for under investment in an associate at FVTPL (note 5).

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Bahraini Dinars

28. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities				Equity				Total
	Borrowings	Other liabilities	Share capital	Share premium	Treasury shares	Reserve	Retained earning	Non-controlling interest	
At 1 January 2025	33,092,788	8,924,245	15,438,932	8,121,691	(101,873)	5,854,071	14,064,662	7,706,324	93,100,840
Borrowings repaid	(8,420,939)	-	-	-	-	-	-	-	(8,420,939)
Interest paid	-	(3,633,705)	-	-	-	-	-	-	(3,633,705)
Dividends paid	-	(1,502)	-	-	-	-	(2,307,253)	-	(2,308,755)
Payment of lease liabilities	-	(51,120)	-	-	-	-	-	-	(51,120)
Purchase of treasury shares	-	-	-	-	(6,827)	-	-	-	(6,827)
Charity paid	-	-	-	-	-	(10,000)	-	-	(10,000)
Net cash used in financing activities	(8,420,939)	(3,686,327)	-	-	(6,827)	(10,000)	(2,307,253)	-	(14,431,346)
Other changes:									
Interest expenses on borrowings	-	2,493,934	-	-	-	-	-	-	2,493,934
Bank overdraft availed	67,997	-	-	-	-	-	-	-	67,997
Other changes – liabilities	-	(3,344,642)	-	-	-	-	-	-	(3,344,642)
Liability-related other changes	67,997	(850,708)	-	-	-	-	-	-	(782,711)
Equity-related other changes	-	-	769,014	-	-	304,567	6,218,958	(4,158,744)	3,133,795
At 31 December 2025	24,739,846	4,387,210	16,207,946	8,121,691	(108,700)	6,148,638	17,976,367	3,547,580	81,020,578

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Bahraini Dinars

28. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (continued)

	Liabilities			Equity						Total
	Borrowings	Payable for acquisition	Other liabilities	Share capital	Share premium	Treasury shares	Reserve	Retained earning	Non-controlling interest	
At 1 January 2024	11,632,799	53,496,500	6,867,193	14,706,316	8,121,691	(99,363)	3,526,423	13,943,639	7,663,313	119,858,511
Borrowings availed	54,599,253	-	-	-	-	-	-	-	-	54,599,253
Additional borrowings, net	(2,661,149)	-	-	-	-	-	-	-	-	(2,661,149)
Payment towards deferred liability	-	(2,601,500)	-	-	-	-	-	-	-	(2,601,500)
Interest paid	-	-	(1,138,677)	-	-	-	-	-	-	(1,138,677)
Dividends paid	-	-	(424)	-	-	-	-	(2,197,846)	-	(2,198,270)
Payment of lease liabilities	-	-	(30,553)	-	-	-	-	-	-	(30,553)
Purchase of treasury shares	-	-	-	-	-	(2,510)	-	-	-	(2,510)
Net cash from/ (used in) financing activities	51,938,104	(2,601,500)	(1,169,654)	-	-	(2,510)	-	(2,197,846)	-	45,966,594
Other changes:										
Interest expenses on borrowings	-	-	4,709,318	-	-	-	-	-	-	4,709,318
Derecognition on sale of subsidiary	(3,343,893)	-	-	-	-	-	-	-	-	(3,343,893)
Non-cash settlement of financing payable and accrued interest (note 16)	(27,134,222)	-	(3,025,778)	-	-	-	-	-	-	(30,160,000)
Acquisition of subsidiary	-	(50,895,000)	-	-	-	-	-	-	-	(50,895,000)
Other changes – liabilities	-	-	1,543,166	-	-	-	-	-	-	1,543,166
Liability-related other changes	(30,478,115)	(50,895,000)	3,226,706	-	-	-	-	-	-	(78,146,409)
Equity-related other changes	-	-	-	732,616	-	-	2,327,648	2,318,869	43,011	5,422,144
At 31 December 2024	33,092,788	-	8,924,245	15,438,932	8,121,691	(101,873)	5,854,071	14,064,662	7,706,324	93,100,840

29. COMPARATIVES

The Group has regrouped certain comparative balances in the consolidated statement of financial position, the consolidated statement of profit or loss and the consolidated statement of cash flows for presentation purposes only, to ensure consistency with the current year presentation. Such regrouping did not affect the previously reported profit and total comprehensive income for the year or the Group's total equity.

The material regrouping primarily relates to the reclassification of unrealised fair value changes from retained earnings to the fair value reserve.

The impact of the material regrouping on the comparative period is as follows:

Consolidated statement of financial position:

	2024 (Previously reported)	Regrouping	2024 (Regrouped)
Fair value reserve	-	(2,149,347)	(2,149,347)
Retained earnings	11,915,315	2,149,347	14,064,662



ESTERAD