



Ali Alghanim Sons Automotive
Company K.S.C.P

Annual Report

2025







**His Highness Sheikh
Meshal Al-Ahmad Al-Jaber Al Sabah**

Amir of the State of Kuwait

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Welcome to the Ali Alghanim Sons Story

In 2025, Ali Alghanim Sons Automotive Company K.S.C.P. accelerated its regional growth agenda, delivering record financial performance and high-impact strategic execution across Kuwait, Iraq and Egypt. We strengthened our platform through targeted investments that expanded operational capabilities, enhanced customer-focused services, and reinforced long-term value creation.

Despite economic headwinds that softened consumer spending and increased pressure on luxury purchasing, we maintained momentum by protecting and expanding market share. This was achieved through an optimized product mix focused on luxury SUVs and technologically advanced models, strengthened dealership networks, and a premium customer journey supported by targeted marketing, digital tools, personalized financing, and exclusive client experiences. Together, these actions enabled us to deliver strong outcomes for shareholders while advancing sustainable, long-term growth.

Key highlights in 2025 included

01

We delivered record revenue and profitability, supported by resilient performance across our core markets and a substantial increase in market capitalization.

02

In Egypt, we achieved major strategic progress through the Geely manufacturing project, reinforcing our role in strengthening local automotive capabilities and long-term market development.

03

We completed the acquisition of an 8.33% stake in Global Auto Egypt, reflecting our continued commitment to growth and strategic value creation in the Egyptian market.

04

In Iraq, we advanced regional expansion through the continued development of our Mazda and Rolls-Royce operations, strengthening our positioning across both volume and premium automotive segments.

05

In Egypt, the expansion of MAN Truck operations further diversified our portfolio and strengthened our presence in the commercial vehicle segment.

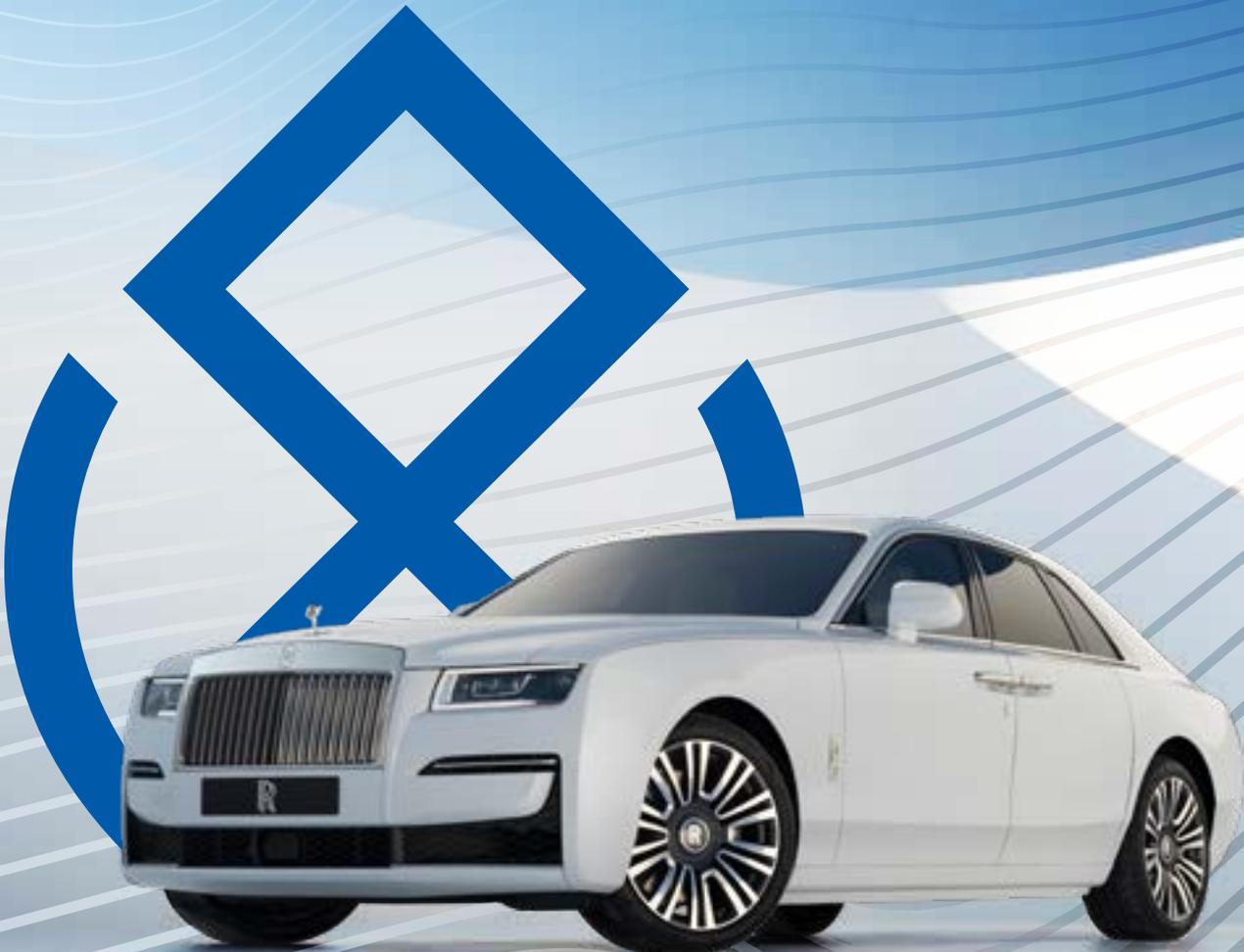
06

In response to market pressures, including lower consumer spending and softness in luxury purchasing, we protected and grew market share through dealership network strengthening, product mix optimization, and targeted marketing and pricing strategies supported by digital tools, personalized financing solutions, and exclusive client experiences.



01

Key Highlights and Recap of 2025



Milestones

- In **2025**, Ali Alghanim Sons Automotive Company K.S.C.P. delivered a year of meaningful progress and strategic achievements, reinforcing its position as a regional automotive leader. Despite operating in a challenging macroeconomic environment, the Company advanced its long-term strategy through targeted expansion, digital transformation, and strengthened governance, all while protecting shareholder value.
- A major milestone in **2025** was the advancement of the Geely manufacturing project in Egypt, alongside the acquisition of an **8.33%** stake in Global Auto Egypt, further deepening the Company's presence in one of the region's most important automotive markets. The Company also expanded its regional footprint with the launch of Mazda and Rolls-Royce operations in Iraq, and MAN Truck operations in Egypt, broadening its brand portfolio and strengthening its leadership across multiple vehicle segments.
- Operational excellence and digital transformation were key drivers of performance during the year. In **2025**, the Company delivered significant progress through the implementation of multiple digital applications and system enhancements. These included the launch of an Aftersales Refund Application via an online portal to streamline refund processing, a Push-to-Wash application to automate vehicle wash requests, and the enablement of Service Contract Sales on KEYLOOP Autoline Drive IA, supporting aftersales revenue growth and customer retention.
- Further digital advancements included the development of a Digital Campaign Management application to centralize campaign requests, approvals, and tracking, as well as the rollout of additional portal applications that reduced manual processes, improved transparency, and enhanced internal workflows. Collectively, these initiatives improved operational efficiency, accelerated processing times, and elevated service visibility for both employees and customers.
- Supporting this digital progress, the Company achieved notable milestones in IT infrastructure and system administration. During the year, multiple network infrastructure upgrades were completed to enhance system stability, connectivity, and performance across operational sites. Server capacity and storage were expanded to meet growing data and application demands, while security, access control, backup, and disaster recovery systems were strengthened to ensure business continuity and compliance. These efforts significantly reduced system downtime and reinforced the resilience of mission-critical platforms.
- In parallel, disciplined system administration practices ensured consistent performance and reliability across the Company's IT environment. Regular maintenance, access management, patching, and proactive monitoring enhanced system security, minimized disruptions, and supported uninterrupted business operations throughout the year.
- Among the achievements of **2025**, the Company is particularly proud of its success in strengthening shareholder confidence through disciplined financial performance, enhanced governance frameworks, and a clear focus on long-term strategic positioning. This milestone reflects the Board and Management's commitment to resilience, accountability, and sustainable value creation.

Achievements

A Year of Strategic Resilience and Progress

The financial year of **2025** marked a pivotal chapter for Ali Alghanim Sons Automotive Company K.S.C.P., characterized by strong financial performance, disciplined execution, and steady progress amid a challenging global and regional economic environment. Building on its legacy of excellence, the company continued to strengthen its operational foundation while enhancing customer-focused offerings across Kuwait, Iraq, and Egypt.

Despite softer consumer spending and increased pressure on premium and luxury automotive demand, the company demonstrated resilience and adaptability. Ali Alghanim Sons Automotive Company K.S.C.P. delivered record annual revenue of **KD 297,063,835**, net profit attributable to shareholders of **KD 31,139,795** and a market capitalization of **KD 407, 278,46**, reflecting leadership's continued focus on shareholder value creation and sustainable long-term growth.

In **2025**, total assets reached **KD 274,526,030**, while total equity attributable to shareholders stood at **KD 105,431,782**. These results were supported by disciplined cost management, optimized product mix, and strong market share gains within the premium segment across key markets.

Strengthening Market Leadership Across Core and Regional Markets

Ali Alghanim Sons Automotive Company K.S.C.P. further reinforced its leadership position across Kuwait, Iraq, and Egypt through selective expansion, strategic investments, and enhanced accessibility.

In Kuwait, the company expanded its aftersales footprint with the opening of Adan and Hawally service stations, while advancing major projects under construction, including the MAKFM Ahmadi facility and the Jaber Al Ahmed showroom. These developments underscore the company's commitment to proximity, convenience, and service excellence.

Regionally, 2025 was marked by significant milestones. The company advanced the Geely manufacturing project in Egypt, acquired an 8.33 percent stake in Global Auto Egypt, and successfully launched Mazda and Rolls-Royce operations in Iraq, alongside MAN Truck operations in Egypt. These strategic initiatives strengthen regional diversification and position the company for sustained growth across high-potential markets.

Financial Discipline and Strategic Resilience in a Challenging Environment

During 2025, the automotive sector faced a decline in consumer spending, pressure on luxury purchases, and heightened competitive dynamics. In response, leadership executed a focused and agile strategy. As a result, the company's premium brands increased market share and outperformed the broader segment, reinforcing the effectiveness of its long-term strategic positioning.

Digital Transformation and Operational Excellence

Digital enablement remained a key driver of efficiency and customer experience in 2025. The company implemented a range of internally developed digital applications to streamline operations, enhance transparency, and reduce manual processes.

Infrastructure and system administration upgrades further strengthened IT resilience, data security, and business continuity. In parallel, the company introduced integrated AI-powered chatbots for BMW and Geely, enhancing customer engagement and accessibility while laying the foundation for broader AI-driven capabilities in 2026.

Elevating Customer Experience and Aftersales Excellence

Customer satisfaction remained central to the company's strategy in 2025. Aftersales environments were upgraded in line with global brand standards, including the full alignment of BMW aftersales areas with BMW Retail. Next concept and the installation of a new Q-Matic system to ensure smoother service flows.

Across brands, multiple initiatives were introduced to improve service accessibility, speed, and transparency. As a result, customer satisfaction scores improved across several brands, particularly in service NPS, reflecting the company's continued investment in aftersales excellence as a long-term value driver.

Advancing Sustainability and Social Responsibility

In 2025, Ali Alghanim Sons Automotive Company K.S.C.P. continued to integrate sustainability into its operations. Key initiatives included energy efficiency upgrades, smart electricity monitoring, waste segregation and recycling programs, and infrastructure enhancements to reduce environmental impact.

The company also delivered a range of social and community initiatives, including World Heart Day, National Day of Persons with Disabilities, blood donation campaigns, employee engagement events, and the achievement of ISO certification. These efforts align with the company's broader ESG framework and reinforce its commitment to responsible business practices.

People, Talent, and Organizational Strength

With a workforce of 1,341 employees, the company continued to invest in talent development, safety training, and professional growth. In 2025, 162 new employees were hired, including 10 Kuwaiti nationals, supporting national workforce objectives.

Targeted HSE and first aid training programs, along with manufacturer-led certifications, strengthened skills and operational readiness. Long-standing internal success stories reflect a culture that recognizes performance, loyalty, and capability, reinforcing people and service culture as strategic assets.

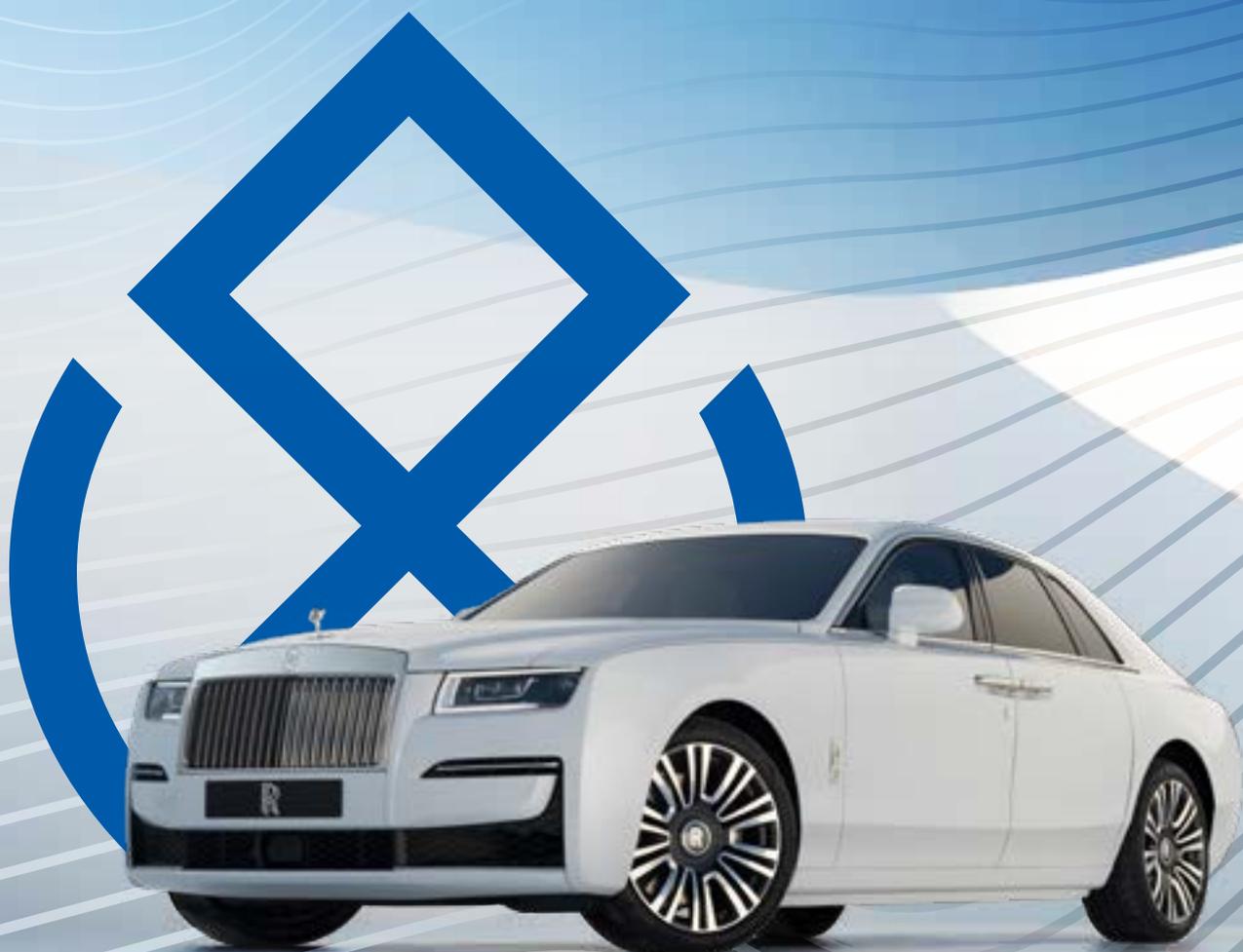
Looking Ahead

2025 reinforced Ali Alghanim Sons Automotive Company K.S.C.P.'s ability to deliver strong performance through disciplined execution, governance excellence, and customer-centric strategy. By strengthening shareholder confidence, advancing regional expansion, and investing in digital and service innovation, the company has established a solid platform for continued growth in 2026 and beyond.



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About Ali Alghanim and MVV



About Us

From our beginnings in the early 1960s as a small family business venture, Ali Alghanim Sons Automotive Company K.S.C.P. has grown into one of the region's leading automotive groups, with a strong and expanding presence across Kuwait, Iraq and Egypt. Today, we represent a diversified portfolio of globally recognized automotive brands across both passenger and commercial segments, reflecting our long-standing reputation for quality, trust, and a premium customer experience. These brands include Rolls-Royce, BMW, MINI, Land Rover, McLaren, Geely, GWM, and Man Trucks.

As a prominent publicly listed company on the Kuwaiti stock exchange, we operate through [9] subsidiaries and affiliates, supporting a highly diversified automotive portfolio ranging from entry-level passenger vehicles to ultra-luxury marques, as well as heavy commercial vehicles and equipment. This scale and breadth enable us to deliver a comprehensive ownership journey, supported by robust operational capabilities and a consistent focus on service excellence.

We continue to invest in enhanced customer experiences and sustainability-focused initiatives. In Kuwait, we operate a network of [18] service centres, alongside [11] car showrooms that deliver world-class sales and after-sales services.

Our long-term direction is anchored in our Vision, to remain synonymous with quality and excellence, and to be recognized as the leading automotive business in Kuwait and the trusted representative of premium automotive brands and marques across the region, and our Mission, to meet the expectations of sophisticated clientele by offering world-class automotive products and a premium ownership experience, delivered by highly qualified professionals committed to customer-centric service across the value chain.

In 2025, we were guided by a clear set of core values that reflect both our heritage and our evolution as a publicly listed automotive leader. These values include a commitment to quality and excellence, a customer-first service ethos, strategic expansion and accessibility, sustainable growth and shareholder value, and a strong culture of resilience and innovation.

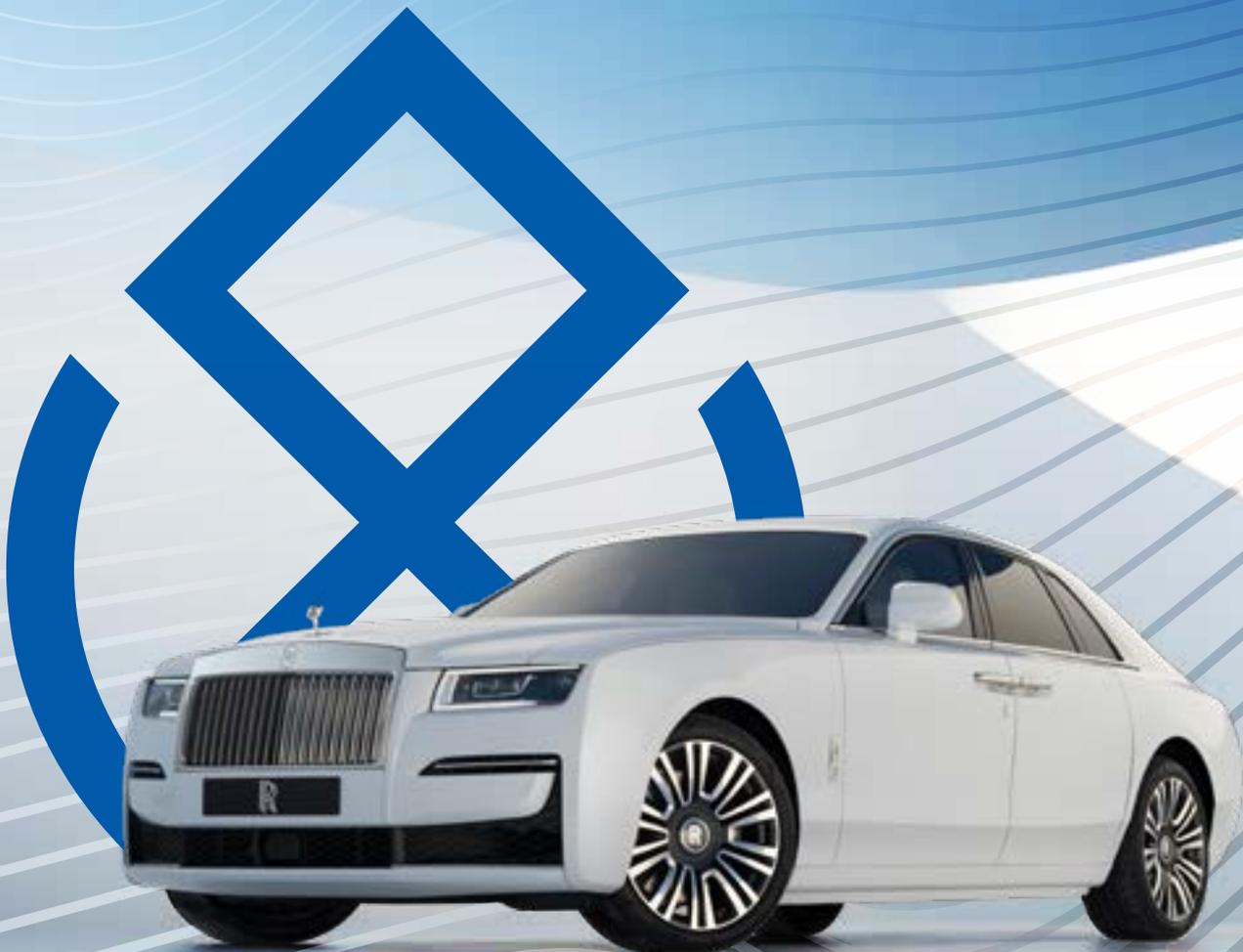
Our distinctive market position is built on differentiators that directly strengthen customer satisfaction, brand strength, and service excellence across our markets. These include a comprehensive and customer-centric aftersales ecosystem, exceptional customer service standards, and a strategically positioned network of locations that enhances accessibility and convenience.

Beyond vehicle import and distribution, our activities extend across a wide range of services, including aftersales and aftermarket products, certified used vehicle sales, rental and leasing, ride-hailing, car valuation, technical inspection, and vehicle registration renewal services. Sustainability also remains a core priority, supported by continued investments in energy efficiency and alignment with international ESG standards.



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Statement from the Chairman



Dear Shareholders of Ali Alghanim Sons Automotive Company K.S.C.P.

On behalf of the Board of Directors, and personally, I am pleased to present the Company's Annual Report for the year 2025. The year was marked by resilience, disciplined execution, and steady progress across challenging markets. Despite these conditions, the Board's priorities remained clear and consistent, strengthening financial performance, protecting shareholder value, and ensuring the long-term sustainability of the business.

Over the past year, the Board focused on improving profitability and financial discipline, enhancing operational efficiency, and rationalizing costs across the Company. We also strengthened corporate governance and risk management, while pursuing selective growth through diversified strategic investments and partnerships. In parallel, we continued to build leadership depth and organizational capabilities that support the Company's long-term ambitions.

This report highlights the Company's key achievements during 2025, presents our financial performance, and outlines our forward-looking direction and growth plans, as we continue to reinforce our position as one of the leading automotive companies in the State of Kuwait and the Middle East.

Overall Performance and Key Achievements

During 2025, Ali Alghanim Sons Automotive Company K.S.C.P. delivered positive results across multiple areas. Through its subsidiaries and associates, the Company strengthened its product portfolio by securing new global agency representations in Iraq and Egypt, and by introducing new models across several international brands represented in Kuwait, including Rolls-Royce, BMW, MINI, Land Rover, Geely, GWM, MAN Trucks, and McLaren. These efforts contributed to elevating the customer experience, enhancing satisfaction, and fostering long-term customer relationships.

As part of our local expansion strategy, we continued to strengthen the presence of our represented brands in Kuwait through the development of showrooms and the expansion of fast-service center networks. The Company also advanced its integrated mobility ecosystem, encompassing aftersales services, certified pre-owned vehicle sales, short- and long-term leasing, passenger transport services, vehicle valuation, technical inspection, and vehicle registration renewal services.

In support of these initiatives, the Company expanded its local footprint through the development of two new and upgraded service centers equipped with state-of-the-art facilities and technologies, bringing the total number of service centers to **18**. This expansion reflects our ongoing commitment to service excellence and operational leadership.

Local Market Diversification

Chinese automotive brands accounted for approximately **28.8%** of total vehicle sales in the local market during 2025. Notably, Great Wall Motors delivered strong performance, surpassing the overall year-on-year growth of Chinese automotive brands which stood at **42.1%** compared to 2024. Great Wall Motors recorded growth of approximately **158.5%**, strengthening its position in the Kuwaiti market through competitive value propositions and continuous product and service enhancement. This performance reflects ongoing improvements in technology and evolving customer perceptions and preferences toward Chinese automotive brands, particularly Great Wall Motors.

Within the luxury segment, and despite market challenges, BMW and Land Rover continued to demonstrate resilient performance, reflecting the strength of both brands and the depth of their market presence. The Company successfully maintained its market share, underscoring its ability to manage market volatility effectively and reinforce its leadership position within the premium automotive sector. This performance is supported by long-standing strategic partnerships spanning more than **39 years** with BMW and over **27 years** with Land Rover, further reinforcing the Company's position as a trusted partner and market leader.

Financial Performance

The Company delivered strong financial results in 2025. Net profit attributable to shareholders of the parent company increased by **6.42%** compared to the previous year, reaching KD **31,139,795**. Basic earnings per share attributable to shareholders of the parent company rose by **5.96%** year-on-year to **87.06** fils per share.

Notably, the Company's financial performance significantly exceeded the projections outlined in the IPO prospectus, with net profit attributable to shareholders of the parent company increasing by approximately **59%** compared to the forecasted figures.

Total assets grew by **4.30%** year-on-year to reach KD **274,526,030**, while total equity attributable to shareholders of the parent company increased by **18.69%**, amounting to KD **105,431,782** in 2025.

Dividend Distribution

In light of these achievements, the Board resolved to recommend to the General Assembly the distribution of interim cash dividends for the six-month period ended 31 December 2025 at a rate of **26.86%** of the nominal share value, equivalent to **26.86** fils per share. Accordingly, total cash dividends for 2025 would amount to 53.72 fils per share.

The Board also resolved to recommend the distribution of bonus shares at a rate of **10%** of issued and paid-up capital, equivalent to **10 shares for every 100 shares** held, for the financial year ended **31 December 2025**.

Regional Operations

Arab Republic of Egypt

At the regional level, the Company delivered strong performance reflecting the successful execution of its expansion strategy. In Egypt, operations were managed efficiently, culminating in the inauguration of an Auto Mobility LLC manufacturing facility for Geely vehicles. This initiative represents a significant milestone in supporting local automotive manufacturing in line with the Egyptian government's strategy to localize the automotive industry.

In addition, one of the Company's subsidiaries signed an agreement with MAN Truck & Bus SE, granting rights for sales and aftersales services in Egypt.

Republic of Iraq

In Iraq, the Company achieved significant milestones that reaffirm the success of its expansion strategy and the fulfillment of its commitment to secure global agency representations. One of our subsidiaries obtained the Mazda and Rolls-Royce Motor Cars agencies in the Republic of Iraq, granting sales and aftersales rights and strengthening our presence in high-potential regional markets.

BMW vehicle sales also recorded notable growth, while the Company continued to expand its showroom network and triple-service facilities, alongside ongoing efforts to secure additional agency representations to further broaden its footprint in the Iraqi market.

Sustainability

Throughout 2025, Ali Alghanim Sons Automotive Company continued to reinforce its commitment to the local community through the implementation of diverse social initiatives aimed at supporting sustainable development and enhancing quality of life in Kuwait, reflecting its active role as a responsible corporate citizen.

The Company also focused on strengthening innovation and developing employee capabilities to better respond to evolving market needs. Investing in human capital remains a core pillar of our strategy for sustainable success, while maintaining a balanced approach between commercial performance and our responsibilities toward society and the environment, reinforcing our market position and our commitment to serving customers.

Outlook

As we enter 2026, the Board renews its confidence in the Company's long-term strategy, anchored in customer trust, aftersales excellence, and our continued proximity to customers and ease of access. We approach the year ahead with measured optimism and strong determination, committed to all stakeholders and guided by the pillars strengthened throughout 2025. These foundations enable us to navigate challenges with confidence, seize opportunities effectively, and continue advancing toward sustainable growth and greater ambition.

Appreciation and Commitment

In closing, I extend my sincere appreciation to my fellow Board members, the Executive Management team, and all employees across the Company and its subsidiaries for their dedication and professionalism. I also thank our shareholders for their continued trust and support.

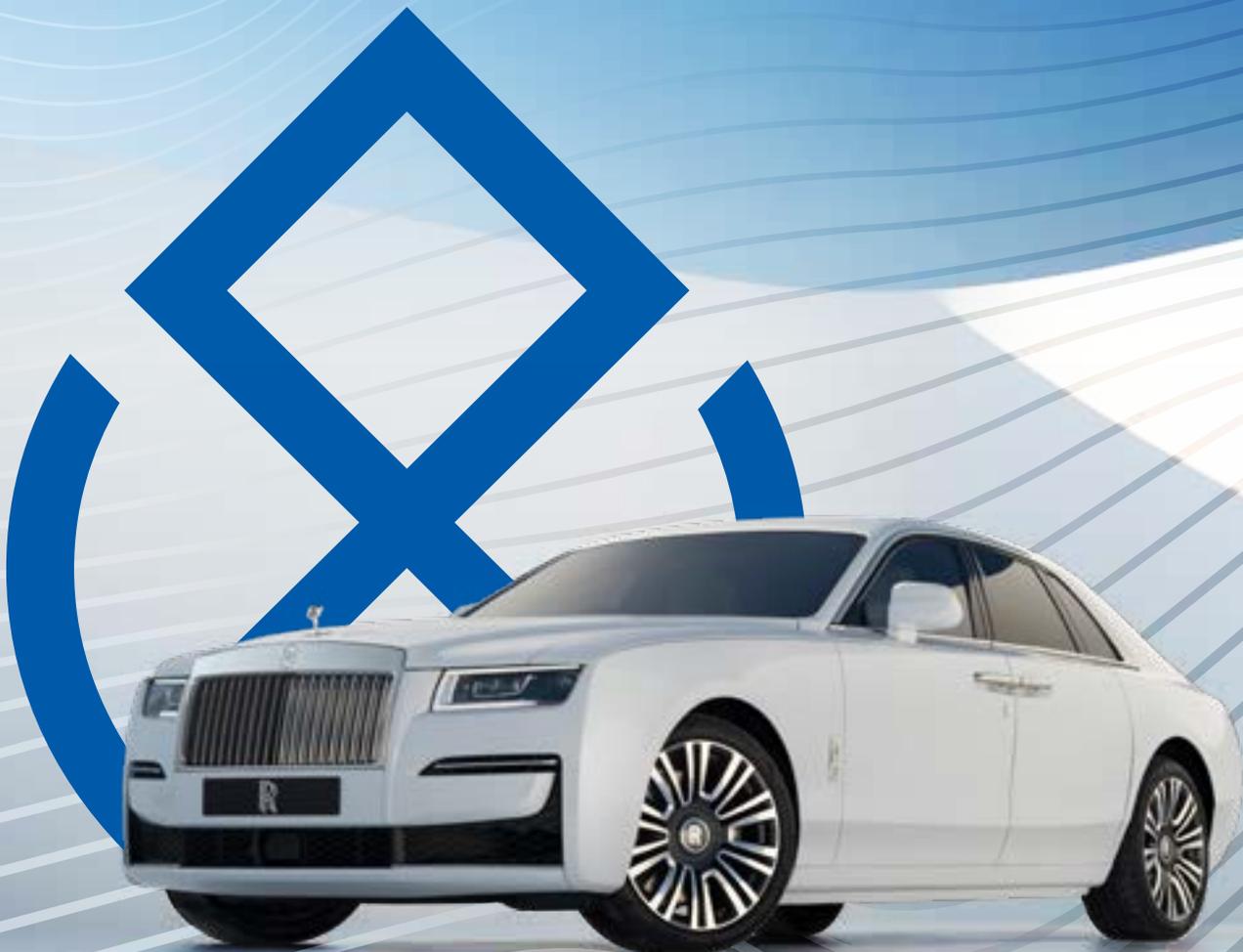
Together, we remain committed to strengthening the leadership of Ali Alghanim Sons Automotive Company K.S.C.P. and delivering sustainable, long-term value for all stakeholders.

Sincerely,
Eng. Fahad Ali Alghanim
Chairman of the Board of Directors



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CEO Statement





I am pleased to present the Annual Report of Ali Alghanim Sons Automotive Company K.S.C.P. for the financial year 2025. It was a demanding year for the market, with softer consumer spending and clear pressure on luxury demand. Even so, I am proud of how the business responded. We stayed focused, executed with discipline, and continued to strengthen our position across key premium brands, while advancing important long-term growth initiatives.

2025 also brought with it meaningful progress in regional expansion and operational diversification. We advanced the Geely manufacturing project in Egypt, acquired an 8.33% stake in Global Auto Egypt, and successfully launched Mazda, Rolls-Royce operations in Iraq and MAN Truck operations in Egypt. These milestones reflect the strength of our regional strategy and the capability of our teams to deliver complex projects while maintaining day-to-day operational performance.

Across the business, we concentrated on what matters most to customers: trust, accessibility, and service quality. Key initiatives during the year included strengthening the premium customer journey, enhancing our aftersales capabilities, and introducing new digital touchpoints. These efforts reinforced brand positioning, improved service accessibility, and supported market share growth in a challenging environment.

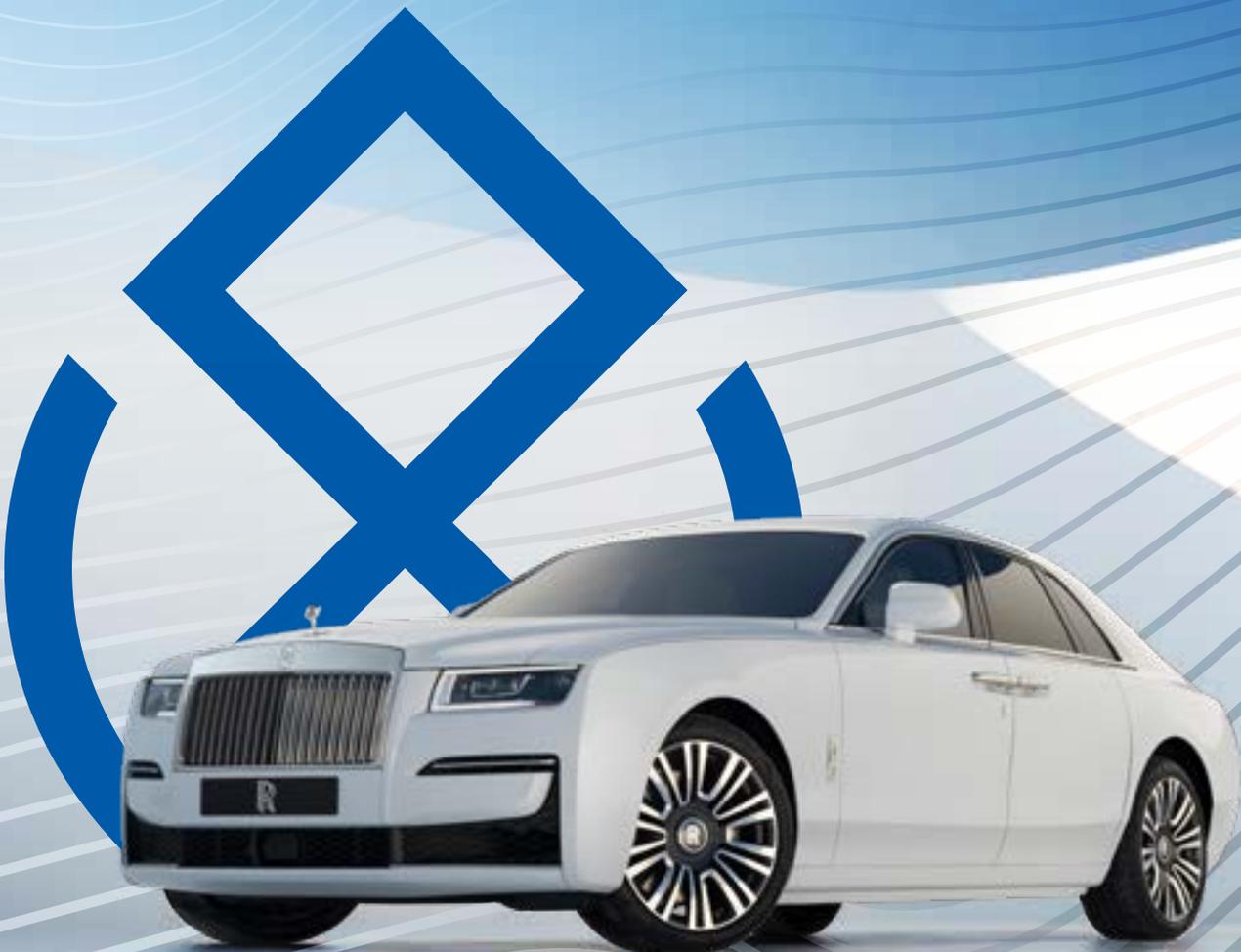
While the premium automotive market contracted, we maintained our market share across our premium brands. This resilience reflects the strength of our portfolio, the quality of our customer experience, and the commitment of our people to deliver consistently, even when market conditions are less supportive.

As we look ahead to 2026, our priorities are clear. First, we will deepen customer trust and loyalty by further elevating service quality, aftersales excellence, and accessibility across all touchpoints. Second, we will accelerate digital transformation through expanded AI-driven customer tools, data-led decision-making, and continued improvements in operational efficiency. Third, we will drive sustainable and disciplined growth by advancing regional expansion projects, optimizing the operating model, and strengthening long-term shareholder value while navigating market volatility.

I would like to thank our employees for their hard work and professionalism, and our partners for their continued trust and collaboration. With a strong portfolio and a clear strategy, we remain confident in our ability to deliver long-term value in the years ahead.

05

BOD and Executive Management





**Mr. Ali Mohammad
Thunayan Alghanim**
Founder



**Eng. Fahad
Ali Alghanim**
Chairman



**Mr. Yousef Abdullah
Al Qatami**
Vice Chairman and CEO



**Eng. Ali Marzouq
Alghanim**
Director



**Mr. Mohammad
Khaled Alghanim**
Director



**Mr. Ali Abduljaleel
Behbehani**
Director



**Mr. Jehad Mohammad
Ahmed Al-Qabandi**
Director – Independent



**Mr. Ahmed Meshari
Al-Fares**
Director – Independent



Mr. Arpit Bohara
Chief Financial Officer

Profile Summaries



Eng. Fahad Ali Alghanim

Chairman of the Board of Directors

Bachelor's degree in Civil Engineering from Kuwait University

Mr. Alghanim has 28 years of experience in commercial business management in the automotive field and in the banking, financial and commercial sectors.

He currently holds Director of German Automotive Holding Limited Company (DIFC), and he has held many prominent leadership positions including CEO of Ali Mohammed Thunayan Alghanim & Sons Automotive Company, CEO of Al-Ahlia Heavy Vehicles Selling and Import Company, CEO of Ali Al Ghanim Sons Automotive Company (K.S.C.C) and CEO of Ali Alghanim & Sons Group of Companies.

Currently, Mr. Fahad Alghanim is the Chairman and member of the Nominations and Remuneration Committee at Ali Alghanim Sons Automotive Company (K.S.C.P), In addition, he holds memberships in many board of directors in banking, financial and commercial institutions, currently he holds member of the Board of Directors of Kuwait Finance House, Chairman of the Investment Committee and member of the Executive Committee, and Audit and Compliance Committee of KFH (K.S.C.P), Board Member of Kuwait Finance House - UK, Board Member of Kuwait Finance House – Egypt. Chairman of Global Auto S.A.E- Egypt, and Chairman of Auto Mobility LLC, Egypt, and Vice Chairman of Ali Alghanim Sons Holding Company. Additionally, he is Vice Chairman of A'ayan Leasing & Investment Co. (K.S.C.P), Chairman of Milton Keynes Dons Football Club (London), and Chairman of Al-Ahlia Heavy Vehicles Selling and Import Company, member of Kuwait Building Materials Manufacturing Company, Board Member of Kuwait Society of Engineers, and Board Member and Treasurer of Kuwait Sporting Club, in addition to his membership in the Board of Directors of the Young Arab Leaders – Dubai.

Mr. Fahad Alghanim previously was Chairman of the Merger Committee of Kuwait Finance House - Ahli United Bank, Member of the Board of Directors of the Representatives of McLaren Motors global Agents (Middle East Representatives), Chairman of the Board of Directors and Chairman of the Restructuring Committee of A'ayan Leasing and Investment Company, Vice Chairman of Ali Al Ghanim Sons Automotive Company (K.S.C.C), Vice Chairman of the Board of Directors of Al-Ahlia Heavy Vehicles Selling and Import Company, Member of the Board of Directors of the Universal Payment Services Company (UPS), and Board Member of Alowla Slaughtering Co.



Mr. Yousef Abdullah Al Qatami

Vice Chairman and Chief Executive Officer

Bachelor of Science in Business Administration, Finance & International Management, Boston University, United States of America.

Mr. Yousef Al Qatami has approximately 24 years of experience in business management for global automotive brands in the automotive sector, business management and investment sectors. He is currently the Chief Executive Officer of Ali Alghanim Sons Automotive Company (K.S.C.P) and previously held the position of General Manager of Ali Mohammed Thunayan Alghanim & Sons Automotive Company and a Manager in the Asset Management Department at Global Investment House.

Mr. Al Qatami currently holds the position of Vice Chairman, Chief Executive Officer and a member of the Nomination and Remuneration Committee of Ali Alghanim Sons Automotive Company (K.S.C.P), additionally, he is the Vice Chairman of A'ayan Leasing Holding Company. He held a Board Member of Boubyan Bank, and a Board Member of Boubyan Capital Investment Company.



Mr. Ali Abduljaleel Behbehani

Member of the Board of Directors

Master's degree in Business Administration & Finance from Kuwait University, a Bachelor's degree in Business Administration & Finance from the University of California, USA, a Postgraduate Certificate from the University of Liverpool, & a Master's degree in Hospitality & Hotel Management from the University of Lausanne

With over 20 years of commercial business management experience, primarily in the automotive sector, as well as in investment and risk management. Mr. Behbehani has held multiple leadership positions. These include Director of Shared Services and Business Development at Ali Mohammed Thunayan Alghanim & Sons Automotive Group; General Manager of Dwaliya Technical Inspection Company; Manager of the Direct Investment Department and Portfolio/Risk Management Analyst at Kuwait International Bank; Vice President of Project Management and Corporate Finance at Arab Investment Company; and Head of the Corporate Responsibility Unit at Gulf Bank.

Mr. Behbehani currently serves as a Board Member, Member of the Audit Committee, and Chairman of the Risk Committee at Ali Alghanim Sons Automotive Company K.S.C.P. He is also a Board Member at A'ayan Leasing Holding Company, as well as a Board Member, Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee at Arab Investment Company.



Eng. Ali Marzouq Alghanim

Member of the Board of Directors

Bachelor of Science degree in Industrial and Systems Engineering from the University of Southern California, USA.

Mr. Ali Marzouq Alghanim currently holds the Position of General Manager of MAKFM Company since 2018 and the position of Public Relations and Operations Consultant of Kuwait Sports Club.

Mr. Ali Marzouq Alghanim has been a member of the Board of Directors of Ali Alghanim Sons Automotive Company (K.S.C.P) since 2020, member of the Audit Committee and Risk Management Committee, and Board member of Ali Alghanim Sons Holding Company.



Mr. Mohammad Khaled Alghanim

Member of the Board of Directors

Bachelor degree in Finance from Loyola Marymount University, USA.

Mr. Mohammad Khaled Alghanim currently holds the position of General Manager of ALG Insurance Broker Company, He also occupied General Manager of the Al-Ahlia Heavy Vehicles Selling and Import Company and the position of Director of Sports Talents and Youth at Kuwait Sports Club.

Mr. Mohammad Khaled Alghanim has been a member of the Board of Directors of Ali Alghanim Sons Automotive Company K.S.C.P since 2020, and a member of the Risk Management Committee. Additionally, he is the Vice Chairman of the Board of Directors of Al-Ahlia Heavy Vehicles Selling and Import Company.



Mr. Ahmed Meshari Al-Fares

Independent Board Member

Master's degree in Business Administration and a Postgraduate Diploma in Business Administration from the Kuwait Maastricht School of Management, a Bachelor's degree in Accounting from the College of Administrative Sciences at Kuwait University, and a Higher Diploma in Islamic Finance from the College of Graduate Studies at Kuwait University

Mr. Al-Fares holds several professional certifications including Certified Compliance Officer (CCO), Certified Merger and Acquisition Specialist (CMAS), Certified Professional Internal Auditor (CPIA) from USA, Certified Risk Based Auditor (CRBA) and Certified Risk Analyst (CRA) from Hong Kong. In addition, he has several executive programs in management, leadership, and strategic planning from INSEAD Business School.

Mr. Al Fares has more than 21 years of experience in banking, supervisory business and other fields, he is currently the Secretary of the Board of Directors of Kuwait Telecom Company since 2019, and the Treasurer of the Board of Directors of the Kuwait Transparency Society.

Furthermore, he currently holds the position of an independent board member and Chairman of Nomination and Remuneration Committee of Ali Alghanim Sons Automotive Company (K.S.C.P) and a member of the Board of Directors of Kuwait Finance House (KFH).

He started his career as a Banking Inspector in the Supervision Sector at the Central Bank of Kuwait, and then held several positions at Kuwait Finance House, the last of which was the position of Governance Manager in the Regulatory Compliance Department, then joined Kuwait Telecom Company and held both the position of Director of the Regulatory Compliance Department and the position of Head of Internal Audit Department, and previously served as Assistant Undersecretary of the Ministry of Commerce and Industry for Corporate Affairs and Commercial Licensing, Chairman and Secretary of the Board of Directors of the Kuwait Accountants and Auditors Association, Board Member of the Public Authority for Industry, and Board Member of Central Bank of Kuwait.



Mr. Jehad Mohammad Ahmed Al-Qabandi

Independent Board Member

Master's degree in Business Administration from City University London, UK, a Bachelor's degree in Engineering and Computer Science from California State University - Long Beach- USA, and has completed the Middle East Senior Executive Program from Harvard Business School, USA

Mr. Al-Qabandi has more than 35 years of experience in commercial business, finance, investment and banking in Kuwait's leading institutions.

He currently serves as an Independent Board Member and Chairman of the Audit Committee at Ali Alghanim Sons Automotive Company (K.S.C.P.), and an Independent Board Member and Chairman of the Risk Committee at Kuwait International Bank (KIB).

He is also a Member of the Board of Trustees at Kuwait College of Science and Technology, a Board Member at the National Bureau for Academic Accreditation and Education Quality Assurance, and the Vice Chairman of the Board at Afrah Al Khaleej General Trading & Contracting Company.

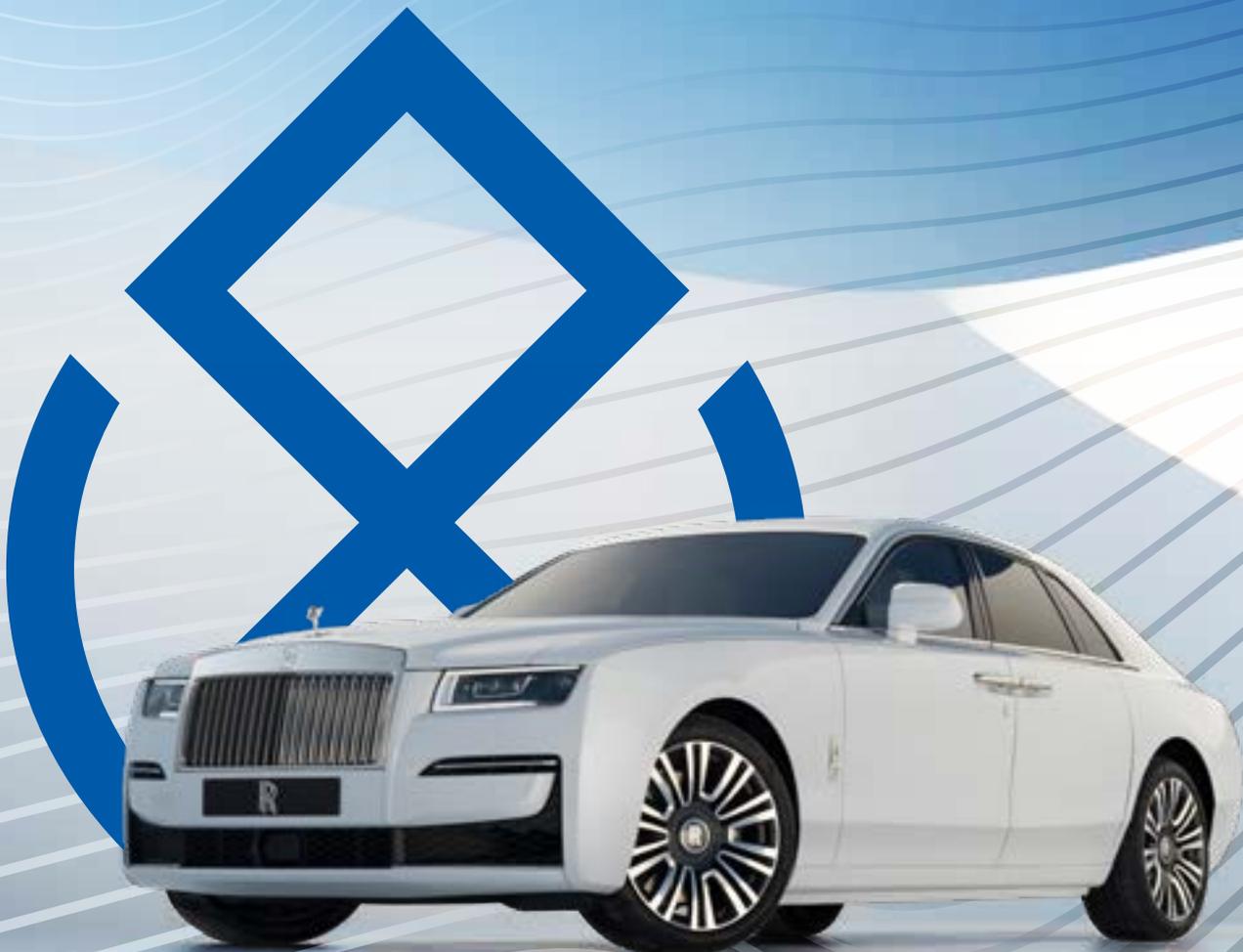
Mr. Al-Qabandi has distinguished banking and finance experience; he previously held the position of Chief Executive Officer at the Bank of Bahrain and Kuwait - Kuwait Branch, and Executive Director at the Kuwait National Fund for the Development and Welfare of Small and Medium Enterprises. Additionally, he has extensive experience in the field of investment, and founded Al Retag Investment Company and held the position of CEO and Managing Director.

Mr. Jehad also held several other leadership positions in prestigious international companies - Solomon Brothers International and the Kuwait Investment Office in London, and in local companies such as Investment Dar Company and Al Imtiaz Investment Group.



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Corporate Social Sustainability and ESG



Ali Alghanim Sons Automotive Company K.S.C.P. remains firmly committed to integrating sustainability into its business strategy and operational practices. Our Environmental, Social, and Governance (ESG) framework reflects a holistic approach to responsible growth, balancing environmental stewardship, social impact, and strong governance to create long-term value for our stakeholders.

Environmental Responsibility

In 2025, environmental sustainability continued to be a key focus area across our operations. The company implemented a range of practical initiatives aimed at improving energy efficiency, reducing waste, and strengthening environmental monitoring. These efforts included replacing fluorescent lighting with energy-efficient LED systems, installing timers on signage to ensure automatic shutdown outside operating hours, and upgrading legacy DB circuit breakers to more efficient alternatives to improve system performance.

To enhance transparency and accuracy in energy usage monitoring, a smart electricity meter was installed at the main switchboard by the Ministry, enabling more precise measurement and control of consumption. In parallel, waste management practices were strengthened through the introduction of a categorized recycling system, with clearly labeled bins for paper, plastic, and general waste deployed across operational sites. Standard garbage containers were replaced with segregated recycling units, supporting improved recycling rates and reduced landfill impact.

Together, these initiatives demonstrate the company's commitment to minimizing its environmental footprint and embedding sustainable practices into day-to-day operations.

Social Responsibility and Community Engagement

Ali Alghanim Sons Automotive Company K.S.C.P. continued to play an active role in supporting community well-being and employee engagement in 2025. A range of social initiatives were delivered throughout the year, including participation in World Heart Day, the National Day of Persons with Disabilities, and a blood donation campaign, reflecting our commitment to public health, inclusion, and social responsibility.

In alignment with our social sustainability objectives, the company also marked International Women's Day by recognizing the contributions of its female employees through a dedicated appreciation initiative. Female team members were honored with thoughtfully curated gift sets, reflecting our commitment to gender inclusion, workplace appreciation, and the creation of a supportive and empowering work environment. In parallel, success stories of women within the organization were highlighted through Global Auto's LinkedIn platform, amplifying their achievements and reinforcing a culture of recognition and equal opportunity.

Employee engagement and internal community building were further strengthened through initiatives such as the AAS Employees Open Day and the AAS Padel Competition, fostering collaboration, wellness, and a strong sense of belonging across the organization. These activities support a positive workplace culture and reinforce our belief that employee well-being is a critical component of sustainable performance.

Extending our social impact beyond the workplace, the company actively supported underserved communities during the holy month of Ramadan under the theme "The Joy of Giving." In partnership with Share A Smile Foundation, Ali Alghanim Sons Automotive Company K.S.C.P. supported initiatives focused on alleviating food insecurity within the community. In addition, employees volunteered their time to participate in the packing of 1,500 food meals, reinforcing values of empathy, solidarity, and shared responsibility.

Further strengthening its commitment to community development and access to essential resources, the company partnered with Share A Smile Foundation to support the opening of the Saqqara Water Purification Station. Designed to serve the local community, the facility is expected to provide clean and safe drinking water to approximately 5,000 families, significantly reducing water contamination risks and associated health challenges. This initiative reflects the company's focus on sustainable, long-term solutions that address critical community needs.

Governance and ESG Integration

Strong governance underpins our sustainability agenda. In 2025, the company took an important step forward by appointing an ESG consultant to support the structured integration of ESG principles across the organization. This appointment enhances our ability to align with international best practices, strengthen ESG reporting, and embed sustainability considerations into strategic decision-making.

In addition, the company achieved ISO certification, reinforcing its commitment to standardized processes, operational discipline, and continuous improvement. These governance-focused initiatives support transparency, accountability, and risk management, ensuring the long-term resilience of the business.

Looking Ahead

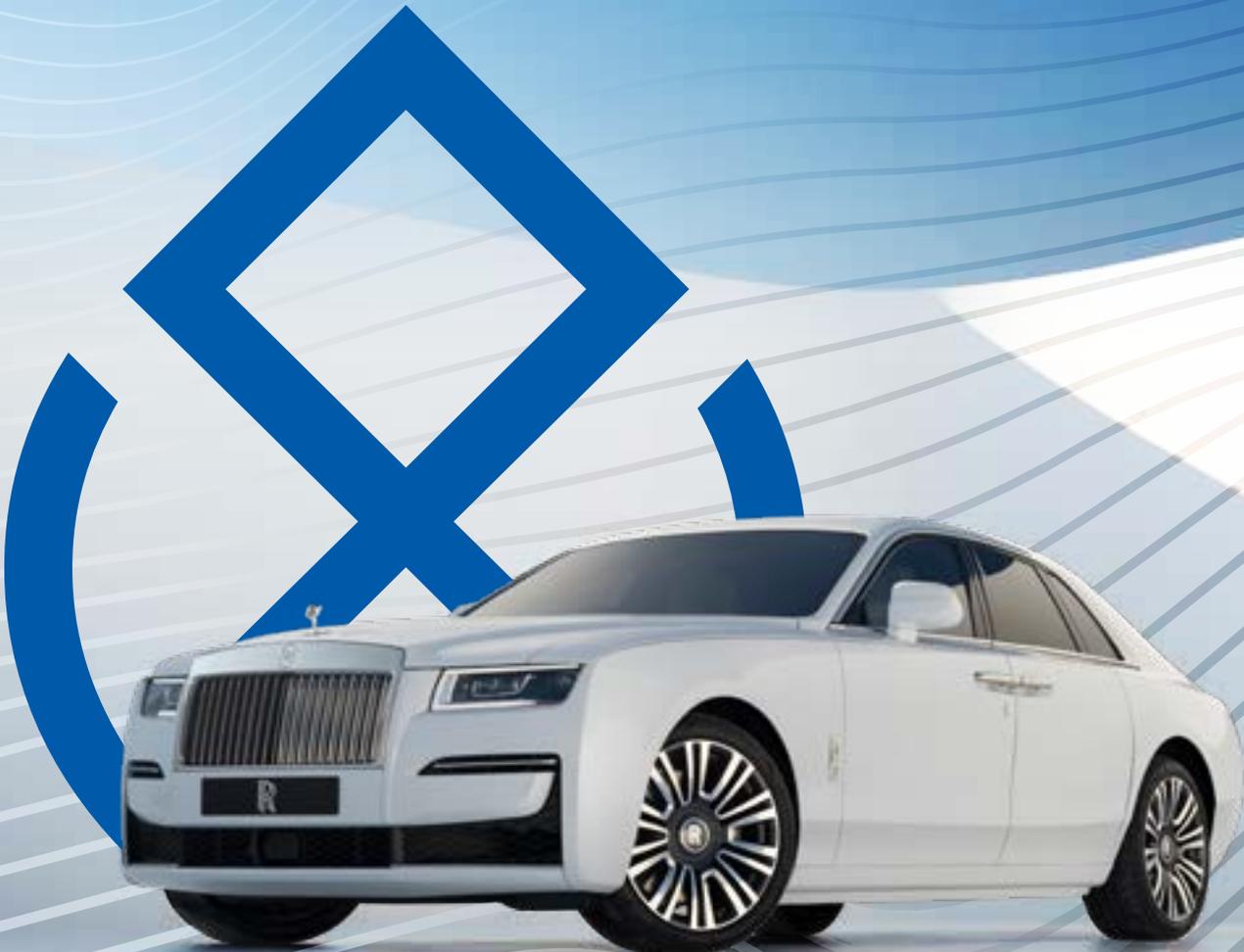
Through focused environmental initiatives, meaningful community engagement, and strengthened governance structures, Ali Alghanim Sons Automotive Company K.S.C.P. advanced its ESG agenda in 2025. Looking ahead, we aim to build on this foundation by further embedding sustainability into our operations, enhancing data-driven ESG measurement, and expanding initiatives that create lasting value for our employees, communities, and shareholders.





07

Diversity and Inclusion

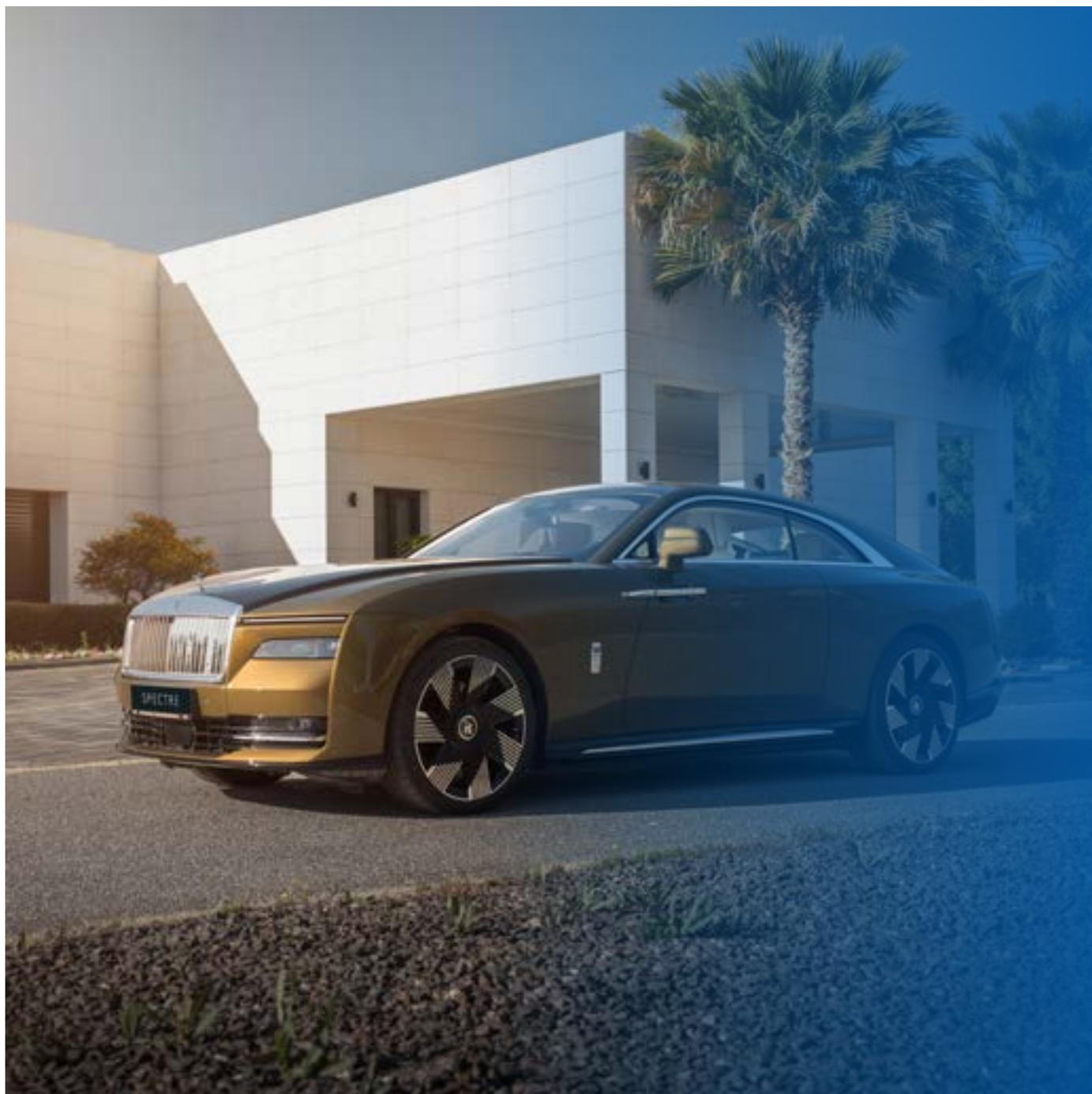


At Ali Alghanim Sons Automotive Company K.S.C.P., diversity and inclusion remain integral to our people strategy and organizational culture. We are committed to fostering a respectful, equitable, and inclusive workplace where individuals are valued for their skills, perspectives, and contributions. Through clear human resource policies and consistent practices, we strive to create an environment that supports collaboration, innovation, and long-term organizational success.

As of 2025, the company employed a total of 1,341 employees, reflecting a diverse workforce supporting operations across multiple business units and markets. Our employee base comprised 117 female employees and 1,224 male employees, demonstrating continued progress toward broader participation while recognizing the need for sustained efforts to enhance diversity across the organization.

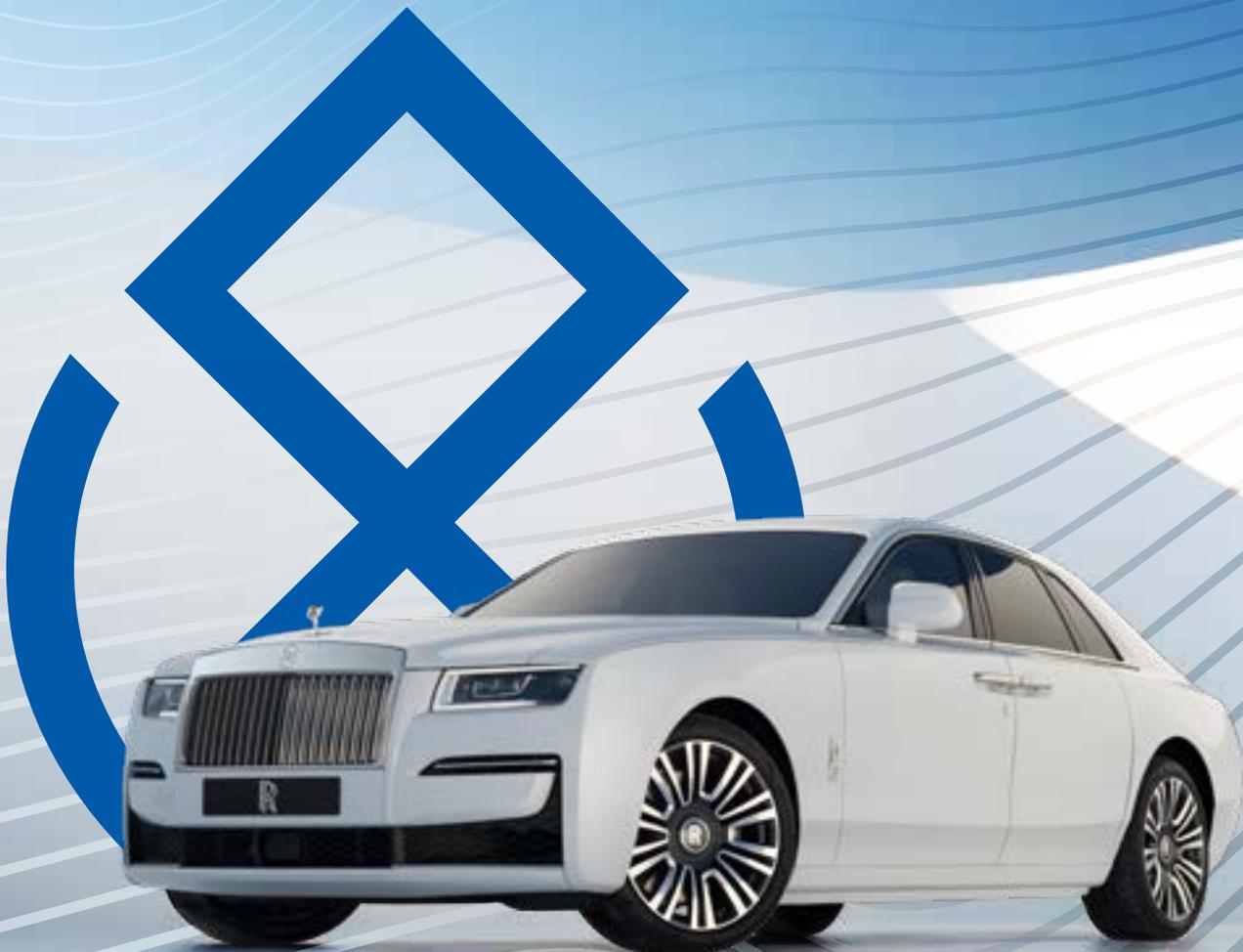
Our commitment to inclusion is underpinned by robust human resource policies that promote fairness, equality, and non-discrimination across all stages of the employee lifecycle. Recruitment practices are designed to provide equal employment opportunities to all candidates, without discrimination based on gender, ethnicity, or age. Similarly, retention, promotion, and performance management processes are structured to ensure social inclusivity and equal treatment, supported by clear procedures for addressing grievances and concerns in a transparent and respectful manner.

By embedding diversity and inclusion principles into our policies, practices, and workplace culture, Ali Alghanim Sons Automotive Company K.S.C.P. continues to build a professional environment where employees are empowered to perform, grow, and contribute meaningfully. We remain committed to strengthening these efforts in the years ahead, recognizing that an inclusive workforce is essential to delivering sustainable growth, operational excellence, and long-term value for our stakeholders.



08

Talent and Kuwaitization



Ali Alghanim Sons Automotive Company's performance is ultimately shaped by the people behind it, from our workshops and showrooms to our support functions. In 2025, we continued to focus on building an organisation where employees can develop professionally, take on new responsibilities, and grow into long-term careers.

During the year, the Company hired 162 new employees, including 10 Kuwaiti nationals. Kuwaitization remains a key priority within our human capital agenda, reflecting our commitment to strengthening local capabilities and supporting Kuwait's national development goals.

Training remained a practical focus throughout 2025. Employees completed General HSE Safety Training and First Aid with CPR Safety Training, reinforcing safety awareness and operational discipline across teams. In parallel, brand-related training and certifications were conducted periodically in line with manufacturer standards and requirements, supporting continuous skills development.

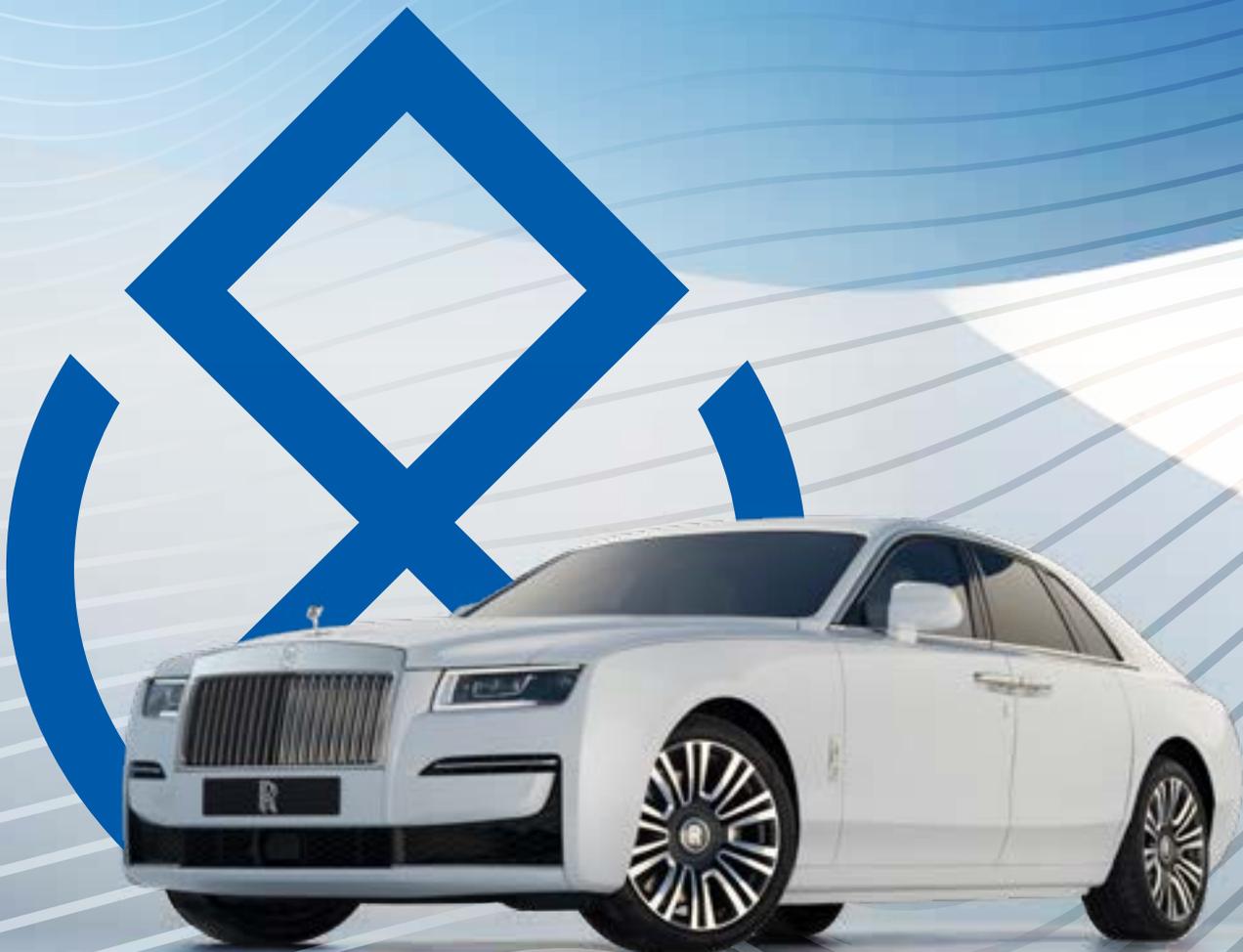
In 2025, the Company continued to emphasise internal progression, recognising capability and commitment through long-term career development. This is reflected in the journey of Mr. Harish Parambil, our LR/McLaren Service Manager, who joined the Company as an Electrician and progressed through multiple technical and leadership roles over 27 years. Similarly, Mr. Jason Thomas, our HR Manager, joined as an HR Officer and advanced through successive HR roles over 17 years, reflecting the depth of opportunity for long-term growth within the organisation.

In 2026, we plan to continue delivering the same training programs and development initiatives that have supported our workforce this year, ensuring continued progress in skills and performance.



09

Digital Capabilities



In 2025, Ali Alghanim Sons Automotive Company continued to sharpen its digital capabilities with a clear focus on day-to-day execution: faster service, smoother customer interactions, and stronger consistency across the portfolio. Rather than pursuing technology for its own sake, the Company prioritized tools that improve responsiveness, remove friction from customer journeys, and support more reliable operations.

One of the year's notable developments was the launch of an integrated chatbot for BMW and Geely, enabling quicker customer support and more streamlined interactions across key touchpoints.

Internally, the Company advanced its digital ecosystem through targeted applications and system upgrades aimed at reducing manual effort and improving workflow clarity. This included the rollout of an Aftersales Refund Application through our portal to simplify refund processing, a Push-to-Wash application to automate vehicle wash requests, and a Digital Campaign Management application that consolidates campaign requests, approvals, and tracking in one place.

Digital enhancements also supported aftersales performance and customer retention. The Service Contracts Sales setup on KEYLOOP Autoline Drive IA, alongside improved service contract integration across systems, helped accelerate processing, strengthen service visibility, and support a more consistent customer experience.

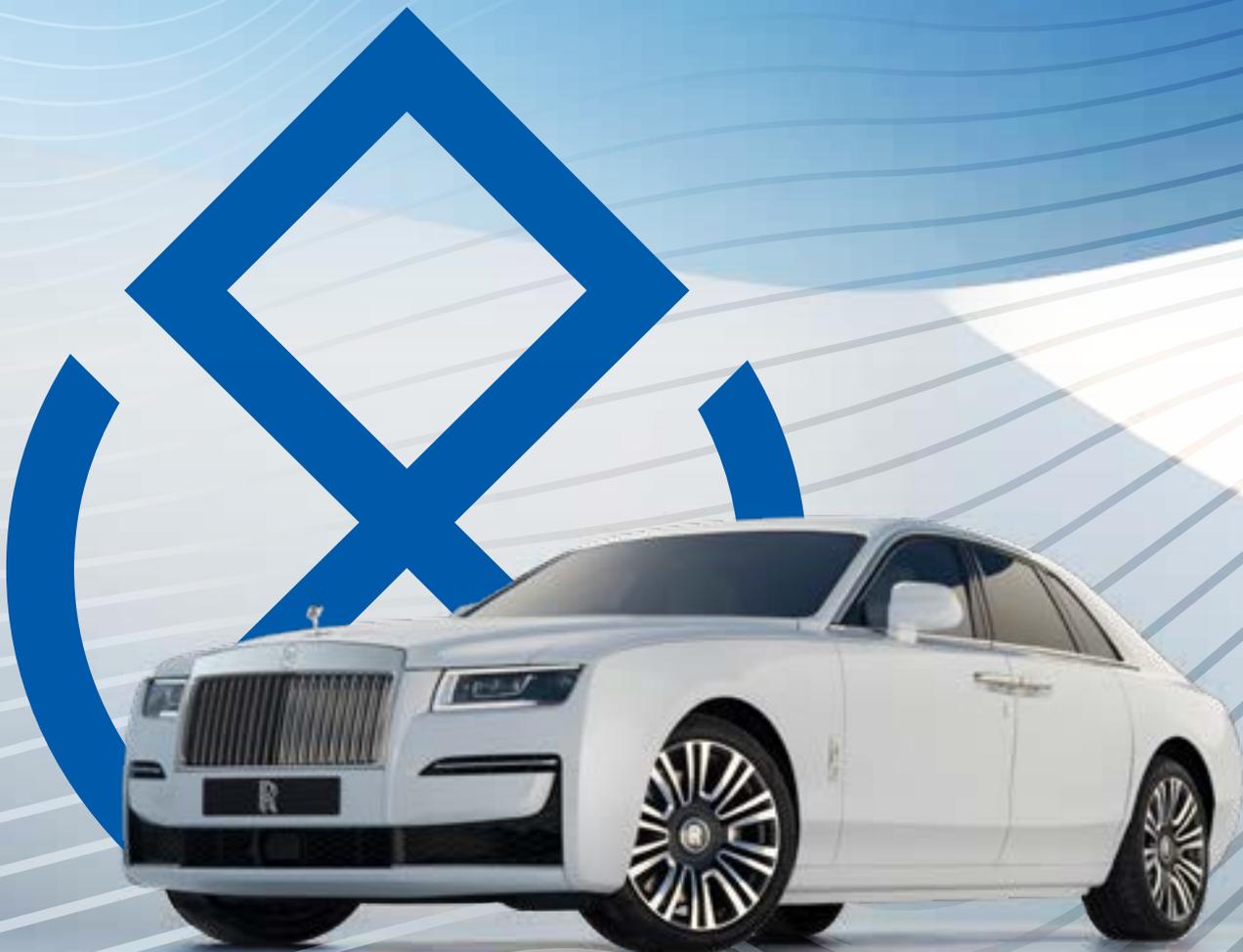
To support scale and reliability, the Company also introduced key infrastructure improvements, including network upgrades, increased server and storage capacity, enhanced security and access controls, and upgraded backup and disaster recovery systems. These steps reinforce the stability and resilience of digital operations.

Looking ahead to 2026, Ali Alghanim Sons Automotive Company plans to further develop digital customer engagement, with a focus on AI chatbots to deliver more personalized and scalable support across priority brands and platforms.



10

Expansion Efforts and Future Plans



Ali Alghanim Sons Automotive Company K.S.C.P. continued to advance its strategic expansion agenda in 2025, reinforcing its presence across key markets while laying the groundwork for long-term, sustainable growth. Guided by a customer-centric and future-focused approach, the company pursued targeted infrastructure development, geographic expansion, and strategic partnerships to strengthen its regional footprint.

In Kuwait, the company expanded its service network with the opening of new service stations in Adan and Hawally, enhancing accessibility and service coverage for customers. These additions reflect the company's ongoing commitment to elevating aftersales experiences and supporting growing customer demand across key locations.

Several major projects remained under development during the year, including an integrated facility for MAKFM Motors in Ahmadi and the Jaber Al Ahmad Showroom. These projects represent significant investments in modern, scalable infrastructure designed to support future growth, improve operational efficiencies, and deliver enhanced customer experiences once completed.

Beyond Kuwait, 2025 marked a pivotal year for regional expansion and strategic market entry. In Egypt, the company progressed its Geely manufacturing project, reinforcing its role in the local automotive value chain, while also acquiring an 8.33% stake in Global Auto Egypt, further strengthening its market presence and long-term investment strategy. Expansion efforts extended into Iraq with the launch of Mazda and Rolls-Royce operations, broadening the company's premium and mass-market offerings. Additionally, the commencement of MAN Truck operations in Egypt expanded the company's footprint in the commercial vehicle segment, supporting diversified growth across multiple automotive categories.

Looking ahead to 2026, Ali Alghanim & Sons Automotive Company K.S.C.P. is preparing to open a 3S facility for MAKFM Automotive, the dealer of Great Wall Motor (GWM) in Kuwait, representing the brands Haval, Tank, and Poer pick-ups. The facility will feature an integrated showroom, a fully equipped service center, and a dedicated spare parts outlet. In parallel, the company will also open the Jaber Al-Ahmad City boutique, further expanding its retail footprint. Both initiatives are expected to play a key role in strengthening the brands' market presence, enhancing operational capabilities, and deepening customer engagement across Kuwait.

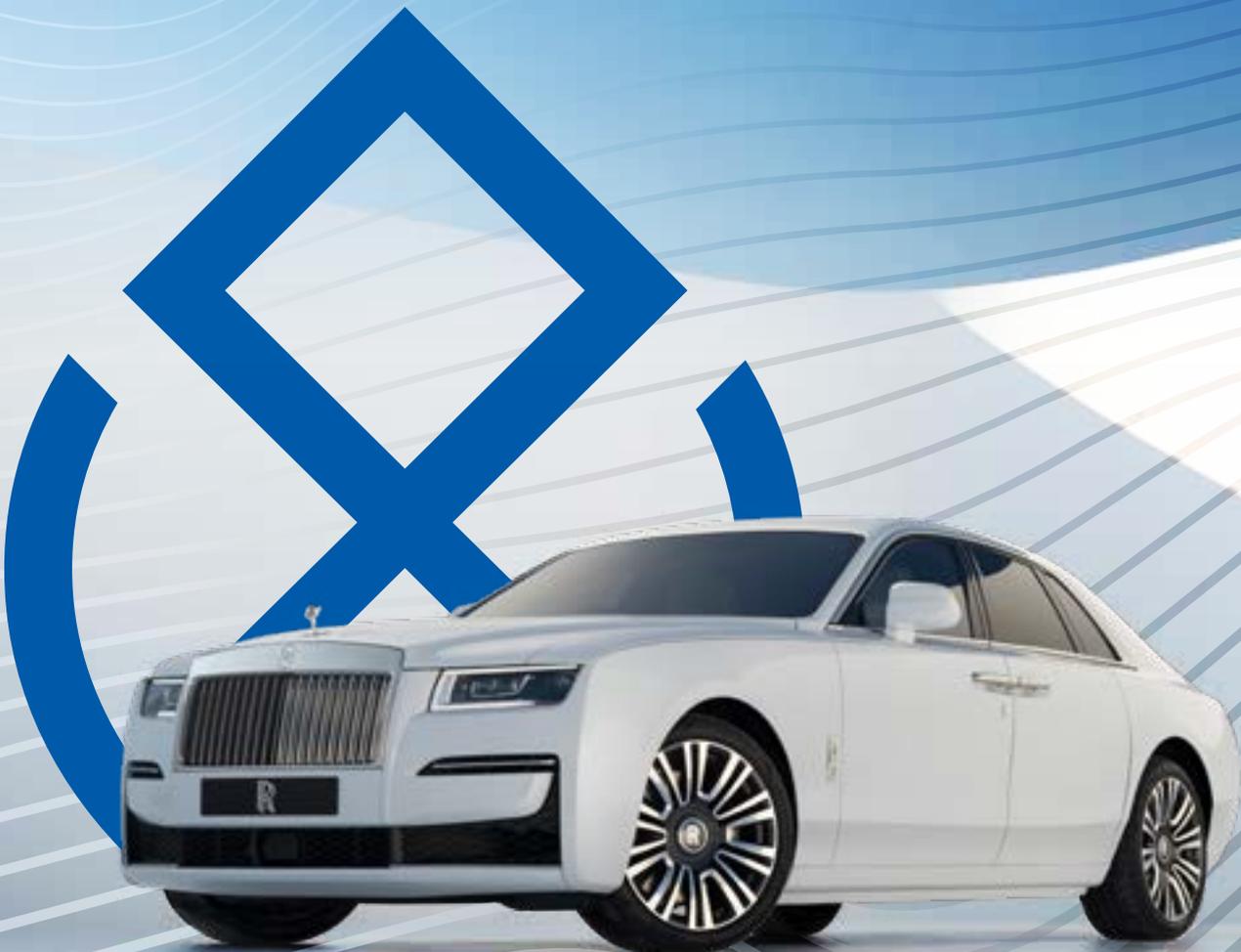
The company's most impactful expansion initiatives in 2025 were driven by its strategic investments in Egypt and Iraq, where new partnerships, manufacturing capabilities, and brand introductions significantly strengthened market positioning and revenue potential. These efforts underscore the company's ability to identify high-growth opportunities and execute expansion strategies that deliver long-term value.

With a robust pipeline of developments and a clear strategic direction, Ali Alghanim Sons Automotive Company K.S.C.P. remains well-positioned to sustain its growth momentum and reinforce its leadership across regional automotive markets in 2026 and beyond.



111

**Delivering
Unparalleled
Customer
Experience**



At Ali Alghanim Sons Automotive Company K.S.C.P., we remain steadfast in our commitment to delivering exceptional customer experiences, reinforcing our position as a trusted leader in the automotive industry. Understanding that each customer has unique expectations, we continuously refine our services to create meaningful, personalized, and lasting interactions across all touchpoints.

Enhancing Satisfaction and Engagement

Customer satisfaction continued to improve in 2025 across all key brands, reflecting the success of our ongoing efforts to elevate service quality and engagement. Notably, our brands surpassed the overall Net Promoter Score (NPS) targets across both Sales and Service in 2025, underscoring stronger customer advocacy, improved experience consistency, and deeper engagement across the customer journey.

These improvements highlight our focus on continuous enhancement, operational excellence, and responsiveness to customer feedback.

Innovations in Customer Service

In 2025, we introduced several new tools and services to enrich the customer journey:

BMW:

- | Aftersales areas were fully aligned with the latest BMW CI NEXT, providing customers with a modern, seamless experience.
- | A completely new Q-Matic system was installed to streamline ticket management in aftersales departments.

GEELY:

- | Launched a new Quick Service station in Hawally, with an appointment system for efficient service scheduling.
- | Introduced “Golden Hours” for priority maintenance services.
- | Expanded the AI-Rai reception area and installed customer satisfaction boards.
- | Introduced engine flash equipment at all locations for customer convenience.
- | Implemented QR code surveys to capture real-time feedback.
- | Added a Parts booth at the showroom reception to educate customers on parts features and benefits.
- | Participated in national and international competitions to benchmark and enhance service quality.

Process Redesign for a Smoother Experience

To further improve operational efficiency and customer satisfaction, we redesigned key service processes. The installation of the Q-Matic system ensures smooth handling of ticket numbers, reducing wait times and improving the overall service flow across all aftersales departments.

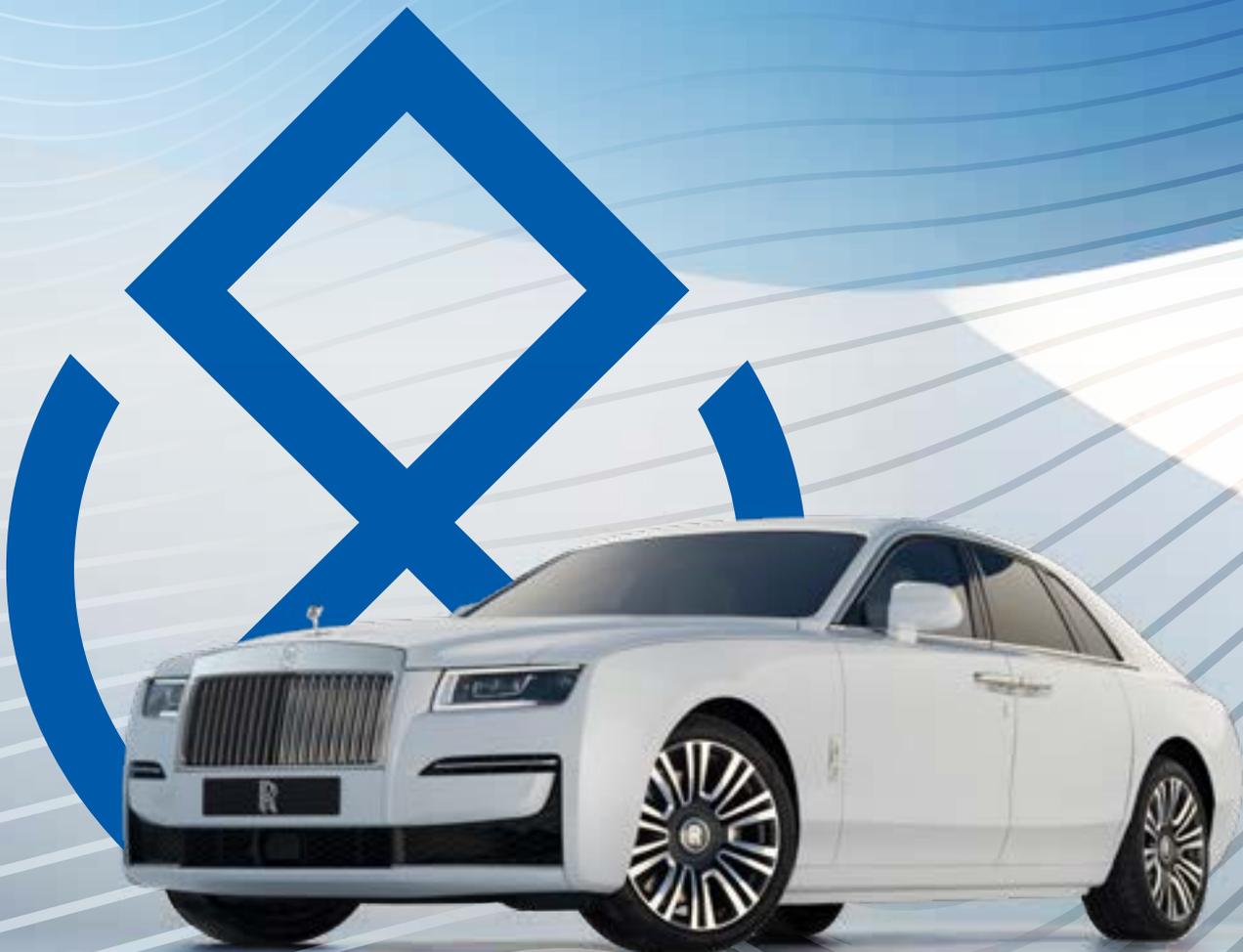
Priorities for 2026

Looking ahead, we plan to integrate AI into our customer service chatbots, enabling faster, more personalized responses, proactive support, and enhanced digital engagement. Coupled with ongoing service refinements and digital transformation initiatives, this approach will allow us to set new benchmarks in customer experience and satisfaction.

By continuously innovating, listening to our customers, and leveraging technology, Ali Alghanim Sons Automotive Company K.S.C.P. remains committed to delivering unparalleled value and ensuring that every customer interaction reflects excellence, convenience, and care.

12

Governance Report



Introduction

Ali Alghanim Sons Automotive Company seeks, through the implementation of sound corporate governance practices, to embed advanced institutional frameworks that ensure decisions are taken in a prudent and effective manner, while upholding the highest standards of transparency and accountability.

The Company focuses on building a balanced institutional environment that integrates operational innovation with organizational stability, thereby strengthening its ability to achieve sustainable growth.

The Company's governance practices are grounded in a firm conviction that effective governance goes beyond mere regulatory compliance to become a core pillar of risk management, value protection, and the reinforcement of trust with shareholders, customers, and business partners. This approach supports business continuity and enhances the Company's capacity to adapt to economic and operational changes.

Within this context, Ali Alghanim Sons Automotive Company places increasing emphasis on environmental, social, and governance considerations as an integral extension of its corporate governance framework. Environmental and social factors are incorporated into operational policies and decision-making mechanisms in a manner consistent with the nature of the Company's activities in the automotive and related services sector.

This orientation supports the proactive management of long-term risks, enhances operational efficiency, safeguards the Company's institutional reputation, and ensures responsiveness to stakeholder expectations, thereby preserving institutional value and reinforcing long-term sustainability.

The Board of Directors oversees the implementation of this approach through an established governance framework, by setting strategic directions, approving policies and regulatory frameworks, supervising financial and operational performance, and ensuring the effectiveness of internal control, risk management, and compliance systems. The Board also ensures a clear separation between its supervisory responsibilities and the roles of executive management, which enhances the quality of decision-making and mitigates conflicts of interest.

This Governance Report provides a comprehensive overview of the governance practices adopted by the Company. It has been prepared in accordance with the applicable laws and regulations in the State of Kuwait, as well as the relevant directives issued by supervisory and regulatory authorities. The report reflects the Company's commitment to applying the highest standards of integrity, accountability, and sound governance, in support of long-term value creation and the strengthening of stakeholder confidence.

Rule One

Building a Balanced Board Structure

The Board of Directors of Ali Alghanim Sons Automotive Company adopts a balanced organizational structure that is consistent with the size of the responsibilities assigned to it. Each member possesses the knowledge, skills, and experience required to enable the Board to perform its duties efficiently and effectively, in addition to having a comprehensive understanding of the company's activities, which contributes to enhancing the quality of decision-making.

The Board of Directors was elected at the Annual General Assembly held on 28 March 2024 for a period of three years.

The Board is responsible for leadership, supervision, and oversight of the executive management.

The Board consists of a sufficient number of members that allows the formation of committees derived from it. It includes seven members, most of whom are non-executive members, in addition to two independent members and one executive member.

Overview of the Board of Directors' Composition

Summary of the Board Composition

Name	Member Classification (Executive / Non-Executive / Independent / Board Secretary)	Academic Qualification	Election / Appointment Date
Eng. Fahad Ali Alghanim	Chairman of the Board Non-Executive	Bachelor's Degree in Civil Engineering – Kuwait University	28/03/2024
Mr. Yousef Abdullah Al-Qatami	Vice Chairman of the Board Chief Executive Officer	Bachelor of Science in Business Administration, Finance & International Management – Boston University, USA	28/03/2024
Eng. Ali Marzouq Ali Alghanim	Board Member Non-Executive	Bachelor of Science in Industrial & Systems Engineering – University of Southern California, USA	28/03/2024
Mr. Mohammad Khaled Alghanim	Board Member Non-Executive	Bachelor's Degree in Finance – Loyola Marymount University, USA	28/03/2024
Mr. Ali Abduljaleel Behbehani	Board Member Non-Executive	Master's Degree in Business Administration & Finance – Kuwait University Bachelor's Degree in Business Administration & Finance – University of California, USA Master's Degree in Hospitality & Hotel Management – University of Lausanne	28/03/2024
Mr. Jehad Mohammad Ahmed Al-Qabandi	Board Member Independent	Master's Degree in Business Administration – City University London, UK Bachelor's Degree in Engineering & Computer Science – California State University, Long Beach, USA	28/03/2024
Mr. Ahmed Meshari Al-Fares	Board Member Independent	Master's Degree in Business Administration – Kuwait Maastricht School of Management Bachelor's Degree in Accounting – Kuwait University Higher Diploma in Islamic Finance – Kuwait University	28/03/2024
Mr. Ahmed Zumrawi Hassan	Board Secretary	Bachelor's Degree in Commerce (Accounting) – Ain Shams University, Egypt	28/03/2024

Profiles of the Board of Directors

Eng. Fahad Ali Alghanim

Chairman of the Board of Directors

Bachelor's degree in Civil Engineering from Kuwait University

Mr. Alghanim has 28 years of experience in commercial business management in the automotive field and in the banking, financial and commercial sectors.

He currently holds Director of German Automotive Holding Limited Company (DIFC), and he has held many prominent leadership positions including CEO of Ali Mohammed Thunayan Alghanim & Sons Automotive Company, CEO of Al-Ahlia Heavy Vehicles Selling and Import Company, CEO of Ali Al Ghanim Sons Automotive Company (K.S.C.C) and CEO of Ali Alghanim & Sons Group of Companies.

Currently, Mr. Fahad Alghanim is the Chairman and member of the Nominations and Remuneration Committee at Ali Alghanim Sons Automotive Company (K.S.C.P), In addition, he holds memberships in many board of directors in banking, financial and commercial institutions, currently he holds member of the Board of Directors of Kuwait Finance House, Chairman of the Investment Committee and member of the Executive Committee, and Audit and Compliance Committee of KFH (K.S.C.P), Board Member of Kuwait Finance House - UK, Board Member of Kuwait Finance House – Egypt. Chairman of Global Auto S.A.E- Egypt, and Chairman of Auto Mobility LLC, Egypt, and Vice Chairman of Ali Alghanim Sons Holding Company. Additionally, he is Vice Chairman of A'ayan Leasing & Investment Co. (K.S.C.P), Chairman of Milton Keynes Dons Football Club (London), and Chairman of Al-Ahlia Heavy Vehicles Selling and Import Company, member of Kuwait Building Materials Manufacturing Company, Board Member of Kuwait Society of Engineers, and Board Member and Treasurer of Kuwait Sporting Club, in addition to his membership in the Board of Directors of the Young Arab Leaders – Dubai.

Mr. Fahad Alghanim previously was Chairman of the Merger Committee of Kuwait Finance House - Ahli United Bank, Member of the Board of Directors of the Representatives of McLaren Motors global Agents (Middle East Representatives), Chairman of the Board of Directors and Chairman of the Restructuring Committee of A'ayan Leasing and Investment Company, Vice Chairman of Ali Al Ghanim Sons Automotive Company (K.S.C.C), Vice Chairman of the Board of Directors of Al-Ahlia Heavy Vehicles Selling and Import Company, Member of the Board of Directors of the Universal Payment Services Company (UPS), and Board Member of Alowla Slaughtering Co.

Mr. Yousef Abdullah Al Qatami

Vice Chairman and Chief Executive Officer

Bachelor of Science in Business Administration, Finance & International Management, Boston University, United States of America.

Mr. Yousef Al Qatami has approximately 24 years of experience in business management for global automotive brands in the automotive sector, business management and investment sectors. He is currently the Chief Executive Officer of Ali Alghanim Sons Automotive Company (K.S.C.P) and previously held the position of General Manager of Ali Mohammed Thunayan Alghanim & Sons Automotive Company and a Manager in the Asset Management Department at Global Investment House.

Mr. Al Qatami currently holds the position of Vice Chairman, Chief Executive Officer and a member of the Nomination and Remuneration Committee of Ali Alghanim Sons Automotive Company (K.S.C.P), additionally, he is the Vice Chairman of A'ayan Leasing Holding Company. He held a Board Member of Boubyan Bank, and a Board Member of Boubyan Capital Investment Company.

Mr. Ali Abduljaleel Behbehani

Board Member

Master's degree in Business Administration & Finance from Kuwait University, a Bachelor's degree in Business Administration & Finance from the University of California, USA, a Postgraduate Certificate from the University of Liverpool, & a Master's degree in Hospitality & Hotel Management from the University of Lausanne

With over 20 years of commercial business management experience, primarily in the automotive sector, as well as in investment and risk management. Mr. Behbehani has held multiple leadership positions. These include Director of Shared Services and Business Development at Ali Mohammed Thunayan Alghanim & Sons Automotive Group; General Manager of Dwaliya Technical Inspection Company; Manager of the Direct Investment Department and Portfolio/Risk Management Analyst at Kuwait International Bank; Vice President of Project Management and Corporate Finance at Arab Investment Company; and Head of the Corporate Responsibility Unit at Gulf Bank.

Mr. Behbehani currently serves as a Board Member, Member of the Audit Committee, and Chairman of the Risk Committee at Ali Alghanim Sons Automotive Company K.S.C.P. He is also a Board Member at A'ayan Leasing Holding Company, as well as a Board Member, Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee at Arab Investment Company.

Eng. Ali Marzouq Alghanim

Board Member

Bachelor of Science degree in Industrial and Systems Engineering from the University of Southern California, USA.

Mr. Ali Marzouq Alghanim currently holds the Position of General Manager of MAKFM Company since 2018 and the position of Public Relations and Operations Consultant of Kuwait Sports Club.

Mr. Ali Marzouq Alghanim has been a member of the Board of Directors of Ali Alghanim Sons Automotive Company (K.S.C.P) since 2020, member of the Audit Committee and Risk Management Committee, and Board member of Ali Alghanim Sons Holding Company.

Mr. Mohammad Khaled Alghanim

Board Member

Bachelor degree in Finance from Loyola Marymount University, USA.

Mr. Mohammad Khaled Alghanim currently holds the position of General Manager of ALG Insurance Broker Company, He also occupied General Manager of the Al-Ahlia Heavy Vehicles Selling and Import Company and the position of Director of Sports Talents and Youth at Kuwait Sports Club.

Mr. Mohammad Khaled Alghanim has been a member of the Board of Directors of Ali Alghanim Sons Automotive Company K.S.C.P since 2020, and a member of the Risk Management Committee. Additionally, he is the Vice Chairman of the Board of Directors of Al-Ahlia Heavy Vehicles Selling and Import Company.

Mr. Jehad Mohammad Ahmed Al-Qabandi

Independent Board Member

Master's degree in Business Administration from City University London, UK, a Bachelor's degree in Engineering and Computer Science from California State University - Long Beach- USA, and has completed the Middle East Senior Executive Program from Harvard Business School, USA

Mr. Al-Qabandi has more than 35 years of experience in commercial business, finance, investment and banking in Kuwait's leading institutions.

He currently serves as an Independent Board Member and Chairman of the Audit Committee at Ali Alghanim Sons Automotive Company (K.S.C.P), and an Independent Board Member and Chairman of the Risk Committee at Kuwait International Bank (KIB).

He is also a Member of the Board of Trustees at Kuwait College of Science and Technology, a Board Member at the National Bureau for Academic Accreditation and Education Quality Assurance, and the Vice Chairman of the Board at Afrah Al Khaleej General Trading & Contracting Company.

Mr. Al-Qabandi has distinguished banking and finance experience; he previously held the position of Chief Executive Officer at the Bank of Bahrain and Kuwait - Kuwait Branch, and Executive Director at the Kuwait National Fund for the Development and Welfare of Small and Medium Enterprises. Additionally, he has extensive experience in the field of investment, and founded Al Retag Investment Company and held the position of CEO and Managing Director.

Mr. Jehad also held several other leadership positions in prestigious international companies - Solomon Brothers International and the Kuwait Investment Office in London, and in local companies such as Investment Dar Company and Al Intiaz Investment Group.

Mr. Ahmed Meshari Al-Fares

Independent Board Member

Master's degree in Business Administration and a Postgraduate Diploma in Business Administration from the Kuwait Maastricht School of Management, a Bachelor's degree in Accounting from the College of Administrative Sciences at Kuwait University, and a Higher Diploma in Islamic Finance from the College of Graduate Studies at Kuwait University

Mr. Al-Fares holds several professional certifications including Certified Compliance Officer (CCO), Certified Merger and Acquisition Specialist (CMAS), Certified Professional Internal Auditor (CPIA) from USA, Certified Risk Based Auditor (CRBA) and Certified Risk Analyst (CRA) from Hong Kong. In addition, he has several executive programs in management, leadership, and strategic planning from INSEAD Business School.

Mr. Al Fares has more than 21 years of experience in banking, supervisory business and other fields, he is currently the Secretary of the Board of Directors of Kuwait Telecom Company since 2019, and the Treasurer of the Board of Directors of the Kuwait Transparency Society.

Furthermore, he currently holds the position of an independent board member and Chairman of Nomination and Remuneration Committee of Ali Alghanim Sons Automotive Company (K.S.C.P) and a member of the Board of Directors of Kuwait Finance House (KFH).

He started his career as a Banking Inspector in the Supervision Sector at the Central Bank of Kuwait, and then held several positions at Kuwait Finance House, the last of which was the position of Governance Manager in the Regulatory Compliance Department, then joined Kuwait Telecom Company and held both the position of Director of the Regulatory Compliance Department and the position of Head of Internal Audit Department, and previously served as Assistant Undersecretary of the Ministry of Commerce and Industry for Corporate Affairs and Commercial Licensing, Chairman and Secretary of the Board of Directors of the Kuwait Accountants and Auditors Association, Board Member of the Public Authority for Industry, and Board Member of Central Bank of Kuwait.

Overview of the Board of Directors' Meetings During 2025

Member Name	Member Classification	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	No. of Meetings
		20/02/2025	14/05/2025	10/08/2025	16/10/2025	05/11/2025	29/12/2025	
Eng. Fahad Ali Alghanim	Chairman of the Board Non-Executive	✓	✓	✓	✓	✓	✓	6
Mr. Yousef Abdullah Al Qatami	Vice Chairman of the Board Chief Executive Officer	✓	✓	✓	✓	✓	✓	6
Eng. Ali Marzouq Ali Alghanim	Board Member Non-Executive	✓	✓	✓	✓	✓	✓	6
Mr. Mohammad Khaled Alghanim	Board Member Non-Executive	✓	✓	✓	✓	✓	✓	6
Mr. Ali Abduljaleel Behbehani	Board Member Non-Executive	✓	✓	✓	✓	✓	✓	6
Mr. Jehad Mohammad Ahmed Al-Qabandi	Board Member Independent	✓	✓	✓	✓	✓	✓	6
Mr. Ahmed Meshari Al-Fares	Board Member Independent	✓	✓	✓	✓	✓	✓	6

Summary of How the Requirements for Recording, Documenting, and Maintaining Minutes of the Company's Board of Directors' Meetings Are Implemented

Ali Alghanim Sons Automotive Company ensures that the activities of the Board of Directors are documented in a systematic and organized manner to accurately reflect the discussions and decisions issued by the Board, while ensuring the integrity of institutional records and compliance with governance requirements.

The Board Secretary supervises the implementation of Board duties in accordance with the company's approved governance manual and serves as the main link between the Board, executive management, and all stakeholders.

The Secretary organizes and distributes information, coordinates between parties, and ensures that Board members have full and timely access to documents, records, and meeting minutes related to the company.

The Secretary also prepares the meeting minutes and ensures they accurately reflect the Board's performance of its duties. Meeting records include:

- Meeting number
- Meeting location
- Date of the meeting
- Start and end times

The Secretary also ensures that members are notified of meetings at least three working days in advance, except in emergency meetings that require shorter notice.

The minutes include the discussions, deliberations, and voting results, and they are signed by the Secretary and all attending members to ensure their completeness and accuracy.



Independent Director Declaration

The Independent Directors hereby declare that they meet the independence requirements in accordance with Article (3-2) of Chapter Five (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended, as detailed below:

Independent Board Member Acknowledgement Ali Alghanim Sons Automotive Company

I / Jehad Mohammad Ahmed Al-Qabandi, hereby acknowledge the below as an independent member in ALG's Board of Directors, that I have the controls of the Independency stipulated in Article No (2-3) of Corporate Governance book of the executive bylaws of law No.7 of 2010 regarding the establishment of the Capital Markets Authority and the regulating securities activities and its amendments. According to the following:

1. I do not hold 5% or more of ALG's shares.
2. I do not have a first degree relation with any of the Members of a Board of Directors or Executive Management Members in the Company or any other company in its Group or the main related parties.
3. I am not a Member of a Board of Directors in any company of the Group.
4. I am not an employee in the Company or any company in the Group or for any of the Stakeholders.
5. I am not an employee for corporate entities who own control shares in the Company.
6. I have the qualifications, experience and technical skills commensurate with the company's activity.
7. I undertake to immediately notify the company's Board of Directors in the event of any change that may affect my independence as an independent member of the Board of Directors.

Name: Jehad Mohammad Ahmed Al-Qabandi
Signature:



Date: 31 December 2025

Independent Board Member Acknowledgement Ali Alghanim Sons Automotive Company

I/ Ahmed Meshari Al-Fares, hereby acknowledge the below as an independent member in ALG's Board of Directors, that I have the controls of the Independency stipulated in Article No (2-3) of Corporate Governance book of the executive bylaws of law No.7 of 2010 regarding the establishment of the Capital Markets Authority and the regulating securities activities and its amendments. According to the following:

1. I do not hold 5% or more of ALG's shares.
2. I do not have a first degree relation with any of the Members of a Board of Directors or Executive Management Members in the Company or any other company in its Group or the main related parties.
3. I am not a Member of a Board of Directors in any company of the Group.
4. I am not an employee in the Company or any company in the Group or for any of the Stakeholders.
5. I am not an employee for corporate entities who own control shares in the Company.
6. I have the qualifications, experience and technical skills commensurate with the company's activity.
7. I undertake to immediately notify the company's Board of Directors in the event of any change that may affect my independence as an independent member of the Board of Directors.

Name: Ahmed Meshari Al-Fares
Signature:



Date: 31 December 2025

Rule Two

Proper Definition of Duties and Responsibilities

Overview of How the Company Defines the Policy for Assigning Duties, Responsibilities, and Obligations of Each Member of the Board of Directors and Executive Management, as well as the Authorities Delegated to Executive Management

The Board of Directors of Ali Alghanim Sons Automotive Company plays a central supervisory role to ensure the sustainability of the company's business and the soundness of its strategic direction.

The Board's main responsibilities include:

- Setting the general direction of the company
- Approving key strategies and policies
- Supervising financial and operational performance
- Ensuring compliance with applicable laws and regulations
- Establishing a culture of integrity and sound governance practices within the company

The Board also oversees risk management, internal control systems, and compliance, ensuring the protection of the company's interests and those of its stakeholders while creating sustainable long-term value.

In contrast, executive management is responsible for implementing the strategies and plans approved by the Board of Directors, managing the company's daily operations, and achieving operational objectives within the delegated authorities and in accordance with approved policies and the company's values.

The powers and responsibilities of the Board are clearly defined in the company's Articles of Association and the Authority Matrix, in accordance with the corporate governance regulations issued by the Capital Markets Authority, while taking into account the authorities of the General Assembly.

The Board delegates certain authorities to executive management within a clear framework that defines the scope of delegation, its limits, and mechanisms for accountability and follow-up, while maintaining the Board's full supervisory role.

This integrated approach reflects the company's commitment to best governance practices and ensures balance between the supervisory role of the Board and the executive role of management, thereby enhancing institutional discipline and supporting business continuity.

Board of Directors' Achievements During the Year

The Board of Directors continued to play its role in strategic oversight and strengthening institutional performance. The following outlines the most significant achievements of the Board during 2025:

- 01** Approval of the annual financial statements and the external auditor's report for the financial year 2024, as well as the interim financial statements for 2025, and review of the management representation letters confirming the integrity and accuracy of the financial statements.
- 02** Approval of the distribution of interim cash dividends to shareholders.
- 03** Approval of the increase of the Company's capital through the distribution of bonus shares.
- 04** Approval of the Board of Directors' report on the Company's activities and financial position for the financial year ended 31/12/2024.
- 05** Approval of the Corporate Governance Report and the Audit Committee Report for the financial year ended 31/12/2024.
- 06** Approval of amendments to the Company's Articles of Association and Memorandum of Association.
- 07** Approval of the remuneration and benefits report for members of the Board of Directors, Board committees, and executive management for the financial year ended 31/12/2024.
- 08** Approval of the report on related party transactions conducted during the financial year ended 31/12/2024, and the transactions expected to be undertaken during 2025.
- 09** Reappointment of the external auditor for the financial year 2025, determination of its fees, and review of the appointment engagement letter.
- 10** Approval of the payment of annual remuneration to members of the Board of Directors and the Board Secretary.

- 11 Approval of the payment of annual bonuses to executive management and Company employees.
- 12 Approval of the evaluation of the performance of the Board of Directors as a whole, each Board member individually, the Board committees, and executive management for the year 2024.
- 13 Approval of the agenda of the Ordinary and Extraordinary General Assembly meetings and the issuance of the invitation to convene the General Assembly.
- 14 Approval of the Company's estimated (proposed) budget.
- 15 Review and approval of the authority and responsibility matrix and determination of its scope.
- 16 Review and approval of the Board of Directors' Charter.
- 17 Review and approval of the Corporate Governance Policies.
- 18 Approval of the Charter of the Nomination and Remuneration Committee.
- 19 Review and approval of the Risk Management Policies and Procedures Manual.
- 20 Review and approval of the Business Continuity Plan and the Emergency (Crisis) Plan of the Company.
- 21 Approval of the Internal Audit Strategy and the Internal Audit Charter.
- 22 Approval of the Risk Register report, risk assessment, and determination of the acceptable level of risk for the Company.
- 23 Approval of Internal Audit reports.
- 24 Approval of the report on the evaluation and review of the Internal Control Systems for the financial year ended 31/12/2024.
- 25 Approval of the Internal Audit Quality Assessment report.
- 26 Acceptance of the resignation of the Head of the Financial Sector and approval of the appointment of a new Head of the Financial Sector within the Company.
- 27 Approval of the appointment of an advisory firm to prepare the Sustainability Report for the year 2025.
- 28 Approval of the appointment of the advisory firm assigned to Risk Management functions for the year 2025.
- 29 Review of the Sustainability Gap Assessment Report.
- 30 Review of the evaluation of the performance of the External Auditor for the year 2024, and review of the External Auditor's report relating to non-assurance services.
- 31 Review of the declarations submitted by independent Board members and verification of their compliance with independence requirements.
- 32 Review of the Legal Position Certificate issued by the Capital Markets Authority regarding compliance with integrity and financial soundness requirements, in addition to the Criminal Record Certificates of Board members, the Chief Executive Officer, and executive positions reporting directly within the organizational structure.
- 33 Review of the Company's Integrated Report for the financial year ended 31/12/2024.
- 34 Approval of the training plan for members of the Board of Directors and executive management for the year 2025.
- 35 Approval of the evaluations of the advisory firms assigned during the year 2024 to perform the following:
 - Internal Audit functions.
 - Risk Management functions.

Audit Committee

Committee Responsibilities and Achievements During 2025

- 01 Approval of the External Auditor's Report, the annual financial statements for the year 2024, and the interim financial statements for the year 2025.
- 02 Review of executive management's written representations confirming the integrity and accuracy of the financial statements for the financial year ended 31/12/2024.
- 03 Discussion of the Internal Audit Strategy and amendment of the Internal Audit Charter.
- 04 Review of Corporate Governance Policies.
- 05 Approval of Internal Audit Reports for the year 2025.
- 06 Approval of the report on the evaluation and review of Internal Control Systems for the year 2024.
- 07 Approval of the Audit Committee's annual report for the year 2024.
- 08 Approval of the Compliance Department's work plan for the year 2026.
- 09 Approval of non-assurance services provided by the External Auditor and confirmation of the auditor's independence.
- 10 Evaluation of the performance of the Company's External Auditor for the year 2024.
- 11 Evaluation of the performance of the advisory firm assigned to carry out Internal Audit functions for the year 2024.
- 12 Recommendation to reappoint the External Auditor for the year 2025, determine its fees, and review the engagement letter.
- 13 Recommendation to appoint an advisory firm to prepare the evaluation and review report of Internal Control Systems for the financial year ending 2025.
- 14 Discussion and approval of the Internal Audit Quality Assessment Report covering the three-year period (2022–2023–2024).

Committee Members

- Mr. Jihad Mohammad Ahmed AL-Qabandi – Chairman of the Committee – Independent
- Mr. Ali Abduljaleel Behbehani – Committee Member – Non-Executive
- Mr. Ali Marzouq Ali Alghanim – Committee Member – Non-Executive

Number of Committee Meetings During 2025

5 meetings

Committee Formation Date

The Board of Directors reconstituted the Committee on 28/03/2024.

Committee Term

Three years, provided that the Committee's term does not exceed the duration of Board membership.

Risk Management Committee

Committee Responsibilities and Achievements During 2025

- 01 Recommendation to approve the updated Risk Management Policies and Procedures Manual.
- 02 Recommendation to approve the Company's amended Business Continuity Plan and Emergency Plan.
- 03 Recommendation to approve the Risk Register and the Risk Management Report.
- 04 Recommendation to approve the acceptable level of risk for the Company (Risk Appetite).
- 05 Recommendation to appoint an advisory firm to prepare the Sustainability Report for the financial year ending 2025.
- 06 Recommendation to approve the report on Related Party Transactions for the financial year ended 31/12/2024, and the related transactions planned to be executed during 2025.
- 07 Evaluation of the performance of the advisory firm assigned to carry out Risk Management functions for the year 2024.
- 08 Recommendation to appoint the advisory firm responsible for Risk Management functions for the year 2025.
- 09 Review of the Sustainability Gap Assessment Report.

Committee Members

- || Mr. Ali Abduljaleel Behbehani – Chairman of the Committee – Non-Executive
- || Mr. Ali Marzouq Ali Alghanim – Committee Member – Non-Executive
- || Mr. Mohammad Khaled Alghanim – Committee Member – Non-Executive

Number of Committee Meetings During 2025

5 meetings

Committee Formation Date

The Board of Directors reconstituted the Committee on 28/03/2024.

Committee Term

Three years, provided that the Committee's term does not exceed the duration of Board membership.

Nomination and Remuneration Committee

Committee Responsibilities and Achievements During 2025

- 01 Review and approval of the Nomination and Remuneration Committee Charter.
- 02 Approval of the evaluation of the Board of Directors' performance as a whole, each individual Board member, the Board committees, and executive management for the financial year ended 2024.
- 03 Approval of the annual remuneration payment for Board members and the Company Secretary for the financial year ended 2024.
- 04 Approval of the annual remuneration payment for executive management and Company employees for the financial year ended 2024.
- 05 Approval of the remuneration and benefits report for Board members, Board committees, and executive management who received the highest remuneration for the financial year ended 2024.
- 06 Approval of the training plan for Board members and executive management for the year 2025.
- 07 Approval of the independent members' declarations and confirmation of their compliance with independence requirements.
- 08 Review of the Legal Standing Certificate issued by the Capital Markets Authority, particularly with respect to integrity and financial soundness standards, in addition to the criminal record certificates for Board members, the Chief Executive Officer, and positions reporting directly to the organizational structure.
- 09 Recommendation to accept the resignation of the Head of Finance and appoint a new Head of the Financial Sector at the Company.

Committee Members

- Mr. Ahmad Meshari Abdulwahab Al-Fares – Chairman of the Committee – Independent
- Mr. Fahad Ali Alghanim – Committee Member – Non-Executive
- Mr. Yousef Abdullah Al - Qatami – Committee Member – Executive

Number of Committee Meetings During 2025

3 meetings

Committee Formation Date

The Board of Directors reconstituted the Committee on 28/03/2024.

Committee Term

Three years, provided that the Committee's term does not exceed the duration of Board membership.

Implementation of Requirements Enabling Board Members to Obtain Accurate and Timely Information and Data

During the financial year 2025, executive management ensured that members of the Board of Directors were able to obtain the information and data required in a timely manner through periodic reports covering both financial and non-financial matters, including audit, risk, and compliance reports.

Board members are also provided with supporting documents prior to meetings, enabling thorough review of agenda items and informed decision-making, while maintaining full compliance with information confidentiality requirements.

In addition, the Company enhanced its information technology infrastructure and Board documentation systems to ensure the delivery of high-quality, accurate data, facilitate decision-making, and reduce reliance on paper-based processes.



Rule Three

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

Implementation of the Requirements for the Formation of the Nomination and Remuneration Committee

During 2025, the Nomination and Remuneration Committee reviewed and amended its charter, which was subsequently approved by the Board of Directors.

The committee consists of three members, chaired by an independent Board member.

Summary of the Remuneration and Incentives Policy

The performance of the Board of Directors is evaluated annually both:

- At the level of the Board as a whole, and
- At the level of each individual Board member and Board committees

This evaluation is based on approved and objective Key Performance Indicators (KPIs) to ensure measuring the effectiveness of the Board and enhancing its efficiency.

Based on the results of the evaluation, the annual remuneration of Board members is determined in accordance with Law No. (1) of 2016 issuing the Companies Law and its Executive Regulations and amendments, and such remuneration is subject to approval by the Annual General Assembly, based on the recommendation of the Board of Directors and the Nomination and Remuneration Committee.

The General Assembly may approve exempting an independent Board member from the maximum remuneration limit in accordance with applicable regulations.

With regard to executive management, the remuneration structure is determined based on a clear framework balancing fixed and variable components as follows:

Fixed Compensation

Includes:

- Salaries
- Benefits
- Other employment advantages

Variable Compensation

Includes:

- Annual bonuses linked to performance evaluation
- Achievement of short-term and long-term objectives.

Report on Remuneration Granted to Members of the Board of Directors, Executive Management, and Senior Management:

Remuneration and Benefits for Members of the Board of Directors							
Total number of members	Remuneration and Benefits Through the Parent Company			Remuneration and Benefits Through Subsidiaries			
	Fixed Remuneration and Benefits (KWD)	Variable Remuneration and Benefits (KWD)		Fixed Remuneration and Benefits (KWD)		Variable Remuneration and Benefits (KWD)	
	Health Insurance	Annual Bonus	Committee Fees	Health Insurance	Monthly Salaries (Total for the Year)	Annual Bonus	Committee Fees
7	---	85,000	---	1,890	133,097	148,288	---

Report on Remuneration Granted to Members of the Board of Directors, Executive Management, and Senior Management:

Total remuneration and benefits granted to the five senior executives who received the highest remuneration, in addition to the Chief Executive Officer and the Chief Financial Officer (or their equivalents, if not included among them), and senior management.

Total remuneration and benefits granted to the five senior executives who received the highest remuneration, in addition to the Chief Executive Officer and the Chief Financial Officer (or their equivalents, if not included among them), and senior management.															
Total Number of Executive Positions and Senior Management	Remuneration and Benefits Through the Parent Company							Variable Remuneration and Benefits (KWD)	Remuneration and Benefits Through Subsidiaries						Variable Remuneration and Benefits (KWD)
	Monthly Salaries (Total for the Year)	Health Insurance	Annual Air Tickets	Housing Allowance	Transportation Allowance	Children's Education Allowance	Travel Allowance	Annual Bonus	Monthly salaries (total of the year)	Medical Insurance	Annual Air Tickets	Housing Allowance	Transportation Allowance	Children's Education Allowance	Annual Bonus
7	35,464	630	604	-	-	-	-	12,468	226,274	2,835	-	-	-	-	836,796

Any material deviations from the remuneration policy approved by the Board of Directors:

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

Rule Four

Ensuring the Integrity of Financial Reporting

Written Representations by the Board of Directors and Executive Management on the Integrity and Accuracy of the Financial Reports

Both the Board of Directors and the Executive Management provide written representations confirming their joint responsibility for the integrity and accuracy of the financial reports.

The Executive Management provides written assurances to the Board of Directors confirming that the Company's financial statements are presented fairly and accurately, reflect all material financial aspects of the Company including financial position and results of operations, and have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the Capital Markets Authority.

In turn, the Board of Directors provides written assurances to the shareholders regarding the integrity and accuracy of the Company's financial statements. These representations reinforce the principles of accountability and oversight through the Executive Management, the Audit Committee, and the Board of Directors.

Overview of the Implementation of Audit Committee Formation Requirements

The Audit Committee has established a charter approved by the Board of Directors, in compliance with the requirements of Chapter Five of Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended.

The Audit Committee is composed of three members, including one independent member. In accordance with regulatory requirements, neither the Chairman of the Board nor any executive Board members serve on the Audit Committee. The term of the Audit Committee is three years. At least one member of the Committee possesses academic qualifications or practical experience in accounting or financial fields.

The Committee meets on a regular basis no fewer than four times annually, on a quarterly basis. It also holds periodic meetings with the external auditor. During the year 2025, the Audit Committee held four meetings with the internal auditor.

In the Event of Any Conflict between the Audit Committee's Recommendations and the Board of Directors' Resolutions

During the year 2025, there were no instances of conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors.

Confirmation of the Independence and Objectivity of the External Auditor

The Ordinary General Assembly, in its meeting held on 31 December 2024 for the financial year ended on that date, approved the reappointment of Mr. Bader Adel Al-Abduljader of Ernst & Young – Al-Aiban, Al-Osaimi & Partners as the Company's independent external auditor for the year 2025.

This appointment was made from among the list of auditors approved by the Capital Markets Authority, based on the recommendation of the Board of Directors and the Audit Committee.

The Company confirms, through the Audit Committee, that the external auditor is independent from the Company and its Board of Directors, and does not perform any additional services that may conflict with the services prescribed under auditing and review standards.

Rule Five

Establishing Sound Risk Management and Internal Control Systems

Brief Statement on the Application of the Requirements for Establishing an Independent Risk Management Office / Unit

Ali Alghanim Sons Automotive Company established an independent Risk Management function that reports to the Risk Management Committee and the Board of Directors, in accordance with the approved organizational structure adopted by the Board.

During 2025, and based on the recommendation of the Risk Management Committee, the Board of Directors approved the appointment of a new independent external consultancy firm with qualified human resources to perform risk management functions. In addition, the Risk Management Policies and Procedures Manual was reviewed and approved.

Based on the recommendation of the Risk Management Committee, internal control systems and effective risk management procedures were implemented to measure and monitor the risks faced by the Company. The Board of Directors also approved the acceptable risk appetite level for the Company.

Overview of the Application of the Requirements for Forming the Risk Management Committee

The Board of Directors, during its meeting held on 28/03/2024, approved the reconstitution of the Risk Management Committee and reviewed and adopted its charter.

The Committee is composed of three non-executive members, taking into consideration that the Chairman of the Board shall not be a member of the Committee. The Committee's term is three years.

The role of the Risk Management Committee focuses on ensuring the implementation of the strategies and policies approved by the Board of Directors in a manner that is commensurate with the nature and scale of the Company's activities.

The Committee also supports the Board of Directors in identifying and assessing the Company's acceptable risk levels, in addition to monitoring and reviewing risk measurement indicators on a periodic basis.

Internal Control and Internal Oversight Systems

The Company applies a comprehensive set of internal control and internal oversight systems covering all of its activities and operations. These systems aim to safeguard the Company's financial position and ensure the accuracy and integrity of financial data. They also reflect the Company's organizational structure through the implementation of dual control mechanisms.

The Board of Directors has approved a clear authority and responsibility matrix, which has been reviewed and updated in line with the nature of the Company's operations. The Board is committed to reviewing periodic reports issued by the Audit Committee regarding the results of internal control activities.

Based on the recommendation of the Audit Committee, the Board of Directors appointed an independent external consultancy firm to review the Company's internal control systems and issue an evaluation report for the financial year ended 31 December 2025. During 2025, the Board also approved the internal control systems evaluation report for the financial year ended 31 December 2024, based on the Audit Committee's recommendation.

Brief Statement on the Application of the Requirements for Establishing an Independent Internal Audit Office / Unit

The Company established an independent Internal Audit function reporting to the Audit Committee and, ultimately, to the Board of Directors. The Internal Audit activities are performed by an independent external consultancy firm, which was reappointed by the Board of Directors based on the Audit Committee's recommendation.

The independence of the Internal Audit function is considered essential to ensure the effectiveness and success of internal audit responsibilities. The role of Internal Audit includes assessing the adequacy and effectiveness of internal control systems applied within the Company, identifying weaknesses in procedures and operations, and issuing the necessary recommendations and corrective guidance.

The Internal Audit function also ensures the Company's compliance with applicable laws, regulations, and internal control frameworks. This is achieved through the issuance of periodic reports by the external firm to the Audit Committee, based on the Internal Audit plan approved by the Committee and the Board of Directors.

Rule Six

Promoting Professional Conduct and Ethical Values

Summary of the Code of Conduct, Including Standards and Guidelines for Professional Conduct and Ethical Values:

The Company considers professional conduct and ethical values to be an integral part of its institutional culture and the governing framework for all its operations and dealings.

The Board of Directors has approved the Code of Professional and Ethical Conduct, under which the Board and executive management commit to acting independently and refraining from exploiting their positions or the Company's resources for personal interests, while ensuring integrity and avoiding conflicts of interest. The Board of Directors, executive management, and all employees of the Company are committed to complying with the provisions of this Code as part of the Company's day-to-day business operations.

The Code also regulates the whistleblowing policy available to employees and stakeholders to report any improper practices that may conflict with applicable laws, regulations, policies, or internal systems of the Company. This is done while ensuring good faith reporting and providing confidentiality and protection for whistleblowers against any negative consequences or harm that may result from submitting such reports.

Summary of Policies and Mechanisms to Limit Conflicts of Interest:

The Code of Professional and Ethical Conduct approved by the Board of Directors includes a set of policies and procedures designed to limit conflicts of interest and safeguard the rights of shareholders and stakeholders. A key component of these policies is the availability of effective procedures and controls to identify potential conflicts of interest and determine how they should be managed, in accordance with the requirements of the Capital Markets Authority and Companies Law No. (1) of 2016 and its amendments.

These policies also define the roles of the Board of Directors, executive management, and the General Assembly in cases where conflicts of interest arise.

Rule Seven

Disclosure and Transparency in an Accurate and Timely Manner

Summary of the Implementation of Disclosure and Accurate and Transparent Reporting Mechanisms that Define the Aspects, Scope, and Characteristics of Disclosure

Disclosure

The Company is committed to providing accurate, reliable, and timely information to shareholders, investors, and stakeholders, in a manner that enhances transparency and supports informed decision-making. In this regard, the Board of Directors has approved policies and procedures governing disclosure and transparency, which define the mechanisms for disclosing financial and non-financial information and data related to the Company.

Accurate and reliable information enables shareholders and investors to effectively assess the Company's performance, strengthens confidence, supports investment attraction, and enhances understanding of the Company's activities and operations. It also contributes to strengthening relationships with shareholders and stakeholders and achieving the highest levels of trust with all relevant parties. The Company further ensures an appropriate balance between maintaining the confidentiality of the Company's sensitive information and fulfilling disclosure requirements toward shareholders, investors, and stakeholders.

The Compliance Department assumes responsibility for overseeing the disclosure process and information dissemination, in coordination with executive departments and relevant functions within the Company, to ensure full compliance with the requirements of the Capital Markets Authority, Boursa Kuwait, and other regulatory authorities.

Overview of the Implementation of the Requirements of the Register of Disclosures of Board Members, Executive Management, and Managers

The Company maintains a dedicated register for disclosures related to the Board of Directors, executive management, and managers, covering their transactions in the Company's shares listed on Boursa Kuwait. The register also includes details of salaries, incentives, allowances, and other financial benefits, whether granted directly or indirectly by the Company or its subsidiaries.

All shareholders of the Company are entitled to review this register without any fees or charges.

Summary Statement on the Implementation of the Requirements for the Establishment of the Investor Relations Unit

The Company has established an independent Investor Relations Unit reporting directly to the Chief Executive Officer. The Board of Directors has also approved the policies and procedures governing the operation of the Investor Relations Unit.

The Unit is responsible for facilitating access to data, information, and reports required by shareholders and potential investors in an accurate and timely manner, through recognized disclosure channels, including the Company's official website. The Unit further contributes to enhancing credibility and trust between the Company and its shareholders, and ensuring equal treatment of all shareholders, by responding to inquiries and communications through approved communication channels.

Overview of the Development of the Core Information Technology Infrastructure and Its Extensive Use in Disclosure Processes

The Company maintains an advanced and efficient corporate website that meets the requirements of shareholders and relevant stakeholders. The website includes a dedicated corporate governance section covering all Company disclosures, data, and information that assist shareholders and investors in accessing information easily, exercising their rights, and assessing the Company's performance.

In addition, the Company's website includes a dedicated sustainability section, enabling shareholders to follow the Company's achievements and performance across environmental, social, and governance (ESG) domains.

Rule Eight

Respecting Shareholders' Rights

Summary of the Application of Requirements for Defining and Protecting Shareholders' General Rights, Ensuring Fairness and Equal Treatment Among All Shareholders

The Company's Articles of Association guarantee the rights and obligations of shareholders, particularly the right to receive dividends decided for distribution by the Company, the right to participate in the management of the Company through membership of the Board of Directors, and the right to attend General Assembly meetings. Shareholders also have the right to participate in deliberations and vote on resolutions, in addition to other rights stipulated in the Company's Articles of Association, in alignment with the Corporate Governance Rules issued by the Capital Markets Authority and the Companies Law.

In this regard, the Company has adopted a "General Assembly and Shareholders' Rights Policy", which was approved by the Board of Directors. The Company is committed to protecting shareholders' rights and enabling the exercise of their fundamental rights in a fair and equitable manner, ensuring equal treatment among shareholders holding the same class of shares without discrimination. The Company also provides shareholders with adequate means to access the minutes of General Assembly meetings.

Summary of the Establishment of a Special Register Maintained by the Clearing Agency, as Part of the Ongoing Requirements for Shareholders' Data

The Company has entered into an agreement with the KCSD Kuwait Central Securities Depository to establish and maintain a dedicated register, through which the names of shareholders, their nationalities, places of residence, and the number of shares owned by each shareholder are recorded. The Kuwait Clearing Company provides the Company with daily updates on any changes made to the data and information recorded in the shareholders' register.

Shareholders and any concerned parties are entitled to request information from this register, in accordance with the applicable laws and instructions issued by the relevant regulatory authorities.

Overview of How Shareholders Are Encouraged to Participate and Vote in the Company's General Assemblies

The Company's Articles of Association and the Shareholders' Guide set out the provisions governing General Assembly meetings and shareholders' rights. These provisions include the procedures and safeguards necessary to ensure that all shareholders are able to exercise their rights to participate and vote in General Assembly meetings.

The Company complies with the requirements of the Capital Markets Authority regarding the convening of General Assemblies and the implementation of electronic voting systems, enabling shareholders to exercise their voting rights in cases where they are unable to attend meetings in person. The Company also encourages its shareholders to attend General Assembly meetings or to appoint proxies to attend and vote on their behalf in the event of non-attendance.

The Company ensures that shareholders are duly notified of all General Assembly invitations and related disclosure materials well in advance of the meeting date. Such notifications are made through the electronic system of the Kuwait Clearing Company, the Company's official website, and the website of Boursa Kuwait.

In addition, invitations to attend the General Assembly, including the agenda, date, time, and method of participation, are announced through two local daily newspapers. Shareholders are given the opportunity to actively participate in General Assembly discussions, raise questions, and engage in deliberations on the matters presented. The Company is committed to enabling all shareholders to exercise their voting rights without any restrictions or obstacles.

Rule Nine

Recognizing the Role of Stakeholders

Overview of the Policies and Systems that Ensure the Protection and Recognition of Stakeholders' Rights

The Company affirms its commitment to protecting and respecting the rights of all stakeholders, recognizing that their contributions represent a fundamental element in enhancing the Company's competitiveness and long-term profitability. This commitment forms an integral part of the Company's corporate governance framework.

Accordingly, the Board of Directors has approved clear policies to safeguard stakeholders' rights. These policies apply across the Company, including the Board of Directors, executive management, and employees, reinforcing a culture of shared responsibility and partnership with stakeholders across the Group.

Overview of How Stakeholders Are Encouraged to Participate in Monitoring the Company's Various Activities

Below are the key responsibilities and practices adopted to encourage stakeholders' engagement and effective participation in monitoring the Company's activities:

- Engaging with stakeholders on equal terms, applying the same conditions and standards without discrimination.
- Building strong and sustainable relationships with customers and suppliers while maintaining the confidentiality of their information.
- Ensuring that contracts concluded with stakeholders include clear mechanisms for addressing any potential disputes or disagreements.
- Compensating stakeholders in cases where their contractual or legally recognized rights are violated.
- Providing clear reporting, complaint-handling, and dispute-resolution mechanisms for issues that may arise between the Company and its stakeholders.
- Selecting qualified executive management members capable of effectively managing stakeholder relationships.
- Developing employee performance to ensure meaningful participation in management processes and decision-making.
- Supporting initiatives that contribute to economic and social development.
- Providing accurate and timely information to enable stakeholders to make informed decisions, through recognized communication channels and within the applicable legal framework.
- Overseeing the Company's affairs with efficiency and integrity, while respecting the values and culture of each stakeholder.
- Complying with laws and regulations issued by the Capital Markets Authority, the Ministry of Commerce and Industry, and other relevant regulatory bodies.
- Upholding commitments toward banks and financial institutions with which the Company deals, ensuring adherence to contractual obligations and agreed terms.
- Creating sustainable added value for shareholders by optimizing their investments and achieving reasonable financial returns, while safeguarding their rights as stipulated in the Company's Articles of Association.

Rule Ten

Enhancing and Improving Performance

Summary of the Application of Requirements for Establishing Mechanisms Enabling Board Members and Executive Management to Participate in Continuous Training and Development Programs

The Company is committed to developing the capabilities of the members of the Board of Directors and Executive Management by keeping them informed of the latest developments in relevant fields. During 2025, members of the Board of Directors and Executive Management participated in specialized training programs, including training on artificial intelligence, as part of the Company's ongoing efforts to enhance professional knowledge and competencies.

Overview of the Methodology for Evaluating the Performance of the Board of Directors as a Whole, and the Performance of Each Board Member and Executive Management

The Board of Directors, through the Nomination and Remuneration Committee, adopts a set of performance indicators to assess the performance of the Board as a whole, as well as the performance of each individual Board member and Executive Management. These indicators are directly linked to the responsibilities of the Board and Executive Management and the extent to which strategic objectives are achieved.

The Company conducts periodic performance evaluations of the Board of Directors, its committees, and Executive Management to measure efficiency and effectiveness, identify areas of improvement, and determine the necessary training needs.

Overview of the Board of Directors' Efforts in Creating Institutional Value (Creation Value) for the Company's Employees

The Board of Directors places significant emphasis on promoting institutional values and building a motivating work environment in which rewards are linked to performance based on clear and objective criteria. This approach supports innovation, teamwork, compliance with laws and professional codes of conduct, and contributes to achieving the Company's strategic objectives while strengthening stakeholder confidence.

During 2025, the Board approved and issued the Company's integrated annual report for the financial year ended 31/12/2024, reflecting its commitment to transparency, performance improvement, and sustainable value creation.

Rule Eleven

Emphasis on the Importance of Social Responsibility

Summary of the Policy Ensuring Balance Between the Company's Objectives and Community Goals

The Company is committed to adopting a policy that ensures an appropriate balance between its strategic objectives and the interests of the community. This is achieved through integrating the principles of corporate social responsibility and sustainability into its operational plans.

This policy aims to reinforce the Company's role in economic and social development, while adhering to responsible practices towards the environment, employees, and stakeholders, thereby creating sustainable value and reflecting the Company's commitment to the community in which it operates.

Overview of Programs and Mechanisms Used to Highlight the Company's Social Responsibility Efforts

The Company adopts a range of programs and mechanisms that contribute to showcasing its efforts in the field of social responsibility. These include the implementation of community-focused initiatives, supporting education, health, and environmental programs, and issuing periodic reports on its social contributions through its website and official disclosure channels.

The Company also documents its participation in community initiatives and cooperates with relevant stakeholders, reflecting its commitment to social responsibility and strengthening its corporate image among the community and stakeholders.

Al Ghanim Padel Tournament – Youth Category / Sports Activities

Al Ghanim supports the sports sector in the State of Kuwait through the organization of an annual padel tournament, aimed at providing an engaging, inclusive, and competitive environment suitable for different age groups. The tournament offers an opportunity for broad community participation through multiple categories, including:

- Youth under 16 years (male and female),
- Youth aged 16 to 30 years (male and female),
- Adults aged 30 years and above (male and female),
- In addition to a special Parent & Child category.

The tournament also includes cash prizes awarded to first- and second-place winners, encouraging participation and excellence. This initiative reflects the Company's commitment to promoting sports engagement, physical activity, and healthy lifestyles across the community.

FPL Esports Tournament – Youth Category

In line with the rapid growth of Esports and digital entertainment, Al Ghanim organized an annual Esports tournament through the Fantasy Premier League (FPL) platform. The initiative provides football enthusiasts with an opportunity to participate in an online competitive experience focused on selecting and managing virtual teams, with the objective of identifying the best-performing manager throughout the season.

The tournament aims to support football fans by offering an interactive experience that promotes strategic thinking, decision-making, and long-term team management across the season. Participants compete to achieve the highest point totals, with valuable prizes awarded to top-ranking teams in the overall standings.

This initiative reflects the Company's commitment to engaging youth through innovative digital platforms, encouraging healthy competition, and supporting modern forms of sports and entertainment that align with evolving community interests.

Al Ghanim Hosts an Employee Open Day Event

Al Ghanim hosted an Employee Open Day at the company level, aimed at bringing employees together in an engaging and interactive environment that fosters communication, strengthens team spirit, and recognizes employees outside the formal work setting.

The event featured a variety of activities, including group games, social interaction opportunities, food offerings, and entertainment programs. These activities were designed to boost morale, enhance professional relationships among employees, and express appreciation for their contributions and ongoing efforts.

This initiative reflects the Company's commitment to employee engagement, well-being, and the creation of a positive workplace culture that values collaboration, recognition, and mutual respect.

World Heart Day Initiative

On the occasion of World Heart Day, Al Ghanim organized a health awareness initiative that included the provision of free heart health screenings, along with general medical check-ups for employees and visitors.

This initiative reflects the Company's commitment to promoting healthy lifestyles and supporting community well-being, as part of its ongoing efforts in the field of corporate social responsibility. By encouraging preventive healthcare and raising awareness about cardiovascular health, Al Ghanim continues to contribute positively to public health and community development.

Supporting People of Determination

In celebration of the International Day of Persons with Disabilities, the Company organized a dedicated event in collaboration with the Kuwait Down Syndrome Association. The initiative included a range of creative and recreational activities, designed to provide an inclusive and engaging experience for participants.

This initiative reflects the Company's commitment to fostering inclusion, empowerment, and equal opportunities, while actively supporting people of determination and reinforcing its role in serving and uplifting the wider community.

Educational Support

The Company participated in the 18th Annual Charity Carnival organized by the American Bilingual School (ABS), held on April 12, 2025, at the school campus.

The event aimed to raise donations in support of the Kuwait Center for Autism, while also providing a safe, engaging, and enjoyable environment for children. The initiative contributed to promoting a culture of giving, social responsibility, and humanitarian values among students, reflecting the Group's ongoing commitment to supporting educational and community-based initiatives.

Geely Graduation Campaign

Building on the success of previous initiatives, the Company launched one of the largest graduation campaigns in Kuwait last year. As part of the campaign, six Geely Coolray vehicles were awarded as prizes to top-performing high school graduates across the country.

The initiative aimed to celebrate academic excellence, recognize outstanding student achievement, and motivate young graduates to continue pursuing their educational and professional ambitions. This campaign reflects the Company's commitment to supporting youth development, rewarding merit, and investing in future generations as a cornerstone of its social responsibility efforts.

Conclusion

In concluding this report, Ali Alghanim Sons Automotive Company K.S.C.P. reaffirms that effective governance represents the fundamental pillar for achieving sustainable growth, safeguarding shareholders' rights, and strengthening confidence in the Company's institutional performance.

Accordingly, the Company remains committed to continuously enhancing its governance framework and developing its oversight and compliance mechanisms, ensuring flexibility and responsiveness to regulatory, operational, and organizational developments, while supporting the achievement of its long-term strategic objectives.

Governance at the Company is not viewed merely as a regulatory or structural obligation, but rather as a daily practice and an embedded corporate culture that guides decision-making, promotes sustainability, and creates long-term value for all stakeholders. The Company further renews its ongoing commitment to transparency, accountability, and the application of best governance practices, reinforcing its role as a responsible and sustainable corporate institution.

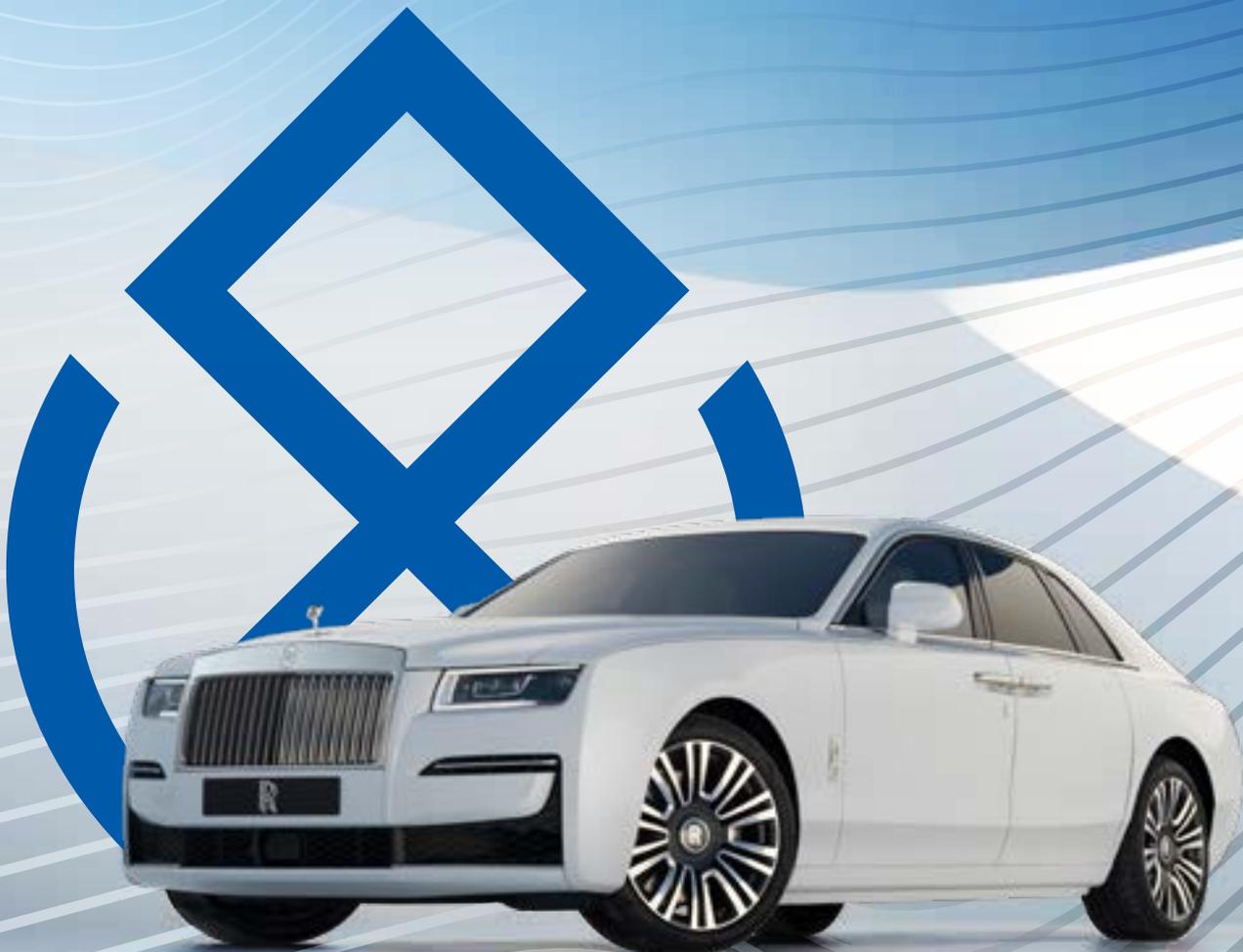
Yours sincerely,

Eng. Fahad Ali Alghanim
Chairman of the Board of Directors



13

Financial Statements



Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Existence and valuation of inventories

Key audit matter	How the key audit matter was addressed in the audit
<p>As at 31 December 2025, the Group held inventories of KD 77,801,029 net of an allowance of KD 3,123,782, representing %28 of total assets.</p> <p>Inventories mainly consist of motor vehicles and spare parts on-hand and in-transit at year-end and are valued at the lower of cost and net realisable value. Management determines the level of obsolescence of inventories by considering their nature, aging profile and sales expectations using historic trends and other qualitative factors. At each reporting date, the cost of inventories is reduced where inventories are forecasted to be sold at below cost.</p> <p>Judgment is required to identify obsolete and slow-moving inventories and assess the appropriate level of allowance for such inventories, which may be sold below cost as a result of a reduction in consumer demand. Such judgments include management’s expectations for future sales and inventory liquidation plans. Estimation process of the allowance is disclosed in Note 2.6.2 to the consolidated financial statements.</p> <p>We considered the existence and valuation of inventories as a key audit matter given the relative size of the balance in the consolidated statement of financial position and the significant judgments and key assumptions applied by management in determining the allowance and the level of inventories write down required based on Net Realisable Value (NRV) assessment.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We attended the physical inventory count at year-end for all significant locations, observed the count procedures and, for a sample of inventory, performed test counts to assess the existence and condition of inventory on-hand.</p> <p>For Goods in Transit (“GIT”), we tested a sample of the cost incurred to supporting evidence such as external purchase invoices, shipping documents and receipt of inventory after the cut-off date.</p> <p>We reviewed the basis for the allowance by understanding and challenging the key assumptions used. In doing so, we understood the aging profile of the inventory, identification of obsolete and slow-moving inventories and the process for identifying specific problem inventory. Furthermore, we recalculated the expected allowance based on the above key assumptions to assess the mathematical accuracy of the calculation.</p> <p>We assessed the appropriateness of management estimation of NRV by tracing inventory items in the listing, on a sample basis, to sales during and subsequent to the reporting period.</p> <p>We also considered the adequacy of the Group’s accounting policies and disclosures relating to inventory and related allowances in Notes 2 and 12 to the consolidated financial statements.</p>

Other information included in the Group's 2025 Annual Report

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

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



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

23 February 2026
Kuwait

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

		2025	2024
	Notes	KD	KD
Revenue From Contracts With Customers	3	289,415,544	259,023,657
Vehicle Lease Income		7,648,291	5,996,033
Revenue		297,063,835	265,019,690
Cost Of Sales And Services Rendered		(227,378,039)	(200,124,339)
Gross Profit		69,685,796	64,895,351
Other Operating Income		1,151,330	993,608
Selling And Distribution Expenses		(18,724,644)	(17,414,581)
Administrative Expenses		(13,839,144)	(12,208,768)
Operating Profit		38,273,338	36,265,610
Finance Costs		(4,036,311)	(3,181,400)
Share Of Results Of Equity-Accounted Investees	10	3,481,061	3,649,050
Profit Before Tax And Directors' Remuneration	4	37,718,088	36,733,260
Taxation	5	(1,364,711)	(2,159,333)
Directors' Remuneration	20	(85,000)	(85,000)
Profit For The Year		36,268,377	34,488,927
Attributable To:			
Equity Holders Of The Parent Company		31,139,795	29,260,282
Non-Controlling Interests		5,128,582	5,228,645
		36,268,377	34,488,927
Basic And Diluted Earnings Per Share (Eps) Attributable To Ordinary Equity Holders Of The Parent Company (Fils)	6	87.06	82.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	Notes	KD	KD
Profit For The Year		36,268,377	34,488,927
Other Comprehensive Income (Loss)			
<i>Other Comprehensive Income (Loss) That May Be Reclassified To Profit Or Loss In Subsequent Periods:</i>			
Cash Flow Hedges – Effective Portion Of Changes In Fair Value		886,069	-
Cost Of Hedging Reserve – Changes In Fair Value		(98,685)	-
Cost Of Hedging Reserve – Amortised To Profit Or Loss		98,685	-
Net Gain On Cash Flow Hedges		886,069	-
Net Exchange Differences On Translation Of Foreign Operations		902,383	(7,054,637)
Other Comprehensive Income (Loss) That May Be Reclassified To Profit Or Loss In Subsequent Periods		1,788,452	(7,054,637)
<i>Other Comprehensive Loss That Will Not Be Reclassified To Profit Or Loss In Subsequent Periods:</i>			
Net Gain (Loss) On Equity Instruments Designated At Fair Value Through Other Comprehensive Income	11	253,376	(59,500)
Revaluation Of Land	7	(1,602,735)	-
Share Of Other Comprehensive Loss Of Equity- Accounted Investee	10	(154,137)	-
Other Comprehensive Loss That Will Not Be Reclassified To Profit Or Loss In Subsequent Periods		(1,503,496)	(59,500)
Other Comprehensive Income (Loss) For The Year		284,956	(7,114,137)
Total Comprehensive Income For The Year		36,553,333	27,374,790
Attributable To:			
Equity Holders Of The Parent Company		31,159,471	25,601,792
Non-Controlling Interests		5,393,862	1,772,998
		36,553,333	27,374,790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	Notes	KD	KD
Assets			
Non-current assets			
Property, plant and equipment	7	105,282,052	119,347,817
Investment properties	8	16,801,571	-
Intangible assets		150,849	131,661
Medium-term receivables	9	587,150	414,460
Investment in equity-accounted investees	10	23,650,260	13,425,748
Investment securities	11	2,520,078	2,060,426
		148,991,960	135,380,112
Current assets			
Inventories	12	77,801,029	92,898,376
Accounts receivable and prepayments	13	14,073,418	11,283,962
Receivables from related parties	20	4,972,994	6,783,871
Cash and short-term deposits	14	28,686,629	16,860,471
		125,534,070	127,826,680
Total assets		274,526,030	263,206,792
Equity and liabilities			
Equity			
Share capital	15	36,075,000	27,750,000
Statutory reserve	15	13,899,235	10,747,874
Treasury shares	16	(938,402)	(3,135,248)
Treasury shares reserve	16	1,779,952	5,139
Asset revaluation surplus	15	29,980,446	31,508,181
Fair value reserve	15	266,963	74,783
Foreign currency translation reserve	15	(4,257,306)	(4,758,984)
Other reserves		-	1,196,343
Retained earnings		28,625,894	25,443,559
Equity attributable to equity holders of the parent company		105,431,782	88,831,647
Non-controlling interests		12,265,560	10,566,645
Total equity		117,697,342	99,398,292
Non-current liabilities			
Islamic finance payables	17	29,612,346	31,641,223
Employees' end of service benefits	18	6,560,786	6,245,422
Trade payables, accruals and other provisions	19	21,202,133	20,501,249
		57,375,265	58,387,894
Current liabilities			
Islamic finance payables	17	21,033,791	9,252,428
Trade payables, accruals and other provisions	19	67,787,576	84,176,775
Payables to related parties	20	10,632,056	11,991,403
		99,453,423	105,420,606
Total liabilities		156,828,688	163,808,500
Total equity and liabilities		274,526,030	263,206,792



Eng. Fahad Ali Mohammed Thunayan Alghanim
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

		Attributable to equity holders of the Parent Company											
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Asset revaluation surplus	Cash flow hedge reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
As at 1 January 2025	27,750,000	10,747,874	(3,135,248)	5,139	31,508,181	-	74,783	(4,758,984)	1,196,343	25,443,559	88,831,647	10,566,645	99,398,292
Profit for the year	-	-	-	-	-	-	-	-	-	31,139,795	31,139,795	5,128,582	36,268,377
Other comprehensive (loss) income for the year	-	-	-	-	(1,527,735)	886,069	253,376	501,678	-	(93,712)	19,676	265,280	284,956
Total comprehensive (loss) income for the year	-	-	-	-	(1,527,735)	886,069	253,376	501,678	-	31,046,083	31,159,471	5,393,862	36,553,333
Issue of bonus shares	8,325,000	-	-	-	-	-	-	-	-	(8,325,000)	-	-	-
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	(886,069)	-	-	-	-	(886,069)	-	(886,069)
Transfer from other reserve to retained earnings	-	-	-	-	-	-	-	-	(1,196,343)	1,196,343	-	-	-
Transfer to reserves (Note 15)	-	3,151,361	-	-	-	-	-	-	-	(3,151,361)	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI on disposal	-	-	-	-	-	-	(61,196)	-	-	61,196	-	-	-
Net movement of treasury shares (Note 16)	-	-	2,196,846	1,774,813	-	-	-	-	-	-	3,971,659	-	3,971,659
Dividends to equity holders of the Parent Company (Note 21)	-	-	-	-	-	-	-	-	-	(19,246,073)	(19,246,073)	-	(19,246,073)
Acquisition of non-controlling interests (Note 2.2)	-	-	-	-	-	-	-	-	-	1,601,147	1,601,147	(1,751,147)	(150,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,943,800)	(1,943,800)
At 31 December 2025	36,075,000	13,899,235	(938,402)	1,779,952	29,980,446	-	266,963	(4,257,306)	-	28,625,894	105,431,782	12,265,560	117,697,342

	Attributable to equity holders of the Parent Company													Total equity
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Asset revaluation surplus	Cash flow hedge reserve	Cost of hedging reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Sub-total	Non-controlling interests	
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
As at 1 January 2024	27,750,000	7,676,188	(3,011,204)	5,139	31,508,181	-	-	134,283	(1,159,994)	1,196,343	18,432,439	82,531,375	9,897,447	92,428,822
Profit for the year	-	-	-	-	-	-	-	-	-	-	29,260,282	29,260,282	5,228,645	34,488,927
Other comprehensive loss for the year	-	-	-	-	-	-	-	(59,500)	(3,598,990)	-	-	(3,658,490)	(3,455,647)	(7,114,137)
Total comprehensive (loss) income for the year	-	-	-	-	-	-	-	(59,500)	(3,598,990)	-	29,260,282	25,601,792	1,772,998	27,374,790
Transfer to reserves (Note 15)	-	3,071,686	-	-	-	-	-	-	-	-	(3,071,686)	-	-	-
Dividends to equity holders of the Parent Company (Note 21)	-	-	-	-	-	-	-	-	-	-	(19,177,47)	(19,177,46)	-	(19,177,476)
Net purchase of treasury shares (Note 16)	-	-	(124,044)	-	-	-	-	-	-	-	-	(124,044)	-	(124,044)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,103,800)	(1,103,800)
At 31 December 2024	27,750,000	10,747,874	(3,135,248)	5,139	31,508,181	-	-	74,783	(4,758,984)	1,196,343	25,443,559	88,831,647	10,566,645	99,398,292

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		2025	2024
	Notes	KD	KD
Operating activities			
Profit before tax and directors' remuneration		37,718,088	36,733,260
<i>Adjustments to reconcile profit before tax and directors' remuneration to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(37,241)	(76,760)
Gain on derecognition and modification of right-of-use assets		(40,020)	(23,294)
Depreciation of property, plant and equipment and right-of-use assets	7	8,576,678	6,419,270
Amortisation of intangible assets	8	27,437	32,089
Share of results of equity-accounted investees	10	(3,481,061)	(3,649,050)
Charge of provision for obsolete and slow-moving inventories	12	561,163	652,932
Allowance for expected credit losses on trade receivables	13	771,415	125,426
Provision for employees' end of service benefits	18	860,664	791,083
Unrealised gain on investment securities	11	(339,249)	(10,926)
Finance costs on loans and borrowings		3,732,369	2,896,696
Dividend income		(83,458)	(26,250)
Finance costs on lease liabilities	19	303,942	284,704
		48,570,727	44,149,180
Working capital changes:			
Inventories		16,396,858	(26,547,258)
Medium-term receivables		(172,690)	558,069
Accounts receivable and prepayments		(2,670,091)	(2,553,074)
Receivables from related parties		(902,573)	(95,344)
Payables to related parties		237,079	(79,077)
Accounts payable and accruals		(15,088,855)	21,752,685
Cash flows from operations			
		46,370,455	37,185,181
Employees' end of service benefits paid	18	(545,300)	(391,448)
Taxes paid		(2,614,543)	(1,836,879)
Net cash flows from operating activities			
		43,210,612	34,956,854
Investing activities			
Purchase of property, plant and equipment	7	(11,822,154)	(16,438,561)
Proceeds from disposal of property, plant and equipment		77,066	179,137
Capital expenditure incurred on investment properties		(1,676,000)	-
Additions to intangible assets	8	(46,625)	(52,958)
Acquisition of non-controlling interest	2.2	(150,000)	-
Net movement in term deposits	14	(40,000)	(195,000)
Net payments made towards investment in equity accounted investees		(4,908,238)	(4,605,375)
Net movement in receivables from related parties		2,713,450	-
Net movement in investment securities		132,973	(1,500,000)
Dividend received from equity-accounted investees	10	228,357	-
Dividend received from investment securities	11	83,458	26,250
Net cash flows used in investing activities			
		(15,407,713)	(22,586,507)

Financing activities			
Proceeds from islamic finance payables	17	49,960,180	30,250,000
Repayment of islamic finance payables	17	(46,458,153)	(22,863,585)
Dividends paid to non-controlling interests		(1,943,800)	(1,103,800)
Net movement in payables to related parties		(1,596,426)	2,304,840
Net movement in treasury shares	16	3,971,659	(124,044)
Dividends paid to equity holders of the parent company		(19,261,431)	(19,155,225)
Finance costs paid on islamic finance payables		(3,732,369)	(2,896,696)
Payment of lease liabilities	19	(3,170,705)	(2,631,051)
Net cash flows used in financing activities		(22,231,045)	(16,219,561)
Net increase (decrease) in cash and cash equivalents		5,571,854	(3,849,214)
Cash and cash equivalents at 1 january		16,665,471	20,480,145
Net foreign exchange difference		(36,155)	34,540
Cash and cash equivalents at 31 december	14	22,201,170	16,665,471

Non-cash items excluded from the consolidated statement of cash flows:

		2025	2024
	Notes	KD	KD
Additions to lease liabilities (adjusted with accounts payables and accruals)	19	3,102,895	3,902,858
Additions to right-of-use assets (adjusted with additions to property, plant and equipment)	7	(3,102,895)	(3,902,858)
Transfer of property, plant and equipment from inventories (net) - (adjusted with property, plant and equipment)	7	(2,741,045)	(3,715,432)
Transfer of property, plant and equipment to inventories (net) - (adjusted with inventories)	7	2,741,045	3,715,432
Transfer of property, plant and equipment to investment properties (adjusted with property, plant and equipment)	7	15,125,571	-
Transfer of property, plant and equipment to investment properties (adjusted with investment properties)	8	(15,125,571)	-
Derecognition of right-of-use assets (adjusted with property, plant and equipment)	7	878,376	687,324
Derecognition of lease liabilities (adjusted with accounts payable and accruals)	19	(918,396)	(710,618)
Net additions to investment in equity accounted investees (adjusted with receivables from related parties)		1,274,300	-
Net movement in receivables from related parties (adjusted with investment in equity-accounted investees)	10	(1,274,300)	-
Transfer of property, plant and equipment to finance lease receivable - (adjusted with property, plant and equipment)	7	-	9,692

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1 CORPORATE INFORMATION

The consolidated financial statements of Ali Alghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its Subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 23 February 2026 and are subject to the approval of the shareholders of the Parent Company in the annual general assembly meeting (AGM). The shareholders of the Parent Company have the power to amend these consolidated financial statements at AGM.

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the shareholders of the Parent Company at the AGM held on 27 March 2025. Dividends declared and proposed are disclosed in Note 21.

The Parent Company was a closed Kuwaiti shareholding Company registered and incorporated in the State of Kuwait on 24 July 2018. The Parent Company’s shares were listed in the Premier Market of Boursa Kuwait on 7 June 2022, therefore the name of the Parent Company was changed to Ali Alghanim Sons Automotive Company K.S.C.P. The changes in the articles and memorandum of association were authenticated in the commercial register on 25 July 2022 under registration number 399347.

The Parent Company is a subsidiary of Ali Alghanim Sons Holding Company K.S.C. (Closed) (the “Ultimate Parent Company”). The registered head office of the Parent Company is located at P.O. Box 21540, Safat 13076, Kuwait City.

The Parent Company’s primary objectives are, as follows:

- Selling and purchasing cars and its spare parts.
- Renting cars
- Importing and exporting light and heavy vehicles and cars.
- Maintaining and renting light and heavy vehicles and cars.
- Trading of auto spare parts, renting equipment and their maintenance.
- The Parent Company may have interest or participate, in any respect, with the entities which embark on businesses similar to its businesses and which may help it to achieve its objects in Kuwait or abroad; and it shall have the right to purchase these entities.
- Possessing movables and real estate necessary for undertaking its activity within the limitation allowed by the law.
- Utilising the financial surpluses available with the Parent Company by means of investing them in financial portfolios to be managed by specialised companies and authorities.
- Selling and purchasing the shares and bonds only for its account.

Information on the Group’s structure is provided in Note 2.2. below. Information on other related party relationships of the Group is provided in Note 20.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been presented in Kuwaiti Dinars (“KD”), which is also the functional currency of the Parent Company.

The consolidated financial statements have been prepared on a historical cost basis except for certain leasehold and freehold lands (classified as property, plant and equipment and investment properties), derivative financial instruments, and certain financial assets (equity securities and managed funds) that have been measured at fair value.

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

2.2 BASIS OF CONSOLIDATION

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

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

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

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

The Group re-assesses at each reporting date whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

Group information

Subsidiaries

The consolidated financial statements of the Group include:

Name	Country of incorporation	Principal activities	% equity interest	
			2025	2024
Directly held:				
Al Ahlia Heavy Vehicle Selling and Import Company K.S.C. (Closed)*	Kuwait	Official dealership of renowned heavy truck brands	70%	55%
Ali Mohammed Thunayan Alghanim and Sons Automotive Company W.L.L.	Kuwait	Official dealership of renowned brands	100%	100%
MAKFM Automotive Company W.L.L.	Kuwait	Official dealership of renowned brands	100%	100%
Alghanim Group Motery General Trading Company W.L.L. **	Kuwait	Spare parts and maintenance services	75%	75%
Rove Car Rental and Leasing Company W.L.L.	Kuwait	Car rental and leasing	40%	40%
Ali Alghanim International General Trading Company S.P.C.	Kuwait	Holding company	100%	100%
Dwaliya Technical Inspection Company (Ali Alghanim & Sons and Partners) W.L.L.	Kuwait	Vehicle inspection	51%	51%
ALG Insurance Broker Company W.L.L.	Kuwait	Insurance brokerage	100%	100%
ALG Real Estate Company S.P.C	Kuwait	Real Estate	100%	100%
Held through Ali Alghanim International General Trading Company S.P.C.:				
Al Uroush for Automotive Trading Company Limited	Iraq	Official dealership of renowned automobile brands	50%	50%
Tareeq Al-Alf Meel Company for Car Trading Limited	Iraq	Official dealership of renowned automobile brands	100%	100%
German Automotive Holding Limited	UAE	Holding Company	51%	51%

* During the year ended 31 December 2025, the Parent Company acquired an additional 15% equity interest in Al Ahlia Heavy Vehicle Selling and Import Company K.S.C. (Closed) increasing its ownership from 55% to 70%..

Cash consideration of KD 150,000 was paid to the non-controlling interests. The carrying amount of the non-controlling interest acquired amounted to KD 1,751,147. The difference of KD 1,601,147 has been recognised directly in retained earnings as an equity transaction in accordance with IFRS 10.

** During the year ended 31 December 2025, the Parent Company entered into an agreement to dispose of its entire stake in the subsidiary. The sale was assessed as highly probable at the reporting date.. Accordingly, the subsidiary has been measured at the lower of its carrying amount and fair value less costs to sell in accordance with IFRS 5. As the subsidiary does not represent a separate line of business or geographical area of operations and is immaterial to the Group's results, it has not been presented as a discontinued operation. The subsidiary's assets and liabilities continue to be presented within the relevant items in the consolidated statement of financial position.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the consolidated financial statements as the Group does not have any supplier finance arrangements with its customers.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- | What is meant by a right to defer settlement
- | That a right to defer must exist at the end of the reporting period
- | That classification is unaffected by the likelihood that an entity will exercise its deferral right
- | That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

Other new or amended standards which are issued but not yet effective, are not relevant to the Group and have no impact on the accounting policies, financial position or performance of the Group.

2.5 MATERIAL ACCOUNTING POLICIES

2.5.1 Business combinations and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

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

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

Accounting for business combinations involving entities or businesses under common control

Accounting for business combinations involving entities or businesses under common control is outside the scope of IFRS 3 Business Combinations. In the case of an absence of specific guidance in IFRS, management use their judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or Interpretation.

Several such bodies have issued guidance, and some allow the pooling of interest method in accounting for business combinations involving entities under common control.

Management have adopted the pooling of interest method to account for the business combinations involving entities under common control. This method involves the following:

- The assets, liabilities and equity reserves of the combining entities are reflected at their carrying amounts (no fair valuation exercise is required).
- No new goodwill is recognised as a result of combination. Any difference between the consideration paid and the equity acquired is reflected directly in the equity.

2.5.2 Revenue recognition

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods - vehicles and spare parts

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer (if any).

Rendering of services

Revenue from rendering of services is recognised at the point in time when the control of the related services is transferred to the customer, generally on completion of the underlying service.

Bundled sale of vehicles and maintenance services

The Group provides vehicle maintenance services that are either sold separately or bundled together with the sale of vehicles to a customer.

When sold separately, revenue from sale of maintenance services is recognised at the point in time when the maintenance services are provided to the customer.

Contracts for bundled sale of vehicles and maintenance services comprise two performance obligations because the promises to transfer the vehicle and to provide maintenance service are capable of being distinct and are separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the vehicle and maintenance service. The transaction price allocated towards such maintenance service is recognised as a contract liability until the service obligation has been met. Contract liabilities pertaining to obligations that are due to be performed within twelve months from the reporting period are presented under current liabilities.

Sale of motor vehicles with re-purchase obligations

The contracts where the Group has an obligation to repurchase its sold motor vehicles at the customer's request (a put option) at a price that is lower than the original selling price of those motor vehicles. The Group considers at the inception of the contract whether the customer has a significant economic incentive to exercise that right. The customer's exercising of that right results in the customer effectively paying the Group consideration for the right to use a motor vehicle for a period of time.

Therefore, if the customer has a significant economic incentive to exercise that right, the Group accounts for the agreement as a lease in accordance with the requirements under IFRS 16. Refer to accounting policies on 'Leases' in section 2.5.3.

To determine whether a customer has a significant economic incentive to exercise its right, the Group considers various factors, including the relationship of the repurchase price to the expected market value of the motor vehicle at the date of the repurchase and the amount of time until the right expires. For example, if the repurchase price is expected to significantly exceed the market value of the motor vehicle, this may indicate that the customer has a significant economic incentive to exercise the put option.

If the customer does not have a significant economic incentive to exercise its right at a price that is lower than the original selling price of the vehicle, the Group accounts for the agreement as if it were the sale of a product with a right of return.

To account for the transfer of motor vehicle with a right of return, the Group recognises all of the following:

- revenue for the transferred vehicles in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the vehicles expected to be returned);
- a refund liability (included in other payables); and
- an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.5.10 Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in 2.5.10 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.5.3 Leases

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

Group as a lessee

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

i) Right-of-use assets

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

- Leased premises 3-10 years

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

The right-of-use assets are also subject to impairment. Refer to the accounting policy in section 'Impairment of non-financial assets'.

ii) Lease liabilities

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

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

The Group's lease liabilities are included in 'accounts payables and accruals' in the consolidated statement of financial position.

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

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

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

(i) Operating lease model

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

(ii) Finance lease model

At commencement, the Group derecognises the underlying asset and recognises a finance lease receivable at an amount equal to its net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value accruing to the Group. The present value is calculated by discounting the lease payments and any unguaranteed residual value, at the interest rate implicit in the lease. Initial direct costs are included in the measurement of the finance lease receivable, because the interest rate implicit in the lease takes initial direct costs incurred into consideration.

The Group deducts any lease incentive payable from the lease payments included in the measurement of the net investment in the lease.

The Group recognises the difference between the carrying amount of the underlying asset and the finance lease receivable in profit or loss when recognising the finance lease receivable. This gain or loss is presented in profit or loss in the same line item as that in which the Group presents gains or losses from sales of similar assets.

Over the lease term, the Group accrues interest income on the net investment. The receipts under the lease are allocated between reducing the net investment and recognising finance income, to produce a constant rate of return on the net investment

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease and recognises any loss allowance on the finance lease receivable, applying IFRS 9. The Group regularly reviews estimated unguaranteed residual values used in computing the gross investment in the lease. If there is a reduction in the estimated unguaranteed residual value, then the Group revises the income allocation over the lease term without changing the discount rate and immediately recognises any reduction in respect of amounts accrued.

2.5.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Land is measured at fair value less impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recognised in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the consolidated statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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

■ Buildings	20- 25 years
■ Machinery and equipment	5-8 years
■ Furniture and office equipment	2-10 years
■ Motor vehicles	4-5 years
■ Rental vehicle fleet	Over the period of lease contract

For accounting policy relating to recognition and depreciation of right-of-use assets, refer to Note 2.5.3 'Leases' accounting policy.

When the rental vehicle fleet are subsequently held for sale, typically after the end of the rental contract, they are transferred to inventories at the net realisable value as on the date of transfer.

Capital work-in-progress is stated at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Following completion, capital work-in-progress is transferred into the relevant classification of property, plant and equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

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

2.5.5 Investment properties

Investment properties comprises land and buildings (including investment properties under construction) held to earn rental income and/or for capital appreciation. Investment properties are initially recognised at its carrying amount at the date of reclassification, including directly attributable transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Impairment losses are recognised in the statement of profit or loss.

Depreciation on buildings is calculated on a straight-line basis over the estimated useful life of the building which is 20 years Land is not depreciated. Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Capital work-in-progress is stated at cost. Such cost includes the cost of replacing part of the investment properties and borrowing costs for long-term construction projects if the recognition criteria are met. Following completion, capital work-in-progress is transferred into the relevant classification of investment properties.

Transfers are made to (or from) investment property only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

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

2.5.6 Intangible assets

Intangible assets include computer software and key money paid for securing operating leases for the Group's service centers. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The useful life of intangible assets is assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and are assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group made payments to incumbent tenants to take over operating leases of prime locations. Amortisation of key money is calculated on a straight-line basis over the expected minimum term of the initial lease period (i.e. 5-10 years).

Amortisation of intangible assets which comprise of computer software is calculated on a straight-line basis over the expected useful lives (i.e. 2 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or the cash-generating unit level. The assessment of indefinite useful life is renewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group identified the brand to have an indefinite useful life. Therefore, the brand is carried at cost without amortisation, but is tested for impairment. Refer to the accounting policy on impairment of non-financial assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

2.5.7 Taxes

Kuwait Foundation for the Advancement of Sciences (KFAS)

The contribution to KFAS is calculated at 1% of the profit for the year attributable to the Parent Company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries and transfer to statutory reserve until the reserve reaches 50% of share capital should be excluded from the profit base when determining the contribution. The contribution to KFAS is payable in full before the AGM is held in accordance with the Ministerial Resolution (184/2022).

National Labour Support Tax (NLST) and Zakat

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

Taxation on overseas subsidiaries

Taxation on overseas subsidiaries is calculated on the basis of the tax rates applicable and prescribed according to the prevailing laws, regulations and instructions of the countries where these subsidiaries operate. Income tax payable on taxable profit ('current tax') is recognised as an expense in the period in which the profits arise in accordance with the fiscal regulations of the respective countries in which the Group operates.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured using tax rates and applicable legislation at the reporting date.

Domestic Minimum Top Tax (DMTT)

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

The Group applies the mandatory temporary exception not to recognise deferred taxes associated with this additional taxation. Refer note 5 for further information.

2.5.8 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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

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

2.5.9 Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash on hand, non-restricted cash at banks, cash held in investment portfolios and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, portfolio cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

2.5.10 Term deposits

Term deposits represent deposits with banks maturing more than three months from the placement date and earn returns at the respective short term deposit rates.

2.5.11 Financial instruments - initial recognition and subsequent measurement

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

i) *Financial assets*

Initial recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

a) *Financial assets at amortised cost (debt instruments)*

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

Since the Group's financial assets (trade and other receivables, including receivables from related parties, and cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

b) *Financial assets at fair value through OCI (debt instruments)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group does not have any financial assets classified under this category.

c) *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments under this category.

d) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes certain investments which the Group had not irrevocably elected to classify at fair value through OCI. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

This includes investment in an open-ended fund that does not satisfy the Solely Payments of Principal and Interest (SPPI) criterion.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii) *Financial liabilities*

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. Refer to 2.5.3 'Leases' accounting policy for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (including loans and borrowings).

The Group has not designated any financial liability as at fair value through profit or loss and financial liabilities at amortised cost is more relevant to the Group.

Financial liabilities at amortised cost

Islamic finance payables

Islamic finance payables are agreements which represents amounts payable on a deferred settlement basis for commodities purchased under the arrangement. Islamic payables are stated at the gross amount of the payable, less deferred finance cost payable.

After initial recognition, Islamic finance payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss.

Accounts payable and accruals

Accounts payable and accruals are recognised for amounts to be paid in the future for services received, whether billed by the supplier or not.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) *Offsetting of financial instruments*

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

2.5.12 Investment in equity-accounted investees

The Group holds an interest in a joint venture and an interest in associates.

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

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

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of results of equity-accounted investees' in the consolidated statement of profit or loss.

2.5.13 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such foreign exchange forward contracts to hedge its risk associated with foreign currency fluctuations on forecast transactions and firm commitments relating to purchase of inventories from foreign suppliers. Such derivative instruments are initially recognised at fair value on the date on which a contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses foreign exchange forward contracts to hedge its risk associated with foreign currency fluctuations on forecast transactions and firm commitments relating to purchase of inventories from foreign suppliers. The ineffective portion relating to foreign currency contracts is recognised within administrative expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the year. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied. If the hedged item is time-period related, the amount accumulated in the cost of hedging reserve is amortised to profit or loss on straight-line basis over the period of the contract.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

For derivative contracts that do not qualify for hedge accounting, any gains or losses arising from changes in fair value of the derivative contract are taken directly to the consolidated statement of profit or loss.

Fair value derivatives

The Group enters into foreign exchange forward contracts. Derivatives are stated at fair value. The fair value of a derivative includes unrealised gain or loss from marking to market the derivative using prevailing market rates or internal pricing models. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the consolidated statement of financial position.

The resultant gains and losses from derivatives are included in the consolidated statement of profit or loss.

2.5.14 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition are accounted for as follows:

▮ Vehicles	-	purchase cost on a specific identification basis.
▮ Equipment	-	purchase cost on a specific identification basis.
▮ Spare parts	-	purchase cost on a weighted average basis.
▮ Goods in transit	-	purchase cost incurred up to the reporting date.
▮ Work in progress	-	costs of direct materials and labour plus attributable overheads based on a normal level of activity.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of vehicles.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.5.15 Borrowing cost

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

2.5.16 Current versus non-current classification

current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

2.5.17 Treasury shares

Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Parent Company and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares reacquired is charged to a contra account in the shareholders' equity. When the treasury shares are reissued, gains are credited to a separate account in shareholders' equity ("treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings then to the voluntary reserve and statutory reserve. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in the order of reserves, retained earnings and the treasury shares reserve account. No cash dividends are paid on these shares.

The issue of bonus shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

Part of the reserves created or appropriated and retained earnings equivalent to the cost of treasury shares is not available for distribution throughout the holding period.

2.5.18 Employees' end of service benefits

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

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

2.5.19 Provisions

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

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

2.5.20 Contingencies

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

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

2.5.21 Foreign currencies

The Group's consolidated financial statements are presented in KD, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into KD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.5.22 Cash dividends

The Parent Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the Companies Law, a distribution is authorised when it is approved by the shareholders at the annual general assembly meeting ("AGM"). A corresponding amount is recognised directly in equity.

Interim dividends to equity holders of the Parent Company during the course of the financial year are recognised when its approved by the Board of directors to the extent approved by the shareholders in the AGM.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.5.23 Other reserve

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

2.5.24 Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

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

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

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

2.5.25 Events after the reporting period

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

2.5.26 Segment information

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

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

2.6.1 Significant judgements

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

Revenue recognition

The process of recognising revenue requires the following judgements and estimates:

- Determining the transaction price of contracts requires estimating the amount or revenue which the Group expects to be entitled to for delivering the performance obligations within a contract; and
- Determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations.

i. Determining the transaction price

The transaction price is the amount of consideration that is enforceable and to which management expects to be entitled in exchange for goods and services promised to the customer. Management determines the transaction price by considering the terms of the contract and business practices that are customary. Discounts, refunds, incentives, and other similar items are reflected in the transaction price at contract inception.

ii. Determining stand-alone selling price and the allocation of transaction price

The transaction price is allocated to performance obligations based on the relative stand-alone selling prices of the distinct goods or services in the contract. The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, the Group estimates the stand-alone selling price taking into account the reasonably available information relating to the market conditions, entity-specific factors and class of customer.

In determining the stand-alone selling price, the Group allocates revenue between performance obligations based on expected minimum enforceable amounts to which the Group is entitled.

iii. Distinct goods and services

Management makes judgement in determining whether a promise to deliver goods or services is considered distinct. Management accounts for individual products and services separately if they are distinct (i.e., if a product or service is separately identifiable from other items in the bundled package and if the customer can benefit from it). The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. For items that are not sold separately, management estimates the stand-alone selling prices using the adjusted market assessment approach.

iv. Sale of motor vehicles with re-purchase obligations

When the Group enters into sales transactions of motor vehicles with re-purchase obligations, the judgement whether control has been transferred from the Group to the customer and at what point in time revenue shall be recognised is critical.

The criterion of transferring control is based on if the customer has a significant economic incentive to exercise the right or not. If the re-purchase price is higher than the estimated fair market value i.e. net realisable value at the date of re-purchase, or if the average historical return rates indicate that it is probable that the customer will return the vehicle at the end of the contractual period, a significant economic incentive exist and thus, the control has not been transferred. The assessment of transfer of control is performed at the inception of the contract and requires judgments. Other critical judgements relate to estimating the fair market value at the end of the contract.

Determining the lease term of contracts with renewal and termination options – Group as lessee

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

The Group has some lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of properties with shorter non-cancellable period (i.e., three to five years), due to the significance of these assets to its operations and there will be a significant negative effect on operations if a replacement is not readily available.

Consolidation of entities in which the Group holds de facto control

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

The Group considers that it controls Rove Car Rental and Leasing Company W.L.L. even though it owns 40% of the voting rights. This is because the Group is the single largest shareholder of this entity. The remaining 60% of the equity shares in the entity are widely held by many other shareholders, for which there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Change in use of property

During the year, the Group transferred its freehold lands from property, plant and equipment to investment property following a change in use. This determination required judgement regarding the Group's intended future use and strategic plans for the asset. Management concluded that the property ceased to be owner-occupied and meets the definition of investment property under IAS 40. Accordingly, the property was reclassified to investment property from the date the change in use occurred.

2.6.2 Estimates and assumptions

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

Impairment of financial assets at amortised cost

The Group assesses, on a forward-looking basis, the ECLs associated with its debt instruments carried at amortised cost. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Actual results may differ from these estimates.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available.

Impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Revaluation of land

The Group carries certain properties (i.e. land) at revalued amounts, with changes in fair value being recognised in OCI. The properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged independent valuers to assess fair values. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 7.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers.

	2025	2024
	KD	KD
Type of goods or service		
Sales of vehicles and spare parts	272,367,325	244,119,650
Vehicle inspection, repair and maintenance services	15,285,321	13,073,046
Insurance brokerage income	1,762,898	1,830,961
Total revenue from contracts with customers	289,415,544	259,023,657
Geographical markets:		
Kuwait	255,394,172	234,609,811
Iraq	34,021,372	24,413,846
Total revenue from contracts with customers	289,415,544	259,023,657
Timing of revenue recognition:		
Goods transferred at a point in time	270,062,539	242,036,282
Goods transferred over a period of time	2,304,786	2,083,368
Services rendered at a point in time	15,444,442	13,492,866
Services rendered over a period of time	1,603,777	1,411,141
Total revenue from contracts with customers	289,415,544	259,023,657

4 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2025	2024
	KD	KD
Staff costs included in:		
Cost of sales and services rendered	5,478,821	5,619,732
Selling and distribution expenses	3,120,717	3,019,210
Administrative expenses	6,992,131	6,909,879
	15,591,669	15,548,821
Expense relating to short-term leases included in:		
Cost of sales and services rendered	45,750	60,113
Administrative expenses	66,668	46,205
	112,418	106,318
Costs of inventories recognised as an expense (included in cost of sales and services rendered)	209,208,313	188,090,354
Rental vehicle fleet insurance charges (included in cost of sales and services rendered)	778,366	648,038
Charge of provision for obsolete and slow-moving inventories (included in cost of sales and services rendered)	561,163	652,932
Allowance for ECL on trade receivables and installment credit receivables included in:		
Selling and distribution expenses (Note 13)	19,055	10,708
Administrative expenses (Note 13)	752,360	114,718
	771,415	125,426
Depreciation expense recognised included in:		
Cost of sales and services rendered (Note 7)	3,732,194	2,273,009
Selling and distribution expenses (Note 7)	2,964,758	2,957,864
Administrative expenses (Note 7)	1,879,726	1,188,397
	8,576,678	6,419,270

5 TAXATION

	2025	2024
	KD	KD
National Labour Support Tax ("NLST")	-	774,269
Zakat	-	315,379
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	288,819	281,934
Taxation on overseas subsidiary	1,075,892	787,751
	1,364,711	2,159,333

Pillar 2 Income Taxes

In 2021, the OECD's Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) agreed to a two-pillar solution to address tax challenges arising from digitalisation of the economy. Pillar 2 introduces a global minimum effective corporate income tax rate for multinational entities (MNEs) with annual consolidated revenues exceeding EUR 750 million, applied on a jurisdictional basis.

The Group is potentially within the scope of Pillar 2 legislation in the jurisdictions of the United Arab Emirates (UAE) and Kuwait. In Kuwait, the Pillar 2 Law ("new law") issued in December 2024 and came into effect (enacted) in January 2025 replaced the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within its scope.

On 29 June 2025, the Kuwaiti Ministry of Finance issued Executive Regulations (Ministerial Resolution No. 55 of 2025), providing detailed guidance on the implementation of the DMTT. These regulations are broadly aligned with the OECD's GloBE Model Rules and address key areas such as safe harbour provisions, substance-based income exclusions, covered tax treatment, and administrative compliance.

As at the reporting date of this consolidated financial statements, the Pillar 2 legislation has been enacted in the relevant jurisdictions. The Group has engaged an independent tax advisor to assist in evaluating the impact of the legislation. Based on this assessment, management has determined that there is no likely potential top-up tax exposure to the Group's consolidated financial statements. Accordingly, no additional tax liability has been recognised.

The Group continues to monitor developments across the jurisdictions in which it operates and assess its overall exposure to Pillar 2 taxes.

6 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	2025	2024
Profit attributable to ordinary equity holders of the Parent Company (KD)	31,139,795	29,260,282
Weighted average number of shares outstanding during the year (shares)*	357,672,043	356,133,036
Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)	87.06	82.16

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

The comparative basic and diluted EPS has been adjusted to reflect the impact of bonus shares approved for issuance in 2025 (Note 15), in accordance with the requirements of IAS 33 'Earnings Per Share'. As the bonus share issue does not involve a corresponding change in resources, it is treated as if the shares had been issued at the beginning of the earliest period presented.

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

Cost or valuation	Lands	Buildings	Machinery and equipment	Furniture and office equipment	Motor vehicles	Rental vehicle fleet	Right-of-use assets	Capital work-in-progress	Total
	KD	KD	KD	KD	KD	KD	KD	KD	KD
At 1 January 2024	72,640,668	27,068,877	2,644,170	10,933,876	7,110,087	13,440,195	12,623,655	39,413	146,500,941
Additions	-	10,550	206,830	1,152,929	137,090	11,926,971	3,902,858	3,004,191	20,341,419
Transfer from inventories	-	-	-	-	4,357,367	2,253,514	-	-	6,610,881
Transfer to inventories	-	-	-	-	(5,069,832)	(8,155,194)	-	-	(13,225,026)
Transfer to finance lease	-	-	-	-	-	(21,500)	-	-	(21,500)
Disposals and derecognition	-	-	(16,965)	(38,971)	(90,318)	(165,759)	(1,240,755)	-	(1,552,768)
Reclassification to intangible assets (Note 8)	-	-	-	-	-	-	-	(34,800)	(34,800)
Exchange differences	3,886	6,645	3,926	3,104	3,235	-	78,771	369	99,936
At 31 December 2024	72,644,554	27,086,072	2,837,961	12,050,938	6,447,629	19,278,227	15,364,529	3,009,173	158,719,083
Additions	-	41,428	201,249	1,321,844	69,734	9,634,728	3,170,942	485,124	14,925,049
Transfer from inventories	-	-	-	-	3,763,052	9,655,387	-	-	13,418,439
Transfer to inventories	-	-	-	-	(3,685,205)	(15,050,142)	-	-	(18,735,347)
Transfer from capital work in progress	-	260,816	100,865	338,077	-	-	-	(699,758)	-
Revaluation adjustment	(1,602,735)	-	-	-	-	-	-	-	(1,602,735)
Remeasurement of Right of use assets	-	-	-	-	-	-	(54,395)	-	(54,395)
Transfer to investment properties (change in use) (Note 8)	(12,600,000)	-	-	-	-	-	-	(2,525,571)	(15,125,571)
Disposals and derecognition	-	-	-	(1,288)	(29,750)	(82,319)	(1,115,120)	-	(1,228,477)
Exchange differences	(2,862)	(6,250)	(4,115)	(3,276)	(1,447)	-	(20,226)	(798)	(38,974)
At 31 December 2025	58,438,957	27,382,066	3,135,960	13,706,295	6,564,013	23,435,881	17,345,730	268,170	150,277,072

	Lands		Buildings		Machinery and equipment		Furniture and office equipment		Motor vehicles		Rental vehicle fleet		Right-of-use assets		Capital work-in-progress		Total	
	KD		KD		KD		KD		KD		KD		KD		KD		KD	
Depreciation and impairment																		
At 1 January 2024	-	17,208,651	-	17,208,651	2,099,727	8,488,296	2,738,772	431,518	5,584,711	-	-	36,551,675						
Depreciation charge for the year	-	771,101	-	771,101	133,879	606,182	1,321,912	1,146,911	2,439,285	-	-	6,419,270						
Transfer to inventories	-	-	-	-	-	-	(2,236,365)	(662,348)	-	-	(2,898,713)							
Transfer to finance lease	-	-	-	-	-	-	-	(11,808)	-	-	(11,808)							
Relating to disposals and derecognition	-	-	-	-	(15,915)	(37,069)	(66,052)	(90,599)	(553,431)	-	-	(763,066)						
Exchange differences	-	5,061	-	5,061	2,812	2,061	1,542	-	62,432	-	-	73,908						
At 31 December 2024	-	17,984,813	-	17,984,813	2,220,503	9,059,470	1,759,809	813,674	7,532,997	-	-	39,371,266						
Depreciation charge for the year	-	790,459	-	790,459	156,840	1,112,931	1,260,557	2,468,792	2,787,099	-	-	8,576,678						
Transfer to inventories	-	-	-	-	-	-	(1,057,675)	(1,518,188)	-	-	(2,575,863)							
Relating to disposals and derecognition	-	-	-	-	-	(1,288)	(26,193)	(46,051)	(291,139)	-	-	(364,671)						
Exchange differences	-	(4,234)	-	(4,234)	(2,431)	(1,781)	(1,425)	-	(2,519)	-	-	(12,390)						
At 31 December 2025	-	18,771,038	-	18,771,038	2,374,912	10,169,332	1,935,073	1,718,227	10,026,438	-	-	44,995,020						
Net book value:																		
At 31 December 2025	58,438,957	8,611,028	761,048	3,536,963	4,628,940	21,717,654	7,319,292	268,170	105,282,052									
At 31 December 2024	72,644,554	9,101,259	617,458	2,991,468	4,687,820	18,464,553	7,831,532	3,009,173	119,347,817									

The depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2025	2024
	KD	KD
Cost of sales and services rendered	3,732,194	2,273,009
Selling and distribution expenses	2,964,758	2,957,864
Administrative expenses	1,879,726	1,188,397
	8,576,678	6,419,270

Lands include leasehold lands carried at **KD 58,121,265 (2024: KD 59,724,000)** in Kuwait. Notwithstanding the contractual terms of the leases, management considers that, based on market experience, the leases are renewable indefinitely at similar nominal rates of ground rent and with no premium payable for renewal of the leases and, consequently, as is common practice in the State of Kuwait, these leases have been accounted for as freehold land. Further, the useful lives of buildings are also not adjusted in line with the expiry of the lease period.

Fair value disclosure

The Parent Company is listed on Bursa Kuwait and is subject to the real estate valuation procedures set out in Module 11 “Dealing in Securities” of the CMA Executive Bylaws, which requires valuations of local real estate properties classified as PPE to be determined by at least two independent, registered and accredited real estate appraisers provided that one of them is a local bank and that the lower value is taken into account. The fair value of the leasehold land was determined based on valuations carried out by real estate valuers with recent experience in the locations and categories of the property being valued.

The lands are valued using the market comparable approach, due to a high volume of transactions involving comparable property in the area during the year. Under the market comparable approach, a property’s fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square metre (sqm).

The fair value measurement of revalued properties has been categorised as Level 2, based on inputs to the valuation technique used.

Significant unobservable valuation input:
Price per square metre

Range
KD 770- KD 2,100

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

If lands were measured using the cost model, the carrying amounts would be **KD 40,472,011 (2024: KD 40,474,873)** as at 31 December 2025, including the freehold land transferred to investment properties.

8 INVESTMENT PROPERTIES

	Freehold land	Capital work-in-progress	Total
Cost:	KD	KD	KD
Transfers from property plant and equipment (Note 7)	12,600,000	2,525,571	15,125,571
Capital expenditure during the year	-	1,676,000	1,676,000
As at 31 December 2025	12,600,000	4,201,571	16,801,571

During the year ended 31 December 2025, the Group reclassified its freehold lands and related capital work-in-progress from property, plant and equipment to investment property following a change in use. Management determined that the properties ceased to be owner-occupied and meet the definition of investment property under IAS 40. In accordance with IAS 40, the investment property was recognised at its carrying amount at the date of reclassification.

The Group applies the cost model for subsequent measurement of investment property.

The fair value of the investment property as at 31 December 2025 amounted to KD 17,410,733. The fair value has been determined based on valuations performed by accredited independent valuers with appropriate professional qualifications and relevant experience in the locations and categories of the properties being valued.

The valuation was performed in accordance with IFRS 13 using the market comparison approach, having regard to recent market transactions for comparable properties and adjusted where necessary for differences in location, size and condition. The fair value measurement has been categorised within Level 2 of the fair value hierarchy.

9 MEDIUM-TERM RECEIVABLES

	2025	2024
	KD	KD
Instalment credit receivables	313,444	94,510
Finance lease receivables	25,568	71,812
Other receivables	248,138	248,138
	587,150	414,460

For details of expected credit losses on medium-term receivables, refer to Note 13.

10 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

The Group's interest in the equity accounted investees is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the equity accounted investees based on its IFRS consolidated financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Name	Country of incorporation	% equity interest		Carrying amount	
		2025	2024	2025	2024
				KD	KD
Global Auto S.A.E.*	Egypt	41.66%	33.33%	16,692,367	6,347,023
Auto Mobility for Import Cars LLC ("Auto Mobility") *	Egypt	50.00%	50.00%	6,957,893	7,078,725
Total equity accounted investments				23,650,260	13,425,748

* The equity accounted investees are private entities that are not listed on any public exchange.

Reconciliation to carrying amounts:

	2025	2024
	KD	KD
As at 1 January	13,425,748	12,262,937
Additions	6,182,538	4,605,375
Share of results for the year	3,481,061	3,649,050
Share of other comprehensive loss for the year	(154,137)	-
Dividends	(228,357)	-
Exchange differences	943,407	(7,091,614)
As at 31 December	23,650,260	13,425,748

Global Auto S.A.E

During the year ended 31 December 2025, the Group acquired additional equity interest of 8.33% in Global Auto for a net consideration of KD 6,182,538. The unpaid purchase consideration for the additional shares is included as part of 'trade payables, accruals and other provisions' and is payable over a period of twelve months.

Auto Mobility

In 2024, the Group made an additional capital contribution of KD 4,605,375 (USD 15 million). The Company is not publicly listed and is the official dealership of a renowned automobile brand in the Arab Republic of Egypt.

The following table summarises the financial information of the equity accounted investees as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies:

i. *Summarised statement of financial position*

	Global Auto SAE		Auto Mobility	
	2025	2024	2025	2024
	KD	KD	KD	KD
Current assets	54,800,475	50,194,242	12,300,420	11,831,050
Non-current assets	11,450,067	8,582,846	6,706,286	6,293,183
Current liabilities	(35,284,144)	(38,504,388)	(952,716)	(1,556,867)
Non-current liabilities	(1,207,775)	(1,229,727)	(4,234,323)	(2,506,036)
Equity attributable to the holders of the equity-accounted investees	29,758,623	19,042,973	13,819,667	14,061,330
Group's share in equity	12,397,442	6,347,023	6,909,833	7,030,665
Goodwill and other adjustments	4,294,925	-	48,060	48,060
Carrying amount of the investment	16,692,367	6,347,023	6,957,893	7,078,725

ii) *Summarised statement of profit or loss*

	Global Auto SAE		Auto Mobility	
	2025	2024	2025	2024
	KD	KD	KD	KD
Revenue from contracts with customers	78,590,919	90,977,061	14,055,297	9,309,947
Cost of sales	(60,619,123)	(58,295,183)	(13,313,960)	(6,337,929)
Other income	4,394,302	4,326,435	45,365	3,622,858
Administrative expenses	(11,278,280)	(30,996,330)	(1,696,974)	(2,362,133)
Finance costs	(882,290)	(717,090)	(105,175)	(464,219)
Profit (loss) for the year	10,205,528	5,294,893	(1,015,447)	3,768,524
Group's share of results for the year	3,988,784	1,764,788	(507,723)	1,884,262

The equity accounted investees had contingent liabilities amounting to **KD 6,440,125 (2024: KD 224,220)** as at the reporting date.

Impairment assessment of investment in equity accounted investees

Management has assessed the carrying value of the investment in associates in accordance with IAS 36 'Impairment of Assets' ("IAS 36"). As part of this assessment, management considered the challenging macro-economic conditions in Egypt, including inflationary pressures, foreign currency fluctuations, and overall market uncertainty, which have impacted business operations across various sectors.

In evaluating whether there are indications of impairment, management considered both external and internal sources of information, as outlined in IAS 36. This included qualitative and quantitative factors such as macroeconomic conditions, industry and market trends, financial performance, and the operational outlook of the associates. Based on this analysis, management concluded that no triggering events exist that would require an impairment test under IAS 36.

Management will continue to monitor economic conditions in Egypt and the performance of the associates for any future indicators of impairment.

11 INVESTMENT SECURITIES

	2025	2024
	KD	KD
Financial assets at FVOCI		
Quoted equity securities	669,903	549,500
Financial assets at FVTPL		
Unquoted open-ended managed fund	1,850,175	1,510,926
	2,520,078	2,060,426

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income related to the Group's investment securities:

	2025	2024
	KD	KD
Fair value gain/ (loss) recognised in other comprehensive income: Related to equity investments	253,376	(59,500)
Fair value gains recognised in the consolidated profit or loss Related to managed funds	339,249	10,926
Dividends from equity investments held at FVOCI recognised in profit or loss Related to investments held at the end of the reporting period	26,250	26,250
Dividends from equity investments held at FVTPL recognised in profit or loss Related to investments held at the end of the reporting period	57,208	-

The hierarchy for determining and disclosing the fair values of financial instruments by valuation technique are presented in Note 28.

12 INVENTORIES

	2025	2024
	KD	KD
Goods held for resale:		
- Vehicles	46,264,956	62,293,578
- Equipment	290,203	853,012
- Spare parts	8,884,879	7,730,767
Goods in transit	25,273,768	24,592,651
Work in progress	211,005	158,111
	80,924,811	95,628,119
Less: allowance for obsolete and slow-moving inventories	(3,123,782)	(2,729,743)
Total inventories at the lower of cost and net realisable value	77,801,029	92,898,376

During the current year, net loss on cash flow hedges for purchases of inventory amounting to KD 886,069 (2024: KD Nil) have been adjusted in the cost of inventory, as a basis adjustment.

Set out below is the movement in the allowance for obsolete and slow-moving inventories:

	2025	2024
	KD	KD
As at 1 January	2,729,743	3,157,385
Allowance for obsolete and slow-moving inventories	561,163	652,932
Utilised during the year	(161,426)	(1,084,063)
Exchange differences	(5,698)	3,489
As at 31 December	3,123,782	2,729,743

The write-downs are included in cost of sales and services rendered in the consolidated statement of profit or loss (Note 4).

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2025	2024
	KD	KD
Instalment credit receivables	2,718,624	1,551,098
Less: Allowance for expected credit losses	(169,925)	(154,547)
	2,548,699	1,396,551
Less: Medium-term instalment credit receivables (Note 9)	(313,444)	(94,510)
	2,235,255	1,302,041
Trade receivables	10,513,157	9,675,739
Less: Allowance for expected credit losses	(4,066,730)	(3,363,890)
	6,446,427	6,311,849
Other receivables	2,780,204	1,807,984
Finance lease receivable	44,111	157,355
Advances to suppliers	1,364,277	618,145
Prepaid expenses	1,203,144	1,086,588
	14,073,418	11,283,962

The net carrying value of trade receivables is considered a reasonable approximation of fair value. Other classes within accounts receivables do not contain impaired assets.

As at 31 December 2025, trade receivables and instalment credit receivables carried at nominal value of KD 4,236,655 (2024: KD 3,518,437) were impaired and fully provided for.

Set out below is the movement in the allowance for expected credit losses of trade receivables and instalment credit receivable:

	2025	2024
	KD	KD
Opening provision for impairment of trade receivables and instalment credit receivables	3,518,437	3,387,681
Charge for the year	771,415	125,426
Write off during the year*	(48,485)	-
Exchange differences	(4,712)	5,330
As at 31 December	4,236,655	3,518,437

* The amounts represent receivables written off as the Group believes that there is no reasonable expectation of recovering the contractual cash flows.

The ECL allowance for the year is included in the consolidated statement of profit or loss as follows:

	2025	2024
	KD	KD
Selling and distribution expenses	19,055	10,708
Administrative expenses	752,360	114,718
	771,415	125,426

Finance lease receivables

As of 31 December 2025, the Group has recognised finance lease receivables in accordance with IFRS 16. These receivables represent the net investment in leases where the Group, as the lessor, has transferred substantially all the risks and rewards incidental to ownership of the underlying assets to the lessees.

The Group enters into finance leasing arrangements as a lessor for vehicles. Additionally, the Group re-leases vehicles that were previously given under operating leases and presented as 'property, plant and equipment'. The Group recognised a gain of KD Nil (2024: KD 10,518) on derecognition of the respective vehicles.

The average term of finance leases entered into is 3 years. Generally, these lease contracts do not include extension or early termination options. The Group's finance lease arrangements do not include variable payments.

The following table presents the amounts included consolidated statement of profit or loss:

	2025	2024
	KD	KD
Selling profit for finance lease	-	10,518
Finance income on the net investment in finance lease	6,436	14,759
	6,436	25,277

The Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience, the Group consider that no finance lease receivable is impaired.

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows:

	2025	2024
	KD	KD
Within one year	46,316	163,934
After one year but not more than three years	26,306	74,796
Total undiscounted lease payments receivable	72,622	238,730
Less: Unearned finance income	(2,943)	(9,563)
Net investment in lease	69,679	229,167
Classified in the consolidated statement of financial position as follows:		
- Non-current portion (included in medium-term receivables)	25,568	71,812
- Current portion (included in accounts receivable and prepayments)	44,111	157,355
	69,679	229,167

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. Information about the credit exposures is disclosed in Note 26.1.

14 CASH AND SHORT-TERM DEPOSITS

	2025	2024
	KD	KD
Cash at banks and on hand	20,620,746	16,313,055
Cash held in managed portfolios	3,829,883	352,416
Short-term deposits	4,236,000	195,000
Cash and short-term deposits	28,686,629	16,860,471
Less: Bank overdrafts	(6,250,459)	-
Less: Term deposits with original maturity exceeding three months	(235,000)	(195,000)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	22,201,170	16,665,471

Term deposits are subject to an insignificant risk of changes in value. These are placed with local Islamic financial institutions and earn profit at commercial rates.

15 EQUITY

15.1 Share capital

As at 31 December 2025, the Parent Company's authorised, issued and paid-up share capital is KD 36,075,000 (2024: KD 27,750,000) comprising of 360,750,000 (2024: 277,500,000) shares with nominal value of 100 (2024: 100) fils each.

At the Extraordinary General Assembly meeting ("EGM") of the shareholders of the Parent Company held on 27 March 2025, a resolution was passed approving an increase in the authorised, issued and paid-up share capital of the Parent Company from KD 27,750,000 to KD 36,075,000 through the issuance of 83,250,000 bonus shares with a nominal value of 100 fils each, aggregating to KD 8,325,000. The capital increase was duly authenticated and registered in the commercial register on 14 April 2025 under registration number 399347.

15.2 Statutory reserve

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

During the current year, an amount of KD 3,151,361 (2024: KD 3,071,686) was transferred to the statutory reserve.

15.3 Voluntary reserve

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

During the current year, no transfer has been made to the voluntary reserve based on the recommendation of Board of Directors. This proposal is subject to approval of shareholders at the AGM.

15.4 Foreign currency translation reserve

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

15.5 Fair value reserve

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

15.6 Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of land. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy 2.5.4 for details.

15.7 Hedging reserves

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve, see Note 22 for details. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

16 TREASURY SHARES AND TREASURY SHARES RESERVE

	2025	2024
Number of treasury shares	823,305	3,627,549
Percentage of share capital	0.23%	1.31%
Net cost of treasury shares – KD	938,402	3,135,248
Market value – KD	927,865	3,736,375
Average market price – KD	1.127	1.030

- An amount equivalent to the cost of purchase of treasury shares held is not available for distribution during the holding period of such shares as per CMA guidelines.
- During the current year, the Parent Company purchased 16,432,718 (2024: 121,503) shares for a total consideration of KD 17,373,773 (2024: KD 124,044).
- During the current year, the Parent Company sold 19,236,962 shares for a total consideration of KD 21,345,432.

17 ISLAMIC FINANCE PAYABLES

	2025	2024
	KD	KD
Islamic finance payables	50,646,137	40,893,651
Classified in the consolidated statement of financial position as follows:		
Non-current	29,612,346	31,641,223
Current	21,033,791	9,252,428

	31 December 2025				
	Murabaha	Tawarruq	Wakala	Bai' Al Ajel	Total
	KD	KD	KD	KD	KD
Gross amount	18,357,446	16,113,025	13,848,724	2,519,110	50,838,305
Less: deferred finance costs payable	(40,573)	(91,850)	(49,574)	(10,171)	(192,168)
	18,316,873	16,021,175	13,799,150	2,508,939	50,646,137

	31 December 2024			
	Murabaha	Tawarruq	Wakala	Total
	KD	KD	KD	KD
Gross amount	6,810,816	26,350,676	7,912,834	41,074,326
Less: deferred finance costs payable	(4,739)	(157,836)	(18,100)	(180,675)
	6,806,077	26,192,840	7,894,734	40,893,651

Islamic finance payables amounting to KD 21,393,288 (2024: KD 15,807,393) which bears finance costs at commercial rate and are secured by a corporate guarantee provided by entities under the Group (Note 20), the remaining Islamic finance payables are unsecured and bear finance costs at commercial rates.

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

Changes in liabilities arising from financing activities

	1 January	Cash inflows	Cash outflows	31 December
	KD	KD	KD	KD
2025	40,893,651	56,210,639	(46,458,153)	50,646,137
2024	33,507,236	30,250,000	(22,863,585)	40,893,651

18 EMPLOYEES' END OF SERVICE BENEFITS

Set out below is the movement in the provision for employees' end of service benefits:

	2025	2024
	KD	KD
As at 1 January	6,245,422	5,845,787
Charge for the year	860,664	791,083
Payments	(545,300)	(391,448)
As at 31 December	6,560,786	6,245,422

19 TRADE PAYABLES, ACCRUALS AND OTHER PROVISIONS

	31 December 2025		
	Non-current	Current	Total
	KD	KD	KD
Trade payables	-	36,408,566	36,408,566
Advances from customers	-	6,971,452	6,971,452
Contract liabilities*	15,283,521	5,417,612	20,701,133
Lease liabilities	5,254,890	2,139,756	7,394,646
Accrued expenses and provisions**	-	12,309,097	12,309,097
Dividend payable	-	59,442	59,442
Other payables	663,722	4,481,651	5,145,373
	21,202,133	67,787,576	88,989,709

	31 December 2024		
	Non-current	Current	Total
	KD	KD	KD
Trade payables	-	53,615,133	53,615,133
Advances from customers	-	8,752,398	8,752,398
Contract liabilities*	12,339,314	4,382,779	16,722,093
Lease liabilities	5,668,432	2,421,024	8,089,456
Accrued expenses and provisions**	-	12,798,084	12,798,084
Dividend payable	-	74,800	74,800
Other payables	2,493,503	2,132,557	4,626,060
	20,501,249	84,176,775	104,678,024

* Contract liabilities represent unsatisfied performance obligations at the reporting date towards vehicle maintenance services and extended warranties.

** Accrued expenses include KFAS payables of KD 288,819 (2024: KD 281,934).

Set out below are the carrying amounts of lease liabilities (included accounts payables and accruals) and the movements during the year:

	2025	2024
	KD	KD
As at 1 January	8,089,456	7,228,806
Additions	3,102,895	3,902,858
Accretion of interest	303,942	284,704
Payments	(3,170,705)	(2,631,051)
Derecognition of leases	(918,396)	(710,618)
Exchange differences	(12,546)	14,757
As at 31 December	7,394,646	8,089,456

The Group applies its weighted average incremental borrowing rate of 4% - 5.25% (2024: 3.5%-5.25%) to discount its lease liabilities. The maturity analysis of lease liabilities is disclosed in Note 26.2.

20 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and their immediate family members and other entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and outstanding balances at the end of the reporting period:

	Affiliates	
	2025	2024
	KD	KD
Consolidated statement of profit or loss		
Sale of goods	3,073,308	215,473
Rendering of services	61,937	34,786
Vehicle rental income	36,259	38,168
Administrative expenses	(81,661)	(37,742)

Consolidated statement of financial position		
Investment in quoted equity securities	669,903	549,500
Accounts receivable and prepayments	22,926	608,556
Trade payables, accruals and other provisions	66,000	-
Receivables from related parties:		
- Equity accounted investees*	3,563,069	6,431,699
- Affiliates and other related parties	1,409,925	352,172
	4,972,994	6,783,871
Payables to related parties:		
Key management	86,419	86,419
Affiliates and other related parties **	10,545,637	11,904,984
	10,632,056	11,991,403

* The balance mainly includes an amount of KD 3,563,069 (2024: KD 6,276,519) advanced to Global Auto S.A.E. to finance the working capital and other requirements. The amount is unsecured, interest free and callable after at least twelve months from the date of the loan agreement at the discretion of the Group. During the year, the Group received the net settlement of KD 2,713,450.

** As at the year end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 9,784,709 (2024: KD 11,381,135).

Transactions with related parties are made on terms approved by the Group's management. Outstanding balances at the year-end are unsecured, interest free and have no fixed repayment schedule. For the year ended 31 December 2025, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (2024: Nil).

Other related party disclosures

- Islamic finance payables include tawarruq facilities amounting to KD 21,393,288 (2024: KD 15,807,393) secured by a corporate guarantee provided by certain Group entities (Note 17).
- As at 31 December 2025, the Group has provided a corporate guarantee and bank guarantee of KD 15,014,496 (2024: KD 6,603,888) in the ordinary course of business to be utilised by related parties (Note 24.2).

Compensation of key management personnel

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

	Transaction values for the Year ended 31 December		Balance outstanding as at 31 December	
	2025	2024	2025	2024
	KD	KD	KD	KD
Salaries and short-term benefits	1,391,317	1,426,815	1,123,509	1,194,525
End of service benefits	44,701	40,350	367,805	512,605
Directors' remuneration	85,000	85,000	85,000	85,000
	1,521,018	1,552,165	1,576,314	1,792,130

The Board of Directors of the Parent Company proposed a directors' remuneration of KD 85,000 for the year ended 31 December 2025 (2024: KD 85,000). This proposal is subject to the approval of the shareholders at the AGM of the Parent Company.

21 DISTRIBUTIONS MADE AND PROPOSED

	2025	2025
	KD	KD
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2024: 35 fils per share (2023: 35 fils per share)	9,620,800	9,589,788
Interim dividend for the period ended 30 June 2025 :26.86 fils per share (30 June 2024 : 35 fils per share)	9,625,273	9,587,688
As at 31 December	19,246,073	19,177,476
Bonus shares on ordinary shares declared and issued (Note 15)	8,325,000	-

The Board of Directors of the Parent Company in their meeting held on 23 February 2026 proposed dividends at 26.86% of the share's nominal value (i.e. 26.86 fils per share) and a bonus share distribution of 10% on outstanding shares issued as at 31 December 2025. This proposal is subject to the approval of the shareholders at the AGM and shall be payable to the shareholders after obtaining the necessary regulatory approvals.

22 DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into forward foreign exchange contracts to hedge its risk associated with foreign currency fluctuations on forecast purchases and firm commitments relating to purchase of inventories from foreign suppliers.

The fair values of derivative financial instruments included in the consolidated financial statements, for derivatives classified as fair value hedging instruments, together with the notional amounts analysed by the term to maturity are summarised as follows:

	Notional amounts		Total	Negative fair value
	Within 3 months	Within 3 months to 1 year		
31 December 2025	KD	KD	KD	KD
Gross unsettled derivatives classified as Fair value hedging instruments:				
Forward foreign exchange contracts				
Euro	-	-	-	-
31 December 2024				
Forward foreign exchange contracts				
Euro	18,008,837	-	18,008,837	(192,346)

The notional amounts indicate the volume of transactions outstanding at the year-end and are not indicative of either market or credit risk. All derivative contracts are fair valued based on observable market inputs.

23 COMMITMENTS

Operating lease commitments – Group as a lessor

The Group has entered into commercial leases for certain motor vehicles in the normal course of business. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2025	2024
	KD	KD
Within one year	2,653,559	2,446,275
After one year but not more than three years	1,326,872	1,458,640
	3,980,431	3,904,915

Capital expenditure commitments	2025	2024
	KD	KD
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	-	2,560,515
Investment properties	650,977	-

24 CONTINGENCIES

24.1 Legal claim contingencies

The Group operates in the automotive industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

24.2 Other contingencies

The Group had contingent liabilities in respect of bank guarantees, corporate guarantees and letters of credit arising in the ordinary course of business amounting to KD 35,368,606 (2024: KD 23,319,766), out of which KD 15,014,496 (2024: KD 6,603,888) is utilised by related parties, from which it is anticipated that no material liability will arise (Note 20).

25 SEGMENT INFORMATION

For management purposes, the Group is divided into three main geographical segments that are: a) State of Kuwait, b) Iraq and c) United Arab Emirates where the Group performs its main activities in the sales of vehicles, spare parts and rendering of services related to vehicle inspection, repair and maintenance services and vehicle rental income.

a) Segment revenue and results

The following tables present revenue and results information of the Group's operating segments for the year ended 31 December 2025 and 2024, respectively:

	Revenue		Results		
	2025	2024		2025	2024
	KD	KD		KD	KD
Kuwait	298,243,908	264,194,349	50,336,733	49,474,197	
Iraq	34,021,372	24,413,846	5,117,446	4,450,255	
United Arab Emirates	-	-	2,869,272	3,630,872	
Adjustments and eliminations	(35,201,445)	(23,588,505)	(22,055,074)	(23,066,397)	
	297,063,835	265,019,690	36,268,377	34,488,927	

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 31 December 2025 and 31 December 2024, respectively:

	2025	2024
	KD	KD
Segment assets		
Kuwait	281,310,722	275,093,161
Iraq	23,271,814	18,385,890
United Arab Emirates*	20,748,687	20,253,526
Adjustments and eliminations	(50,805,193)	(50,525,785)
Total consolidated segment assets	274,526,030	263,206,792

Segment liabilities		
Kuwait	152,122,300	157,480,264
Iraq	6,748,781	6,052,964
United Arab Emirates*	9,796,454	11,392,282
Adjustments and eliminations	(11,838,847)	(11,117,010)
Total consolidated segment liabilities	156,828,688	163,808,500

c) Other profit and loss disclosures

	Share of profit of equity accounted investees		Cost of inventories recognised as an expense	
	2025	2024	2025	2024
	KD	KD	KD	KD
Kuwait	587,283	-	186,137,133	171,653,535
Iraq	-	-	23,071,180	16,436,819
United Arab Emirates*	2,893,778	3,649,050	-	-
	3,481,061	3,649,050	209,208,313	188,090,354

d) *Other disclosures*

	Investment in equity accounted investees		Capital expenditure**	
	2025	2024	2025	2024
	KD	KD	KD	KD
Kuwait	6,773,818	-	11,634,959	16,219,175
Iraq	-	-	1,909,820	272,344
United Arab Emirates*	16,876,442	13,425,748	-	-
	23,650,260	13,425,748	13,544,779	16,491,519

* In presenting the geographic information, the segment has been based on the country of domicile of the legal entity; geographical location of customers and assets is based in Egypt.

** These represent addition to non-current assets other than financial instruments.

26 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities.

Risk is monitored through the Group's strategic planning process. No changes were made in the risk management objectives and policies during the year ended 31 December 2025 and 2024.

The Group is mainly exposed to credit risk, liquidity risk and exposure to market risk is limited to foreign currency risk, interest rate risk and equity risk.

Management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

26.1 Credit risk

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	2025	2024
	KD	KD
Instalment credit receivables	2,548,699	1,396,551
Trade receivables	6,446,427	6,311,849
	8,995,126	7,708,400
Finance lease receivables	70,497	229,167
Receivables from related parties	4,972,994	6,783,871
Other receivables (excluding prepayments and advances)	2,780,204	1,807,984
Cash and short-term deposits (excluding cash in hand)	27,823,120	16,060,430
	44,641,123	32,589,852

Instalment credit receivables and trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group limits its exposure to credit risk from instalment credit receivables and trade receivables by establishing appropriate maximum payment period. More than 90% of the Group's customers have no history of default, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on shared credit risk characteristics and the days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, instalment credit receivables and trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's instalment credit receivables and trade receivable using a provision matrix:

	Instalment credit receivables and trade receivables					
	Days past due					Total
	< 90 days	91-180 days	181-270 days	271-365 days	> 365 days	
2025	KD	KD	KD	KD	KD	KD
Estimated total gross carrying amount at default	8,900,257	364,526	189,651	130,734	3,646,613	13,231,781
Estimated credit loss	204,559	161,196	114,334	109,953	3,646,613	4,236,655
Expected credit loss rate	2%	44%	60%	84%	100%	

	Instalment credit receivables and trade receivables					
	Days past due					Total
	< 90 days	91-180 days	181-270 days	271-365 days	> 365 days	
2024	KD	KD	KD	KD	KD	KD
Estimated total gross carrying amount at default	7,600,011	292,333	117,826	79,557	3,137,110	11,226,837
Estimated credit loss	134,529	104,152	67,359	75,287	3,137,110	3,518,437
Expected credit loss rate	2%	36%	57%	95%	100%	

Cash and short term deposits

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

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other receivables (including finance lease receivables and receivables from related parties)

Other receivables are considered to have a low risk of default and management believes that the counterparties have a strong capacity to meet contractual cash flow obligations in the near term. As a result, the impact of applying the expected credit risk model at the reporting date was immaterial.

26.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet future commitment. The Group's terms of sales require amounts to be paid within 30 days of the date of sales. Payables are normally settled within 90 days of the date of purchase. The maturity profile is monitored by the Group's management to ensure adequate liquidity is maintained.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Within 1 year	Above 1 year	Total
2025	KD	KD	KD	KD
Islamic finance payables	-	21,225,959	29,612,346	50,838,305
Accounts payable and accruals*	-	55,927,588	6,841,548	62,769,136
Payables to related parties	10,632,056	-	-	10,632,056
	10,632,056	77,153,547	36,453,894	124,239,497

	On demand	Within 1 year	Above 1 year	Total
2024	KD	KD	KD	KD
Islamic finance payables	-	9,433,103	31,641,223	41,074,326
Accounts payable and accruals*	-	71,227,753	8,677,199	79,904,952
Payables to related parties	11,991,403	-	-	11,991,403
	11,991,403	80,660,856	40,318,422	132,970,681

* excluding advances from customers and contract liabilities

26.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in market prices. Market risks arise for open positions in interest rate, currency and equity product, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

26.3.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, Investments and borrowings are denominated.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These contracts are generally designated as cash flow hedges.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to management of the Group is as follows.

	2025	2024
	KD	KD
	Long (short)	Long (short)
Euro	(10,159,990)	(24,696,118)
US Dollars (USD)	(21,138,926)	(17,330,885)
British Pound (GBP)	(618,262)	(1,391,315)
Egyptian Pound (EGP)	23,650,260	13,425,748
Emirates Dirhams (AED)	29,691	(134,617)

Sensitivity analysis

A reasonably possible strengthening (weakening) of KD against the above currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The impact on profit for the year and other comprehensive income (due to changes in fair value of monetary assets and liabilities) as a result of 5% increase in currency rate is shown below:

	Effect on profit	
	2025	2024
	KD	KD
Euro	(508,000)	(1,234,806)
US Dollars (USD)	(1,056,946)	(866,544)
British Pound (GBP)	(30,913)	(69,566)
Emirates Dirhams (AED)	1,485	(6,731)

	Effect on OCI	
	2025	2024
	KD	KD
Egyptian Pound (EGP)	1,182,513	671,287

An equal change in the opposite direction against the KD would have resulted in an equivalent but opposite impact.

26.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in floating interest rates will affect future profitability or the fair values of financial instruments.

Islamic finance payables (Note 17) are not exposed to interest rate risk as these are fixed profit-bearing Islamic financial instruments. As a result, the Group has limited exposure to interest rate risk.

Further, the Group's policy is to manage its finance cost by availing competitive credit facilities from local financial institutions and constantly monitoring profit rate fluctuations.

26.3.3 Equity price risk

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity investments at fair value was KD 669,903 (2024: KD 549,500). Sensitivity analyses of these investments have been provided below:

	Changes in market price	Effect on OCI	
		2025	2024
		KD	KD
Boursa Kuwait	±5%	42,539	35,443

26.4 Hedging activities and derivatives

The primary risk managed using derivative instruments is foreign currency risk.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

	Liabilities	
	2025	2024
	KD	KD
Spot element of foreign currency forward contracts designated as hedging instruments		
Fair value	-	(192,346)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast purchases. As a result, there is no hedge ineffectiveness to be recognised in the consolidated statement of profit or loss.

Notional amounts are provided in Note 22.

27 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the Parent Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group's policy is to keep the gearing ratio at acceptable levels. The Group includes within net debt, Islamic finance payables, trade and other payables (including payables to related parties), less cash and short-term deposits.

	2025	2024
	KD	KD
Islamic finance payables	50,646,137	40,893,651
Accounts payable and accruals*	61,317,124	79,203,533
Payables to related parties	10,632,056	11,991,403
Less: Cash and short-term deposits	(28,686,629)	(16,860,471)
Net debt	93,908,688	115,228,116
Equity attributable to the equity holders of the Parent Company	105,431,782	88,831,647
Total capital and net debt	199,340,470	204,059,763
Gearing ratio	47.11%	56.47%

* excluding advances from customers and contract liabilities

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the profit-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any profit-bearing loans and borrowing in the current period.

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

28 FAIR VALUE MEASUREMENT

28.1 Financial instruments

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			
	Quoted market prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2025	(Level 1)	(Level 2)	(Level 3)	Total
Assets measured at fair value:	KD	KD	KD	KD
Financial assets at FVOCI:				
Quoted equity securities	669,903	-	-	669,903
Financial assets at FVTPL				
Unquoted open-ended fund	-	1,850,175	-	1,850,175
Investment securities (at fair value)	669,903	1,850,175	-	2,520,078
Liabilities measured at fair value:				
Derivative financial liabilities				
Foreign exchange forward contracts	-	-	-	-

	Fair value measurement using			
	Quoted market prices	Significant observable inputs	Significant unobservable inputs	
2024	(Level 1)	(Level 2)	(Level 3)	Total
Assets measured at fair value:	KD	KD	KD	KD
Financial assets at FVOCI:				
Quoted equity securities	549,500	-	-	549,500
Financial assets at FVTPL				
Unquoted open-ended fund	-	1,510,926	-	1,510,926
Investment securities (at fair value)	549,500	1,510,926	-	2,060,426
Liabilities measured at fair value:				
Derivative financial liabilities				
Foreign exchange forward contracts	-	(192,346)	-	(192,346)

During the year, there were no transfers between the levels of fair value hierarchy.

Valuation methods and assumptions

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

Investment in listed equity securities

Fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments. The Group classifies the fair value of these investments as Level 1 of the hierarchy.

Unquoted mutual fund investments

The unquoted mutual fund investments are valued at the reported net asset value ("NAV") by the respective fund managers based on the underlying assets of the funds. The Group classifies the fair value of these investments as Level 2 of the hierarchy.

Other financial assets and liabilities

Fair value of other financial instruments carried at amortised cost is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

28.2 Non-financial assets

Lands (included in property, plant and equipment) are carried at revalued amounts. Fair value measurement disclosures for the revalued properties are provided in Note 7.

29 MATERIAL PARTLY- OWNED SUBSIDIARIES

Management of the Parent Company has concluded Al Uroush for Automotive Trading Company Limited, German Automotive Holding Limited and Al Ahlia Heavy Vehicle Selling and Import Company K.S.C. (Closed) are material partly owned subsidiaries. Summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2025	2024
Indirectly held subsidiaries			
Al Uroush for Automotive Trading Company Limited ("Al-Uroush")*	Iraq	50%	50%
German Automotive Holding Limited ("German Automotive")*	Dubai	49%	49%
Directly held subsidiary			
Al Ahlia Heavy Vehicle Selling and Import Company K.S.C. (Closed) ("Al Ahlia")	Kuwait	30%	45%

*These are indirectly held by the Group through a fully owned subsidiary Ali Alghanim International General Trading Company S.P.C.

Accumulated balances of material non-controlling interest:

	2025	2024
	KD	KD
Al-Uroush	7,107,760	6,171,233
German Automotive	376,392	(1,462,370)
Al Ahlia	3,121,804	4,132,748

Total comprehensive income (loss) allocated to material non-controlling interest:

	2025	2024
	KD	KD
Al-Uroush	2,461,527	2,287,709
German Automotive	1,838,762	(1,732,464)
Al Ahlia	519,703	540,020

The summarised financial information of these subsidiaries is provided below.
The information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss and other comprehensive income for the year ended 31 December 2025 and 2024:

	Al Uroush		German Automotive		Al Ahlia		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	KD	KD	KD	KD	KD	KD	KD	KD
Revenue	34,129,273	25,798,848	2,893,779	3,652,241	12,133,265	8,316,911	49,156,317	37,768,000
Expenses	(29,021,143)	(21,335,320)	(24,507)	(21,369)	(10,911,137)	(7,116,867)	(39,956,787)	(28,473,556)
Net profit	5,108,130	4,463,528	2,869,272	3,630,872	1,222,128	1,200,044	9,199,530	9,294,444
Other comprehensive income (loss)	(185,076)	111,890	883,305	(7,166,514)	-	-	698,229	(7,054,624)
Total comprehensive income (loss)	4,923,054	4,575,418	3,752,577	(3,535,642)	1,222,128	1,200,044	9,897,759	2,239,820
Attributable to:								
Equity holders of Parent Company	2,461,527	2,287,709	1,913,815	(1,803,178)	702,425	660,024	5,077,767	1,144,555
Non-controlling interest	2,461,527	2,287,709	1,838,762	(1,732,464)	519,703	540,020	4,819,992	1,095,265
	4,923,054	4,575,418	3,752,577	(3,535,642)	1,222,128	1,200,044	9,897,759	2,239,820

Summarised statement of financial position as at 31 December 2025 and 2024:

	Al Uroush		German Automotive		Al Ahlia		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	KD	KD	KD	KD	KD	KD	KD	KD
Current assets	18,693,407	15,818,844	704,055	546,589	8,628,042	8,111,790	28,025,504	24,477,223
Non-current assets	4,508,488	2,496,497	20,044,632	19,706,937	7,427,893	7,409,967	31,981,013	29,613,401
Total assets	23,201,895	18,315,341	20,748,687	20,253,526	16,055,935	15,521,757	60,006,517	54,090,624
Current liabilities	6,849,037	4,658,979	19,980,539	23,237,954	5,148,494	3,367,833	31,978,070	31,264,766
Non-current liabilities	2,137,338	1,313,896	-	-	501,428	2,970,038	2,638,766	4,283,934
Total liabilities	8,986,375	5,972,875	19,980,539	23,237,954	5,649,922	6,337,871	34,616,836	35,548,700
Total equity	14,215,520	12,342,466	768,148	(2,984,428)	10,406,013	9,183,886	25,389,681	18,541,924
Attributable to:								
Equity holders of Parent Company	7,107,760	6,171,233	391,756	(1,522,058)	7,284,209	5,051,138	14,783,725	9,700,313
Non-controlling interest	7,107,760	6,171,233	376,392	(1,462,370)	3,121,804	4,132,748	10,605,956	8,841,611
	14,215,520	12,342,466	768,148	(2,984,428)	10,406,013	9,183,886	25,389,681	18,541,924

Summarised cash flow information for the year ended 31 December 2025 and 2024:

	AI Uroush		German Automotive		AI Ahlia		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	KD	KD	KD	KD	KD	KD	KD	KD
Operating activities	2,495,194	863,966	(28,871)	19,308	2,770,176	911,117	5,236,499	1,794,391
Investing activities	(590,328)	(249,333)	3,249,840	(4,617,834)	(34,937)	(26,834)	2,624,575	(4,894,001)
Financing activities	(1,813,902)	(904,727)	(3,067,500)	4,611,375	(2,638,364)	(1,464,300)	(7,519,766)	2,242,348
Net (decrease) increase in cash and cash equivalents	90,964	(290,094)	153,469	12,849	96,875	(580,017)	341,308	(857,262)

Remuneration to External Auditors

Our external auditor of the Group is Ernst & Young (EY). In addition to the audit and review of our financial reports, EY provides other services throughout the year. This note details the total fees to our external auditors

	2025	2024
	KD	KD
Audit Fees for Group Financial statements	71,640	70,105
Other assurance and Non assurance services to the Group	142,133	134,472
	213,773	204,577

Audit fee for Group financial statements include fees for audit and review of the consolidated financial statements of the Group.

Other assurance and non-assurance services include audit of subsidiaries, other statutory assurance and agreed upon procedures services to Group, tax services etc.

We have processes in place to maintain the independence of our external auditor, including the nature of expenditure on nonaudit services. EY also has specific internal processes and policies in place to ensure auditor independence.



**Ali Alghanim Sons Automotive
Company K.S.C.P.**