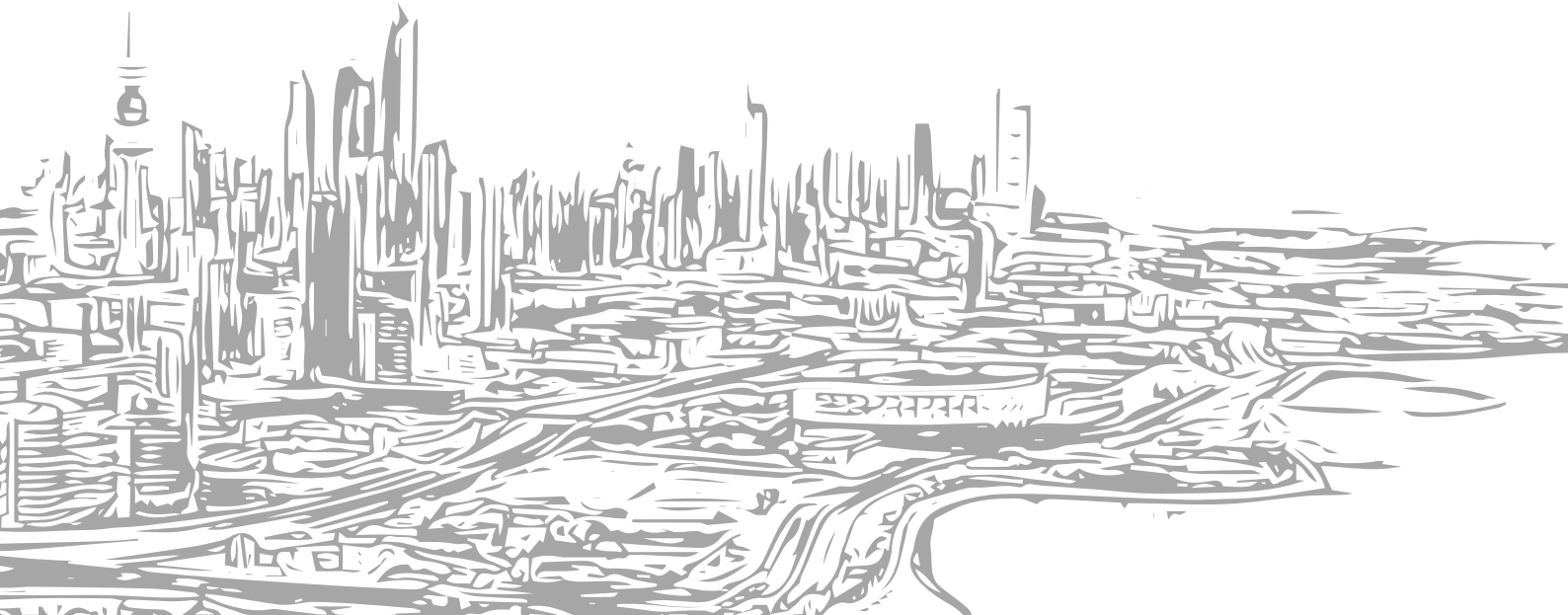


# ANNUAL | 20 REPORT | 25





H.H. Sheikh  
**Mishal Al-Ahmad Al-Jaber Al-Sabah**  
Amir of the State of Kuwait



H.H. Sheikh  
**Sabah Al-Khaled Al-Hamad Al-Sabah**  
Crown Prince of Kuwait

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# 01 Strategic Review



# Message from the Chairperson

Dear Valued Shareholders,

We have concluded with you a year full of achievements, during which our journey was grounded in a firm vision stemming from a deep understanding of the role of urban development in human life. At United Real Estate, we continue to develop integrated spaces that respond to the needs of society and contribute to enhancing quality of life, following an approach based on innovation, efficiency, and responsibility.

In this context, throughout the year we have been keen to monitor developments in the Real Estate sector at both local and regional levels, and to explore the promising opportunities it offers, amid the investment activity and development initiatives taking place in the State of Kuwait and the region. This direction aligns with our belief that investing in the present forms the foundation for a more sustainable future. We view Real Estate projects and developments as going beyond physical construction, representing a responsibility connected to both the land and the people who live on it.

Financially, the company reported a net profit of KD 6.1 Million for the year ended December 31, 2025, up from KD 5.1 Million in 2024. This performance reflects a balanced strategy of disciplined expansion, improved operational efficiency, and diversified income streams. Guided by this strategy, we expanded our participation in key initiatives and tenders, and deepened collaboration with a range of stakeholders. We firmly believe that meaningful development rests on shared effort and partnership, enabling us to deliver projects of distinction that meet community's aspirations and add lasting value to the national economy.

In 2025, the Board of Directors continued to advance the company's strategic priorities, following a roadmap built on careful planning and disciplined execution. Through this, we are developing projects that reflect progress, diversity, and authenticity, creating sustainable value for shareholders and investors while contributing to the communities we serve.

Across our team, subsidiaries, and associates, dedication has turned strategy into tangible results and a steady stream of accomplishments. We deeply appreciate their commitment and extend sincere thanks for their contributions that embody the sense of responsibility and belonging that defines URC.

As we move forward with confidence and optimism toward the next phase building on our achievements and leveraging our expertise and capabilities to continue development I would like to extend my sincere appreciation to the members of the Board of Directors, the executive management, and all employees of United Real Estate Company and its subsidiaries and affiliates.

I also extend my heartfelt thanks and gratitude to our valued shareholders and partners for their trust and continued support. Together, we look forward to a new phase of achievements that will strengthen the company's journey and solidify its position in the years ahead.

“  
**Creating authentic, diverse projects that generate sustainable value.**  
”

**18%**

of the shareholders' equity growth in 5 years

**4 years**

of continuous and growing profitability



**Bibi Nasser Sabah Al-Ahmed Al-Sabah**  
Chairperson

# Message from the Group CEO

Dear Valued Shareholders,

On behalf of the Board of Directors and the executive management of United Real Estate Company, I am pleased to extend my sincere thanks and appreciation for your trust and continued support. I am also pleased to present to you the annual report for the fiscal year ending December 31, 2025, which includes the audited financial statements, the company's performance, and the key activities and achievements of the year.

We have concluded a year filled with achievements and promising opportunities that have strengthened the clarity of our future vision and reinforced our strategic direction for the coming phase. The year 2025 marked an important milestone in the journey of United Real Estate Company, during which we continued to work steadily on developing our business and strengthening our position in the Real Estate sector.

URC continues to uphold its institutional values, foremost among them enhancing quality of life, building integrated urban communities in line with the aspirations of Kuwait Vision 2035, adhering to best regulatory practices, and investing in human capital. This approach aims to achieve balanced growth that creates long-term value for shareholders, customers, and all stakeholders.



“  
**URC is poised to drive growth and urban developments in line with Kuwait's Vision 2035.**  
”

**103 Million**  
the highest revenue in last 5 years

**1100 Units**  
of hospitality units in portfolio

**+3 Billion USD**  
AUM across 5 sectors

## Financial Performance

In 2025, the company achieved a net profit of KD 6.1 Million compared to KD 5.1 Million in 2024. Operating profit increased to KD 23.5 Million in 2025 compared to KD 17.9 Million in 2024, representing a growth rate of 31%. Earnings per share rose to 4.6 fils compared to 3.9 fils during the same period last year, an increase of 17%.

Total revenue reached KD 103.3 Million in 2025, compared to KD 88.8 Million in 2024, supported by growth in key business segments, particularly hospitality, leasing, facility management services, and construction materials in the group's subsidiaries.

## Operational Activities

The company continued executing its strategic plan in alignment with its objective of delivering sustainable added value to shareholders. Locally, construction works for the commercial components of Hessah District were completed, and leasing and operational phases commenced during the year. This included the opening of “Hessah Plaza,” “Hessah Hub,” and a range of global luxury brands across food, retail, and specialty stores catering to the daily needs of residents and visitors.

The “Nobu Residences and Restaurant, Kuwait” project was launched in Hessah District through a strategic partnership with Nobu Hospitality, a global leader in luxury lifestyle. The project will include 90 luxury suites, a multi-purpose hall, and a restaurant with panoramic views of the Arabian Gulf. This partnership reflects a unique blend of contemporary luxury associated with the Nobu brand, further positioning Hessah District as a premier destination for exclusive living, fine dining, and cultural experiences.

Additionally, the Jira Gardens project, affiliated with the Public Authority for Housing Welfare, was awarded in the first quarter of 2025 in Sabah Al Ahmad Residential City, covering an area of 35,000 square meters. This represents an important step in strengthening the company's project portfolio and highlights the significance of public-private partnerships in creating environmentally harmonious living communities and meeting aspirations by launching unique projects that deeply understand and respond to the needs of the Kuwaiti individual.

Toward the end of the year, the company made intensive efforts to study and evaluate several investment and development opportunities offered by the Public-Private Partnership Authority. Among these, the Waterfront Project – Souq Sharq, stands out as a strategic priority due to its pivotal role in enhancing the quality of life and revitalizing one of Kuwait's key waterfront landmarks, in line with the national development goals and the company's long-term vision.

Regionally, a contract was signed to develop and operate an integrated tourism complex in Masirah Island, Sultanate of Oman. The project includes hotel, residential, and commercial components spanning 60,000 square meters over a 50-year period. Designed for both residents and visitors, it aims to enhance community life, support the local economy, and preserve Omani heritage and culture, incorporating green spaces, local farms, a central market, and a multi-purpose hall, making it an integrated destination combining tourism and sustainable development.

## Future Outlook

United Real Estate Company continues to strengthen its position as an active partner in the development, leveraging an integrated ecosystem of subsidiaries and affiliates operating in construction, contracting, facility management, and other Real Estate services. This integration enhances the company's ability to develop high-quality projects and reinforces its market position, as part of its intensive efforts to study and evaluate numerous investment opportunities in collaboration with the public sector, focusing on high-value projects that contribute to achieving the best sustainable returns.

In line with the company's commitment to adapting to change and maximizing future opportunities, a new strategy for the coming phase has been prepared, aiming to focus on improving asset quality and project selectivity within the investment portfolio. This strategy aims to generate rewarding returns for shareholders and partners, enhancing the company's ability to achieve balanced growth and establish the foundations of long-term sustainability.

In conclusion, I extend my sincere thanks and appreciation to the Board of Directors for their continued support and trust, and to the executive management for their dedicated efforts in leading the company's journey. I also extend my special gratitude to all employees of United Real Estate Company and its subsidiaries and affiliates for their dedication, and the genuine efforts they exert, reflecting the spirit of commitment and responsibility upon which the company's culture is built.

To our valued shareholders, I extend my deepest thanks and gratitude for your precious trust and continued support, which forms a solid foundation for the company to confidently continue its journey toward achieving sustainable growth and enhancing its long-term value.

**Mishary Al Muhailan**  
Group CEO

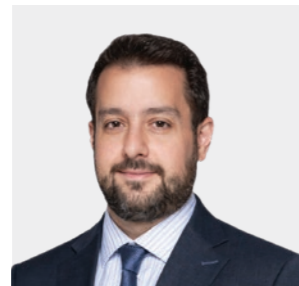
## Board of Directors



**Sheikha Bibi Nasser Al-Sabah**  
Chairperson



**Mahmood Tifouni**  
Vice Chairman



**Samer Abbouchi**  
Board Member



**Sana Al-Hadlaq**  
Board Member



**Abdulmir Qasem Ali**  
Board Member



**Mohammed Al-Qahtany**  
Board Member

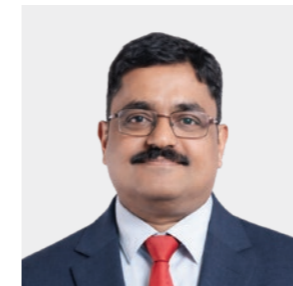


**Faisal Al-AbdulRazzaq**  
Board Member

## Executive Management



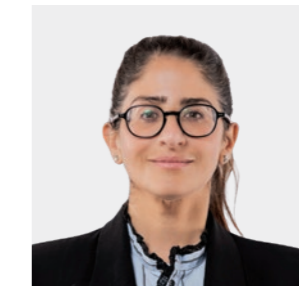
**Mishary Al Muhailan**  
Group Chief Executive Officer



**Santhosh Kumar**  
Group Chief Financial Officer



**Sulaiman Al-Asaker**  
Chief Property  
Management Officer



**Lujain Al-Saleh**  
Chief Sales & Marketing  
Officer

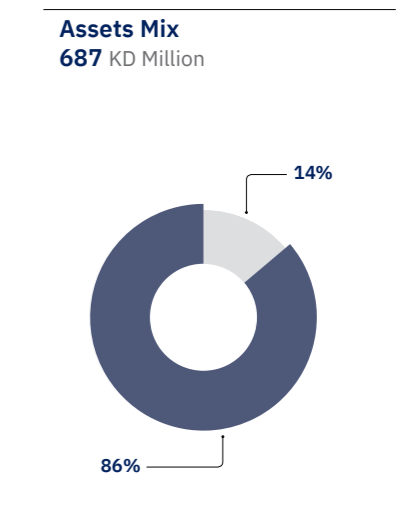
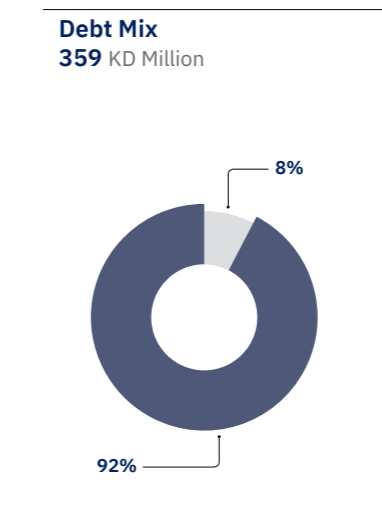
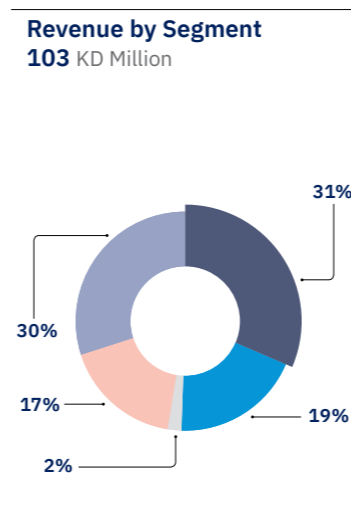
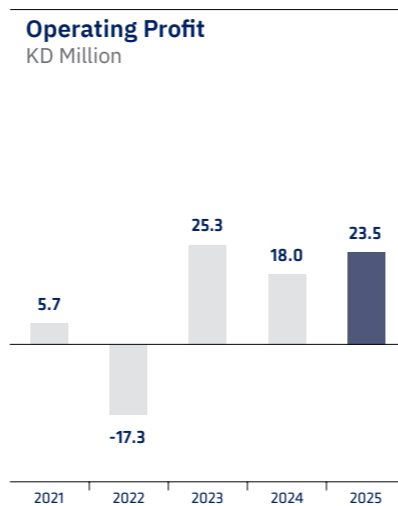
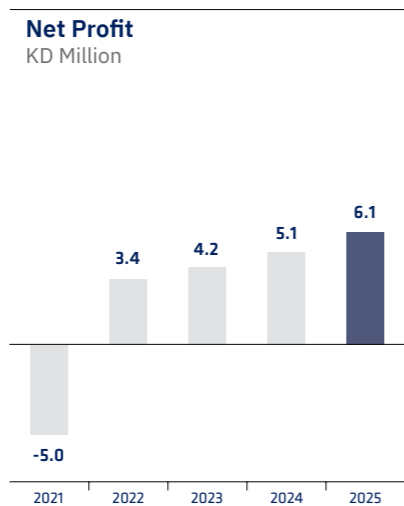
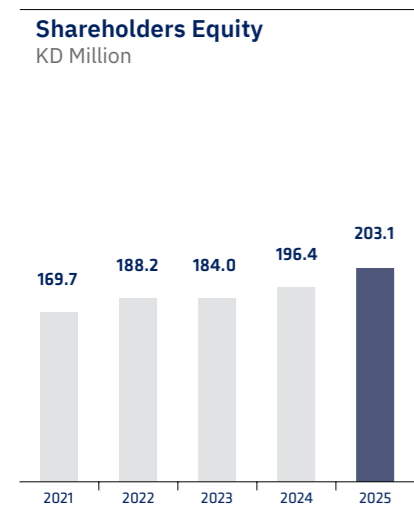
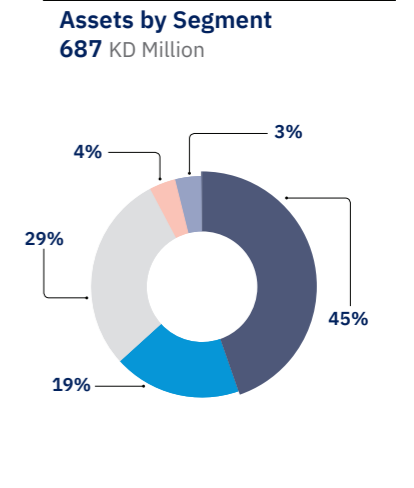
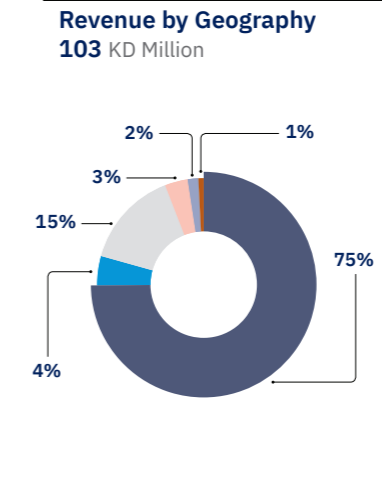
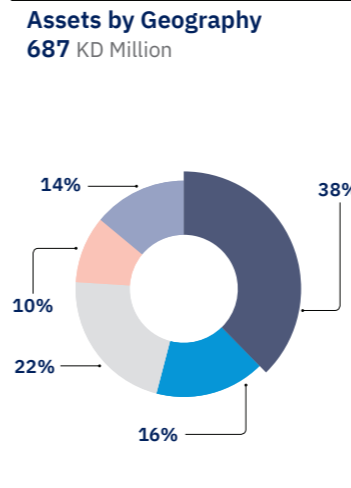
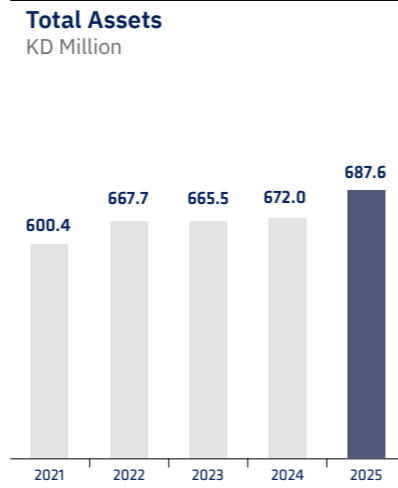
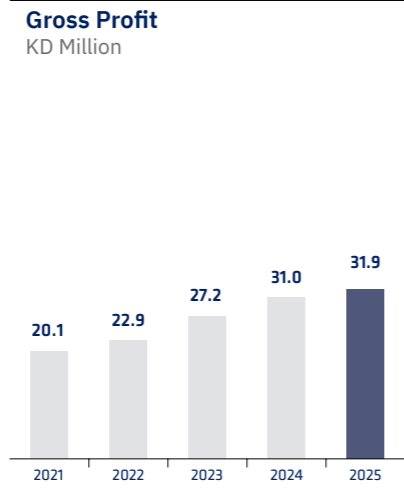
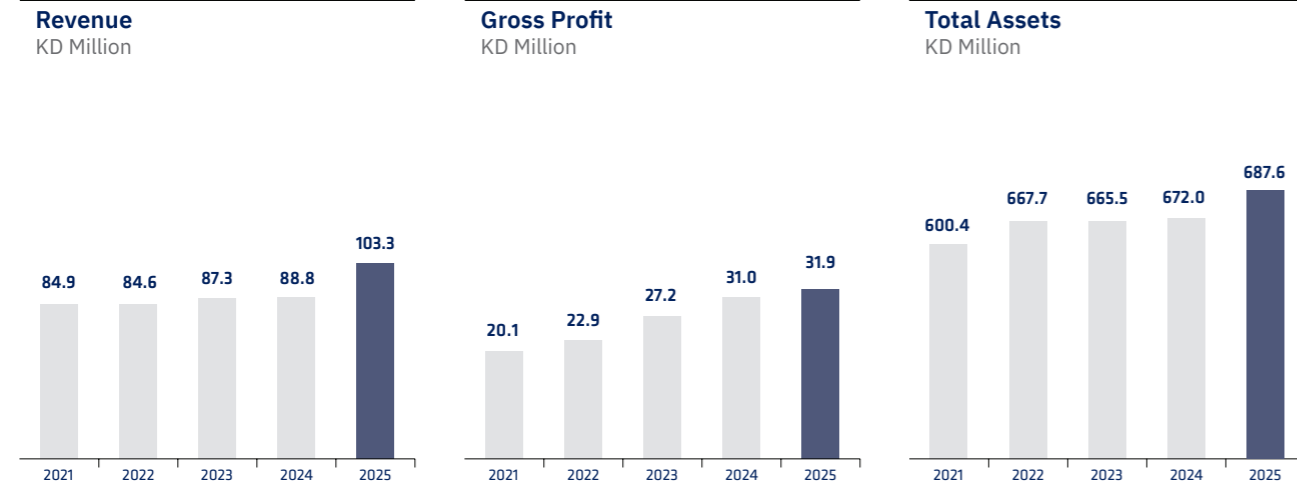


**Tareq Anbousi**  
Chief Investment Officer



**Rashid Al-Issa**  
Chief Human Resources  
Officer

# Key Financial Highlights



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# 02 About URC



## At a Glance

United Real Estate Company K.S.C.P (URC) stands as one of the premier Real Estate developers in Kuwait and the MENA region. With consolidated assets of KW 687 Million (USD 2.2 Billion). Founded in 1973 and listed on the Boursa Kuwait in 1984, the company has built a legacy spanning over five decades of development and innovation.

Over the years, URC has extended its footprint across multiple countries in the MENA region, reflecting its regional ambitions and strategic diversification beyond its Kuwaiti origins, which resulted in urban development projects consistently demonstrating the company's dedication to quality and growth.

Beyond its primary focus on development, URC has expanded its operational scope to include construction and contracting services, comprehensive facility management, and professional project management through its subsidiaries. This integrated approach allows URC to maintain quality control across the entire development lifecycle while creating added value for its customers and investors.

**1973**  
established in

**+50** YEARS  
of legacy and growth

**+3** Billion USD  
assets under management

**1984**  
listed in boursa Kuwait

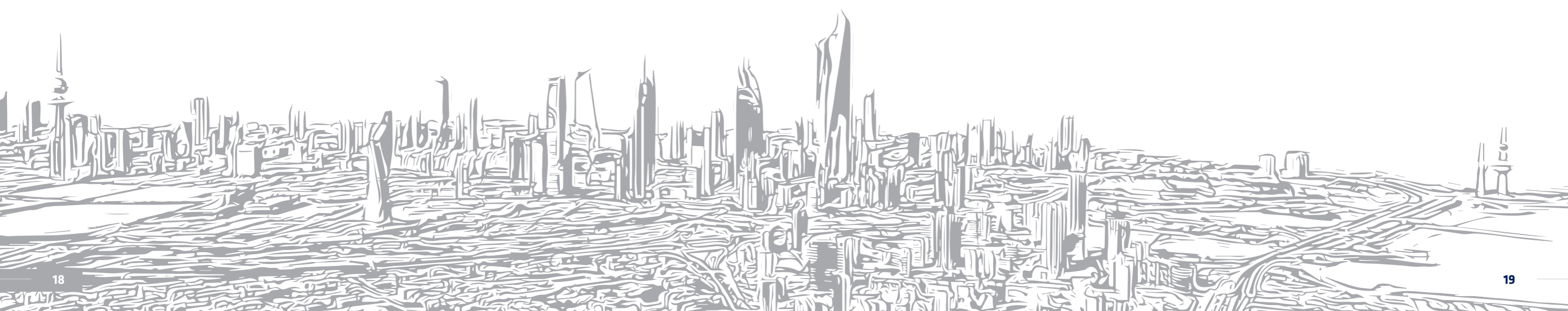
**361** Million KD  
market capitalization

**5.9** Sqm  
Million  
total plot area of URC  
developments & lands

**+60**  
total number of projects

**BBB-**  
credit rating

**66%**  
KIPCO ownership



# A Year in Review

Our CSR efforts are structured around four key pillars: Learning and Development, Fostering Community Engagement and Well-Being, Empowering Women, and Supporting Youth Talents and Sports.



## Learning and Development

URC advances knowledge and develops future leaders by bridging academic learning with real-world experience. The organization continues to prioritize the growth and support of its people by equipping them with the skills, tools, and programs necessary to enhance performance and drive success.

Through a range of development programs and engaging initiatives, URC fosters a positive work environment that boosts employee morale while improving overall performance and productivity across the organization.

**+7**  
collaborations with educational institutions including career fairs and site tours

**3000**  
training hours delivered for more than 98 employees

**200** Students  
attended field trips to URC projects



## Community & Well-Being

Building vibrant and connected communities lies at the heart of our CSR approach. The company organized a range of activities, screenings, and medical consultations to encourage regular health check-ups among its workforce.

These initiatives also featured informative sessions to the public community led by specialists, covering topics such as diabetes, men's health, and nutrition in collaboration with reputable institutions, all aimed at promoting the importance of maintaining a healthy lifestyle.

**8** Workshops  
hosted on physical and mental health

**3** Initiatives  
sponsored during the year

**5** Partners  
collaborated with to raise awareness



## Empowering Women

As a signatory and partner of the Women's Empowerment Principles (WEPs), URC remains firmly committed to supporting the empowerment of women and youth within the community, while fostering an inclusive work environment grounded in equal opportunities for all genders.

This participation reflects URC's dedication to advancing gender equality and diversity, as well as promoting women's professional growth in the Kuwaiti private sector. It further underscores the company's ongoing efforts to empower women to assume leadership roles across society.

**22%**  
of women at URC hold leadership positions

**17%**  
of total event is women empowerment initiatives

**30%**  
of URC's workforce is women



## Youth and Sports

As part of its unwavering commitment to nurturing a vibrant sports culture, embracing diverse events, and promoting fitness initiatives for the betterment of the community, URC actively supports a range of sponsorships.

These efforts underscore the organization's dedication to fostering a dynamic and inclusive sports environment where individuals of all backgrounds can thrive and excel.

**4** Years  
consecutively sponsored the stadium event at Marina beach

**+40** Events  
hosted across all URC properties

**+7** Partners  
collaborated with to drive healthy initiatives

# A Year in Review



## National TVC - Qisat Rawi

A milestone was marked with the launch of the first national day TVC, “Qisat Rawi” a tribute to Kuwait, its people, and shared values. The campaign follows a falcon’s symbolic journey across the country, capturing its diversity, harmony, and inclusion. The story culminates at Hessah Towers, representing progress and the future of urban living, as URC reinforces its commitment to building communities and meaningful connections.

**+7M**

views across all platforms

**1M**

views in youtube in less than 24 hrs

**82%**

average engagement rate of viewership



## Ramadan Series - Desert Residences

URC launched its first exclusive video series in partnership with Seeds Academy. Consisting of eight episodes, the series gathered insights from architects and engineers to explore the architectural solutions developed over centuries to create homes and communities that are functional, inspiring, and sustainable. “Desert Residences” offered a unique opportunity to learn about the rich architectural heritage of the region and consider its implications for contemporary design and development.

**2M**

views across all platforms

**8 Eps.**

of the overall Ramadan Campaign

**72%**

average engagement rate of viewership



## Sustainability and ESG

Significant progress was made in advancing the ESG agenda by embedding sustainability into core operations. Key developments included strengthening the risk management framework, establishing a sustainable finance framework, and formalizing ESG policies. The company further integrated ESG into governance and decision-making processes, enhancing alignment with regulatory requirements and stakeholder expectations.

Efforts also focused on promoting diversity, equity, and inclusion, while maintaining responsible property-managing practices and improving customer experience.

**10**

internal ESG workshops delivered

**#1**

launched the first ESG report

ESG Partners



TadwiRe

RECYCLING COMPANY



## Awards and Social Responsibility

In 2025, United Real Estate Company received the “Most Innovative Community Developer in Kuwait” award from International Finance Magazine, in recognition of its commitment to innovation and developing high-quality partnerships that advance the Real Estate sector and society.

In addition, its efforts to boost morale and enhance performance and productivity were crowned by winning the “Favorite Workplace” award for 2025, based on the results of the employee engagement survey.

**2 Awards**

number of awards won during the year

**14 Events**

conducted to boost staff morale and internal engagement

**90%**

employees satisfaction in work environment

---

# Group Subsidiaries & Associates



# United Facilities Management



United Facilities Management (UFM) is an integrated facilities management service provider operating across the MENA region. Established in Kuwait in 2008, the company was among the first in the local market to offer fully integrated facilities and property management services that provides a comprehensive range of services, including maintenance, safety and security, cleaning, integrated management, and business support.

Its operating model is designed to support the day-to-day management of facilities, enabling clients to focus on their core business activities. UFM's current portfolio includes facilities management projects across commercial, retail, hospitality, public, residential, oil field, and mixed-use developments throughout the MENA region.

Mr. Ibrahim Abdul Latheef  
CEO

**2008**  
established in



**+269**

number of contracts in 2025



**99.2%**  
URC's ownership



**104** Million USD

annualized value of contracts



# United Building Company



United Building Company (UBC), a fully owned subsidiary of United Real Estate Company (URC), operates as a key participant in Kuwait's construction and Real Estate sector. Established in 1973 and classified as a "first-grade" contracting company since 1984, UBC has evolved into a premier contractor recognized for its excellence in engineering, construction, and project management.

The company has built a strong reputation as a trusted partner for both public and private sector clients, consistently delivering high-quality, large-scale developments. During the past decade, UBC has executed projects with a total value of approximately USD 1 Billion, reflecting its sustained operational capacity and project delivery performance. with both public and private sector clients, supported by its adherence to established standards in quality, safety, and operational efficiency.

Mr. Mohammad Alaa Zekri  
CEO

**1973**  
established in



**+31**  
completed projects



**100%**  
URC's ownership



**+3.3** Billion USD  
completed value of projects



**+A** Grade  
classified in contracting



# Gulf-Egypt for Hotels & Tourism



Established in 1976, Gulf-Egypt for Hotels & Tourism (S.A.E) is an Egyptian-based subsidiary company which is owned by United Real Estate Company (URC). The company owns both Hilton Cairo Heliopolis & Waldorf Astoria Cairo Heliopolis, as well as land assets in Al Orouba and in Sharm El Sheikh, Egypt.

Mr. Tarek Al-Shazly  
CEO

**1976**  
established in



**4**

assets in portfolio



**100%**  
URC's ownership



project brands



# Assoufid Group



Assoufid Group operates through its Real Estate and service entities to deliver the Assoufid Development Project in Marrakech, Morocco. It is owned by Assoufid B.V. (ABV), a private company registered in the Netherlands and a subsidiary of URC, which also oversees the project's development and management.

The second phase of the Assoufid development will feature a five-star hotel, 22 branded residences, 28 residences for tourist promotion (RIPT), 25 residential villas, 120 apartments, and a 2,312 square-meter retail area. The third phase will introduce additional premium villas and apartments.

**Mr. Yahia Er-Rida**  
Executive Director

**2015**  
acquisition year



**2.4** Million sqm  
project area



**49%**  
URC's ownership



award winning golf course



# Mena Homes



Mena Homes Real Estate Company (K.S.C.C.) is a Kuwaiti closed shareholding company owned by URC and other KIPCO Group entities. The company acquired plots in Hessah District, to develop residential, serviced apartments, offices, clinics, retail, F&B outlets, and a community hub. URC leads and manages the company's Real Estate investment portfolio and property development within Hessah District.

Mr. Mishary Al Muhailan  
Chairman

**2018**  
established in



**+825** Million USD  
completed value of projects



**48.4%**  
URC's ownership



flagship project



# Insha'a Holding Company



Insha'a Holding Company was established in October 2005 in response to the growing demand for building and construction materials. The company's principal activities focus on investment in the manufacturing and supply of construction-related materials.

The company operates in accordance with the principles of Islamic Sharia'a, which guide its business practices and governance framework. This foundation supports the company's approach to development, operational discipline, and long-term sustainability.

Mr. Haitham Mohammed Al Refaei  
CEO

**2005**  
established in



**42** Million USD  
total revenue in 2025



**40%**  
URC's ownership



subsidiaries



## Regional Offices



### **Lebanon**

#### **United Real Estate Company (Holding)**

Established in 1975, United Real Estate Company Lebanon (Holding) is headquartered in Beirut and serves as one of the primary investment arms owned by United Real Estate Company (P.S.C.) in Lebanon overseeing its subsidiaries which include the Raouche View, renowned as one of Beirut's most luxurious residential complexes.

Additionally, the Bhamdoun Hotel and Mall, under the ownership of Bhamdoun United Real Estate Company, is renowned as one of the premier and most opulent establishments in the Mount Lebanon area.

### **Jordan**

#### **United Real Estate Company**

United Real Estate Company Jordan P.S.C, established in 2006 and owned by United Real Estate Company (URC), is the investment arm of URC in the Kingdom of Jordan. Headquartered in Amman, URC Jordan embraces the corporate vision of enriching the local community through the development of landmark projects.

### **Oman**

#### **United Real Estate Company**

Established in 2007, URC Oman previously known as Al-Reef Real Estate Company is a closed Omani joint-stock company operating in the development, sale, and rental of Real Estate in the Sultanate of Oman. The company's portfolio includes Salalah Gardens Mall & Residences, the first integrated shopping center in the city of Salalah. Featuring a wide range of shopping, dining and entertainment options, as well as traditional markets and the city's first cinema and theatre complex.

### **Egypt**

#### **United Real Estate Holding for Financial Investments**

United Real Estate Holding for Financial Investments S.A.E., established in 2008 and owned by United Real Estate Company (URC), is one of URC's primary investment arms in Egypt.

Headquartered in Cairo, the company oversees a portfolio of assets and Real Estate investments including Aswar Residences, owned by its subsidiary, Aswar United Real Estate Company S.A.E.

---

# Projects Under Development



# Sharq Waterfront



Originally established in 1998 as a cornerstone of Kuwait's urban revival, Souq Sharq continues to evolve as a premier waterfront destination. Spanning approximately 74,685 sqm, the development blends heritage with modern lifestyle offerings in a vibrant, pedestrian-friendly environment.

The destination features a superyacht marina, distinctive retail experience, a refined Fish Market, and a dedicated Nautical Area. Visitors can also enjoy a dynamic entertainment zone offering water sports, seasonal events, and curated experiences designed to activate the waterfront year-round.

Extending along 2.7 km of shoreline on the northwestern edge of the Arabian Gulf, Sharq Waterfront introduces a seamless connection between city and sea through iconic Ring Plaza a circular gathering space that invites visitors to explore, relax, and engage, all while enjoying panoramic views of the marina and the horizon, redefining the coastal experience in Kuwait.



**2027**  
targeted completion



**74,685** sqm  
total built-up area



**35K** sqm  
total leasable area



**1+15** Years  
investment period



# Luxury Residential Tower

Set in a prime location in the coveted Hessah Al Mubarak District, this 40-storey architectural masterpiece redefines luxury living along the Arabian Gulf. With only one private residence per floor, each home offers unmatched privacy, breathtaking views, and timeless sophistication.

The tower's exclusive amenities level delivers a world-class spa experience, complete with wellness retreats, relaxation lounges, and personalized services. Designed for a community of discerning residents, it embodies elegance, serenity, and prestige.

Set to become an iconic landmark, this address represents the ultimate expression of refined coastal living in Kuwait.

**2029**  
targeted completion



**+8.5K** sqm  
total built-up area



**+1.6K** sqm  
total plot area



**+35** Million KD  
expected sales value



# Nobu Hospitality Project



The first Nobu Residences and Restaurant in Kuwait will open its doors at Hessah Plaza, a vibrant, walkable retail and dining destination within Hessah District Project. The development will feature the signature Nobu restaurant, a ballroom, and 90 exclusive luxury serviced residences with sweeping views of the Arabian Gulf.

Blending Nobu's renowned style, cuisine, and hospitality with the cultural richness of Kuwait, Nobu Kuwait will offer residents and guests an unparalleled lifestyle experience and further positions Hessah Plaza as an ideal location for living, dining, shopping, and social experiences, and elevates Hessah District as a premier destination for luxury.



**2026**  
targeted completion



**1,649** sqm  
total plot area



**6,927** sqm  
total leasable area



**90**  
number of keys



# Jira Gardens

## جيرة Jira

Jira Gardens spans three plots located within Sabah Al Ahmad City, 65 kilometers south of Kuwait City. Designed as a third space rather than a traditional park, the development bridges community and commerce through a combination of retail, food and beverage, drive-throughs, and gathering points including amphitheaters, playgrounds, and pavilions. The design emphasizes visual and physical integration of urban green spaces with commercial areas, incorporating landscaping into ground-level commercial spaces with partial planting and strategically placed seating to establish a vibrant, livable neighborhood destination.



**2027**  
targeted completion



**2** Years  
design & construction



**10,405** sqm  
total leasable area



**20** Years  
investment period



# Masirah Island

مصيرة  
MASIRAH

An integrated tourism complex in Masirah province, Oman, the project includes hospitality, residential, and commercial components, envisioning a vibrant community destination that celebrates the island's natural beauty, culture, and way of life.

Rooted in tradition and inspired by nature, the development brings together spaces to gather, play, trade, and grow from green parks and local farms to a bustling souq, multipurpose hall, mosque, and lively plaza.

Along the shoreline, seaside chalets invite visitors to relax and explore. Designed for the people of Masirah, the development enhances community life, supports the local economy, and honors Omani heritage; shaping a sustainable future grounded in timeless tradition.



**2029**  
targeted completion



**60K** sqm  
total plot area



**72**  
number of shops



**50** Years  
investment period



**46**  
number of villas



# Sharm Al Shaikh Resort

Introducing an exceptional destination resort in the heart of Sharm Al Shaikh, featuring over 220 elegantly designed rooms that redefine modern hospitality. Set against the stunning backdrop of the Red Sea, this landmark development reflects our vision of creating immersive and unforgettable guest experiences.

Designed with a focus on comfort, sophistication, and individuality, the resort offers unique accommodation concepts tailored to meet the expectations of today's discerning travelers. Whether seeking relaxation, adventure, or a blend of both, guests will find a destination that delivers memorable moments at every touchpoint.



**2027**  
targeted completion



**213K** sqm  
total plot area



**220**  
number of units



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# 03 Corporate Governance





Corporate Governance Report  
**for the Financial Year Ended 31/12/2025**  
 Document Reference: 15.CMA153079-25.1.1.

**1. First Rule - Construct a Balanced Board Composition**

**a. Brief on the composition of the Board of Directors, as follows:**

Name	Classification of member	Qualifications & Experience	Election Date/ Appointment
<b>Sheikha Bibi Nasser Al-Sabah</b>	<b>Non-Executive</b>	<p>Sheikha Bibi Nasser Al-Sabah has been a Board Member of United Real Estate Company K.S.C.P (URC) since 2006 and was appointed as the Chairperson of the Board of Directors in 2019, with her tenure reaffirmed in 2022 and 2025.</p> <p>With over 20 years of leadership experience, Sheikha Bibi has played a pivotal role in strategic decision-making, financial oversight, and operational governance across URC's business objectives and projects. She has also served on multiple Board Committees, contributing to key areas such as financial planning, corporate management, and business development.</p> <p>Sheikha Bibi holds a Bachelor of Arts in Liberal Arts from The New School University, New York City, graduating in 2003. She founded the Social Work Society (SWS) in 2005, a Kuwaiti civil society organization dedicated to protecting and supporting victims of human rights violations and marginalized groups subjected to unequal or selective applications of Kuwaiti laws. Her unwavering commitment to human rights advocacy in the Arabian Gulf earned her the prestigious Chaillot Prize, and she was named a Goodwill Ambassador by the International Organization for Migration in recognition of her contributions to humanitarian and social causes.</p> <p>Sheikha Bibi remains actively engaged in leadership and management development programs, continuously enhancing her expertise in corporate governance and strategic management.</p>	03/07/2025
<b>Mr. Mahmoud Ali Tifouni</b> (Representing Al-Zad Real Estate Co.)	<b>Non-Executive</b>	<p>Mr. Mahmoud Tifouni has over 20 years of experience in the field of asset management. He currently serves as the General Manager of Wahran Company for Land Trading and Real Estate, and as a Managing Partner at Sana Al-Khalijiah Consulting. He is a member of the board of directors of several companies, including Manafea Holding Company and United Real Estate Company, and committees stemming from those boards. Mr. Tifouni previously served as the Managing Director of Equity and Fixed Income at KAMCO until 2025 and has also worked at the Kuwait Fund for Arab Economic Development. In 2005, he co-founded the Social Work Society (SWS), one of Kuwait's leading civil society organizations dedicated to the protection, support, and service of victims of human rights violations and marginalized groups. Mr. Tifouni holds a bachelor's degree in finance, obtained in 2002 from the University of Denver, USA.</p>	10/07/2025
<b>Mrs. Sana Abdullah Al-Hadlaq</b> (Representing First North Africa Real Estate Company)	<b>Non-Executive</b>	<p>Ms. Sana Al-Hadlaq has extensive experience in the fields of investment and wealth management, acquired through her work with several leading companies and institutions in the state of Kuwait. She joined KAMCO Investment Company in 2002 and progressed through several senior leadership roles, most recently serving as the Managing Director of Wealth Management. Her responsibilities include providing advisory services to clients, development of investment opportunities, and the development and expansion of the client base, in addition to strengthening and fostering relationships with individual investors, family businesses, and institutional clients. She has contributed to the advancement of Wealth Management and supported its continued growth and development.</p> <p>She also serves as a member of the boards of directors of several listed and unlisted companies in the financial services, investment, and real estate development sectors, in addition to her membership on committees stemming from those boards. She is a graduate of Kuwait University with a degree in Political Science and Public Administration, and she holds a number of professional qualifications in the fields of wealth management and leadership.</p>	10/07/2025

Name	Classification of member	Qualifications & Experience	Election Date/ Appointment
<b>Mr. Samer Imad Abbouchi</b> (Representing Al Tadamon United Holding Company)	<b>Non-Executive</b>	Mr. Samer Imad Abbouchi joined KIPCO's investment team in 2023, where he assumed responsibility for monitoring the performance of the Group's finance and real estate sectors, and was promoted to the position of Deputy Group Chief Investment Officer. Mr. Abbouchi has a professional career spanning more than 20 years, during which he has acquired extensive experience in the financial sector in the State of Kuwait and the Middle East and North Africa region, with a particular focus on investment banking. Before joining KIPCO, Mr. Abbouchi held several senior positions at Gulf Bank, including Deputy GM - Investment Banking and Head of Strategic Investments. He began his career with Ernst & Young and also worked at Global Investment House. Mr. Abbouchi holds a B.A. in Business Administration from the American University of Beirut and a Master of Business Administration from London Business School. He is also a Chartered Financial Analyst (CFA).	10/07/2025
<b>Mr. Mohammad Al-Qahtany</b> (Representing Al-Dhiyafa United Real Estate Co.)	<b>Non-Executive</b>	Mr. Mohammad Ahmed Muhareb Al-Qahtany has more than twenty years of professional experience in the fields of investment, asset management, and governance, gained through holding executive positions and serving on the boards of directors of several companies operating in the financial, investment, and real estate sectors. He currently serves as Founding Partner and Co-CEO of Gulf Partners Group (GPG) in the Kingdom of Bahrain. He also serves as a member of the Board of Directors of United Real Estate Company K.S.C.P. (URC) and Boutiqaat – Kuwait, in addition to his membership on the Global Advisory Committee of Wahed, an investment platform operating in accordance with Islamic Sharia principles. He previously served as Managing Director – Strategic Partnerships at Arcapita Group in Bahrain until 2025, in addition to his former membership on the boards of directors of several listed and unlisted companies. Mr. Al-Qahtany holds a bachelor's degree in accounting from Kuwait University and a master's degree in professional accounting from the University of Miami Herbert Business School. He is also a Certified Public Accountant (CPA).	10/07/2025
<b>Mr. Mazen Issam Hawwa</b> (Representing Al-Dhiyafa United Real Estate Co.) *	<b>Executive</b>	Mr. Mazen Issam Hawwa served as URC's Vice-Chairman and Group Chief Executive Officer between 2020 and 2025. He is a senior executive with over 25 years of multi-facet experience in various industries, including real estate and financial services, and served on the board of several group companies. Mr. Hawwa joined KIPCO Group as part of the finance and accounting team in 2001 and was the Deputy Group Chief Operating Officer, leading finance and operations. He also served on the board of several KIPCO operating subsidiaries, providing thought leadership, advice on strategic directives, financial planning, and governance. Mr. Hawwa holds an Executive MBA from HEC Paris and is a graduate of the Lebanese American University. He has attended several executive education programs, including the General Management Program at Harvard Business School, and holds several professional qualifications from prominent US-based institutions.	08/05/2022*

Name	Classification of member	Qualifications & Experience	Election Date/ Appointment
<b>Mr. AbdulAmir Qasem Al-Muscati</b>	<b>Independent</b>	Mr. Abdul Amir Al-Muscati has more than 25 years of professional experience in the fields of telecommunications, contracting, project management, and real estate development. He currently serves as Chief Executive Officer of Middle East Telecommunications Company (METCO) and is a member of its Board of Directors. He also serves as Vice Chairman of the Board of Towell Ventures and as a member of the Board of Directors of URC. Mr. Abdul Amir has previously held several senior executive and leadership positions, including Vice President – Real Estate Development at United Real Estate Company, Chief Executive Officer of Al Dhiyafa Holding Company, and General Manager of both Universal Company and United Real Estate Company - Bahrain. He has also served as a board member of Al Dhiyafa Holding Company, United Facilities Management Company, and Al-Reef Real Estate Company - Oman. Mr. Abdul Amir holds a bachelor's degree in electrical engineering from California State University, Los Angeles (CSULA).	03/07/2025
<b>Mr. Faisal Al-Abdulrazzaq</b>	<b>Independent</b>	Mr. Faisal Abdullah Al-Abdulrazzaq has more than twenty-five years of professional experience in engineering consultancy, construction management, real estate development, and general contracting. His career includes a wide range of projects across North America and the Gulf region, spanning both the public and private sectors. He currently serves as Managing Partner at West Gulf Trading Company in the state of Kuwait. Mr. Faisal holds a Bachelor of Science in Engineering (B.S.E.) in Civil Engineering from Arizona State University, United States of America. He is a licensed Professional Engineer (PE) in the State of Arizona and a member of the Kuwait Society of Engineers. He has previously held several technical and managerial positions with companies specializing in real estate development and project management, including Injazzat Real Estate Development in the State of Kuwait.	03/07/2025
<b>Sheikh Fadel Khaled Al-Sabah **</b>	<b>Independent</b>	Sheikh Fadel Al-Sabah has over 40 years of experience in the fields of business management and real estate investment.	08/05/2022 **
<b>Mr. Abdo Salama Al-Dabea</b>	<b>Board Secretary</b>	Mr. Abdo Salama Al-Dabea has more than thirty years of legal and professional experience in the fields of commercial and civil law, corporate law, and the regulations of the Capital Markets Authority, in addition to his extensive experience in the legal and regulatory procedures and practices applied in the state of Kuwait and several countries in the Middle East region. His professional experience also covers mergers and acquisitions, public-private partnerships, real estate development projects, property management, the hospitality sector, contracting, and services. He currently serves as Director of the Legal Affairs Department at United Real Estate Company. Mr. Abdo holds a Bachelor of Laws (LL.B.) degree from the Faculty of Law, Alexandria University, Arab Republic of Egypt, obtained in 1994. He has also participated in several specialized legal and academic conferences and forums covering various areas of law and legal practice.	Appointed on 10/07/2025

\* The directorship of Mr. Mazen Issam Hawwa ended upon the expiry of the previous Board's term.

\*\* Sheikh Fadel Al-Sabah resigned on 05/05/2025 for personal reasons.

**b. Brief on the Company's Board of Directors meetings, through the following statement:**

The Board of Directors (BOD) was elected during the Annual General Meeting (AGM) held on 03/07/2025. The BOD held (11) meetings during 2025. The meeting details are as follows.

Board of Directors Meetings during 2025												
Name of Member	Meeting No. (1) Held on 12/1/25	Meeting No. (2) Held on 23/3/25	Meeting No. (3) Held on 23/4/25	Meeting No. (4) Held on 05/5/25	Meeting No. (5) Held on 14/5/25	Meeting No. (6)* Held on 10/7/25	Meeting No. (7) Held on 04/8/25	Meeting No. (8) Held on 21/9/25	Meeting No. (9) Held on 28/10/25	Meeting No. (10) Held on 06/11/25	Meeting No. (11) Held on 10/12/25	Number of meetings
1. Sheikha Bibi Nasser Al-Sabah (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
2. Mr. Mahmoud Ali Tifouni (Vice Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
3. Mrs. Sana Al-Hadlaq (Non-Executive Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
4. Mr. Samer Imad Abbouchi (Non-Executive Member)	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	10
5. Mr. Mohammad Al-Qahtany (Non-Executive Member)	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	6
6. Mr. Mazen Issam Hawwa (Executive Member)**	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	5
7. Mr. AbdulAmir Qasem Al-Muscati (Independent Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
8. Mr. Faisal Al-Abdulrazzaq (Independent Member)	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	6
9. Sheikh Fadel Khaled Al-Sabah (Independent Member)***	✓	✓	✓	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3

\* Following its election by the AGM, the newly constituted Board convened Meeting No. 6 of 2025, during which it appointed its chairperson, company representatives, and established its committees.  
 \*\* The directorship of Mr. Mazen Issam Hawwa ended upon the expiry of the previous Board's term.  
 \*\*\* Sheikh Fadel Al-Sabah resigned on 05/05/2025 for personal reasons.

**c. Summary of how to apply the requirements of registration, coordination, and the keeping of minutes of meetings of the Company's Board of Directors**

United Real Estate Company K.S.C.P (URC) (the "Company") implements the relevant requirements regarding the registration, coordination, and recording of Board minutes of meetings. Meetings are held upon the invitation of the Chairperson, while emergency meetings are held upon a written request submitted by two board members whenever requested. One (1) emergency meeting was held in 2025.

Invitations are sent by the Chairperson, coupled with an agenda and all related documents, to all members of the Board with a minimum of three (3) working days before the date of the meeting. Meetings are always scheduled outside Bursa trading hours. The Board Secretary records the matters discussed and the decisions made in the meeting minutes, considering any member reservations, conflicts of interest, or dissenting opinions raised during the meeting. Minutes of meetings are recorded and indexed under sequential numbers for every year; it shows the meeting location, date, and time (from start to end). Subsequently, minutes of a meeting are signed by all attending members and attached to the documents presented and discussed. Finally, the minutes are archived by the Board Secretary in a dedicated and easily accessible register.

**d. Acknowledgment by the independent member that the controls of independence are available.**

The current independent board members were elected at the AGM as outlined above in the provisions of the application of the First Rule, and each independent member performed an assessment and acknowledged that he or she meets the independence criteria set out in Module (15) "Corporate Governance" of the CMA Executive Bylaws.

## 2. Second Rule - Establish Appropriate Roles and Responsibilities

### a. Brief on how the company defines the policy of the tasks, responsibilities, and duties of each Member of the Board of Directors and the Executive Management members, as well as the powers and authorities delegated to the Executive Management

The Company has defined in its Articles of Association (AOA) the roles and responsibilities of the Board of Directors. Additionally, the Company has set up a Board charter in which the responsibilities of the Board of Directors are defined along with the roles and responsibilities of each member, as well as the Chairperson and the Executive Management. In addition to the approved Job descriptions for the directors.

The Board of Directors periodically reviews the delegation of authority manual and matrix, which details, for a set period, the authorities vested for both members of the Board and Executive Management regarding administrative, financial, and operational transactions related to the Company's operations and activities. The Board retains ultimate responsibility for the Company, despite forming committees or delegating certain tasks to entities or individuals.

### b. Achievements of the Board of Directors during the year

- Discuss and approve the Company's annual budget, including the assessment of the capital structure, liquidity, and solvency, and monitor the achievement of strategic financial objectives.
- Discuss and approve the audited final financial statements for the year 2024, the interim financial statements for 2025, and oversee the integrity and fairness of financial disclosure.
- Approve and update the delegation of authorities, as well as internal policies and charters, to ensure clarity of powers, segregation of duties, and the enhancement of corporate governance.
- Oversee the performance of executive management, evaluating their efficiency, supporting leadership development, and addressing executive vacancies efficiently to ensure effective business continuity.
- Oversee the Company's entry into new development and investment projects after assessing feasibility studies, risks, and expected returns, in line with the approved strategy.
- Monitor and discuss the latest developments related to the Company's projects.
- Approve divestment plans from certain low-return or low-feasibility investments to ensure optimal use of capital and protect shareholders' interests.
- Oversee the opening of the commercial component of the Hessa Al Mubarak District Project – State of Kuwait – in accordance with the approved plan and in a manner that achieves the project's operational and investment objectives.
- Discuss and approve periodic reports submitted by the Board of Directors' committees, including risk management, compliance, and internal audit reports, and ensure that material observations are addressed promptly.
- Oversee the risk management framework, monitoring key and emerging risks, and ensuring the adequacy of controls and measures implemented to mitigate them.
- Evaluate the performance of the Board of Directors as a whole and assess the performance of each member, to enhance the Board's effectiveness, independence, and accountability.
- Evaluate the efficiency of the Board committees and their members, and the extent to which they fulfill their roles as set out in the approved charters.
- Uphold the principles of transparency, fairness, and integrity throughout all stages of managing the election and formation of the new Board of Directors and its committees.
- Support the Company's direction in the areas of sustainability and corporate responsibility, and monitor the integration of environmental, social, and governance (ESG) considerations into strategic decision-making.

### c. Brief about the application of the formation requirements of independent specialized committees by the Board of Directors

Committee Name	Nomination & Remuneration Committee									
Committee Tasks	<ul style="list-style-type: none"> <li>▪ Recommend nomination and re-nomination for Members of the Board of Directors and executive management members.</li> <li>▪ Set the policy for Members of the Board of Directors and executive management members' remunerations, along with an annual review of the required proper skills for Board membership.</li> <li>▪ Attract applications for executive positions as required, study and revise the applications, and determine various remuneration categories to be provided for employees.</li> <li>▪ Design job descriptions for Executive Members, Non-Executive Members of a Board of Directors, and independent members.</li> <li>▪ Ensure the continued independence of independent Directors.</li> <li>▪ Prepare a report on the total remunerations granted to Members of the Board of Directors, the executive body, and the managers, whether in cash or other benefits or privileges, of whatever nature and title, directly or indirectly through the Company and/or subsidiaries.</li> </ul>									
Achievements throughout the Year	<ul style="list-style-type: none"> <li>▪ Review the qualifications and experience of candidates for senior executive management positions, verify their suitability and competence, and submit the necessary recommendations to the Board of Directors regarding their appointment or re-appointment.</li> <li>▪ Review and approve candidates for membership of the new Board of Directors, ensure they meet integrity, competence, and independence requirements, and submit the necessary recommendations to the Board of Directors and the General Assembly.</li> <li>▪ Periodically verify the independence of independent board members, monitor any changes that may affect their independence status, and take corrective actions when necessary.</li> <li>▪ Conduct periodic reviews of the skills and experience required for Board membership to ensure balance, professional diversity, and alignment with the Company's strategic requirements.</li> <li>▪ Prepare and review job descriptions outlining the responsibilities of each Board member, clarifying roles and duties, and enhancing accountability.</li> <li>▪ Supervise the self-assessments of the performance of the Board of Directors as a whole, its members, and its committees, and monitor the implementation of evaluation outcomes and improvement plans.</li> <li>▪ Review and approve remuneration and incentive policies for the employees, ensure fairness and linkage to performance and strategic objectives, and submit related recommendations to the Board of Directors.</li> <li>▪ Periodically review new executive-level staffing needs and ensure that recruitment processes align with human resources policies and the principles of fairness and equal opportunity.</li> <li>▪ Oversee succession planning for key leadership and executive positions to ensure business continuity and mitigate operational risks.</li> <li>▪ Review potential conflict-of-interest cases related to board members and executive management, monitor disclosures, and take the necessary actions accordingly.</li> </ul>									
Date of Formation	10/07/2025									
Committee Tenure	3 years									
Members of the Committee	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Sheikha Bibi Nasser Al-Sabah</td> <td style="text-align: right;">- President</td> </tr> <tr> <td style="text-align: center;">Mr. Mahmoud Tifouni</td> <td style="text-align: right;">- Member</td> </tr> <tr> <td style="text-align: center;">Mrs. Sana Al-Hadlaq</td> <td style="text-align: right;">- Member</td> </tr> <tr> <td style="text-align: center;">Mr. AbdulAmir Al-Muscatai</td> <td style="text-align: right;">- Member</td> </tr> </table>		Sheikha Bibi Nasser Al-Sabah	- President	Mr. Mahmoud Tifouni	- Member	Mrs. Sana Al-Hadlaq	- Member	Mr. AbdulAmir Al-Muscatai	- Member
Sheikha Bibi Nasser Al-Sabah	- President									
Mr. Mahmoud Tifouni	- Member									
Mrs. Sana Al-Hadlaq	- Member									
Mr. AbdulAmir Al-Muscatai	- Member									
Number of Meetings/Year	7									

Committee Name	Audit Committee
<b>Committee Tasks</b>	<ul style="list-style-type: none"> <li>Review periodical financial statements before their submission to the Board of Directors and provide the Board with opinions and recommendations.</li> <li>Provide the Board of Directors with its recommendations concerning the appointment, re-appointment, or replacement of the external Auditors, and specify the remunerations thereof, in addition to verifying their independence and reviewing their engagement letters.</li> <li>Follow up on the work of external Auditors and ensure that they do not provide services to the Company other than those required by the auditing profession.</li> <li>Analyze remarks from external auditors on the Company's financial statements and follow up on measures taken in response.</li> <li>Analyze the applied accounting policies and provide the Board of Directors with opinions and recommendations in this regard.</li> <li>Evaluate the extent of sufficiency of internal control systems in place and prepare a report including the opinions and recommendations of the committee in this regard.</li> <li>Supervise the Company's internal audit department to ensure its effectiveness in performing the operations and tasks assigned by the board of directors.</li> <li>Recommend the appointment of the internal audit manager, his/her transfer, and removal, in addition to evaluating his/her performance and the performance of the internal audit department.</li> <li>Review and approve audit plans proposed by the internal auditor and provide feedback.</li> <li>Review the results of the internal audit reports and ensure that the necessary corrective actions are taken concerning the observations stated in such reports.</li> <li>Review the findings of reports issued by regulatory bodies and ensure that the necessary corrective actions have been taken accordingly.</li> <li>Ascertain the Company's compliance with related rules, policies, and regulations.</li> </ul>
<b>Achievements throughout the Year</b>	<ul style="list-style-type: none"> <li>Review and discuss the financial statements to ensure their accuracy and integrity.</li> <li>Recommend to the BOD the appointment of the external auditor, from the list of auditors approved by the Capital Markets Authority, taking into account the mandatory rotation period, after verifying his independence, agreeing on the fees, and monitoring his performance. In addition to ensuring that the auditor does not provide services other than those required by the auditing profession.</li> <li>Assess the applied accounting policies and express an opinion and recommendation to the Board of Directors in this regard.</li> <li>Ensure the adequacy and effectiveness of the Company's internal control systems through the Internal Control Environment Report.</li> <li>Discuss and approve the Internal Control Review (ICR) report for the year ending December 31, 2024, prepared by Al-Nisf &amp; Partners (BDO).</li> <li>Discuss and approve the periodic external evaluation report on the performance of the Internal Audit Function for the three-year period (2022-2024) (Quality Assessment Review "QAR"), prepared by KPMG Consulting, in accordance with the requirements of the Capital Markets Authority and International Standards on Internal Auditing. The evaluation concluded that the Internal Audit Department "Generally Conforms" to the standards, which is the highest rating achievable.</li> <li>Ensure the Company's compliance with applicable laws, policies, systems, regulations, and instructions, and review the results of the regulatory authorities' reports. It should be noted that the Company did not receive any observations, violations, or fines during 2025, nor were any whistleblower notifications received during the same year.</li> <li>Discuss and approve the 2025 Internal Audit Plan and the annual budget for the Internal Audit Function.</li> <li>Oversee the work of the Internal Audit Function and monitor the progress of the approved Internal Audit Plan.</li> <li>Discuss and approve the internal audit reports issued during 2025.</li> <li>Discuss and approve the Internal Audit Function's Annual Self-Assessment Questionnaire.</li> </ul>

Committee Name	Audit Committee						
	<ul style="list-style-type: none"> <li>Follow-up on previous audit observations, which were reduced by 17%.</li> <li>Review and approve the list of non-assurance services, ensuring their compliance with regulatory requirements and the Company's policies, and verify that these services do not compromise the independence of the external auditor.</li> </ul>						
<b>Date of Formation</b>	10/07/2025						
<b>Committee Tenure</b>	3 years						
<b>Members of the Committee</b>	<table> <tr> <td>Mr. Mahmoud Tifouni</td> <td>- President</td> </tr> <tr> <td>Mr. Samer Abbouchi</td> <td>- Member</td> </tr> <tr> <td>Mr. Faisal Al-Abdulrazzaq</td> <td>- Member</td> </tr> </table>	Mr. Mahmoud Tifouni	- President	Mr. Samer Abbouchi	- Member	Mr. Faisal Al-Abdulrazzaq	- Member
Mr. Mahmoud Tifouni	- President						
Mr. Samer Abbouchi	- Member						
Mr. Faisal Al-Abdulrazzaq	- Member						
<b>Number of Meetings/Year</b>	8						
Committee Name	Investment Committee						
<b>Committee Tasks</b>	<ul style="list-style-type: none"> <li>Study and evaluate the Company's existing investments and projects, as well as new investment opportunities.</li> <li>Submit material investment recommendations to the Board of Directors, supported by comprehensive analysis and clear professional justification.</li> <li>Ensure that all investments comply with the approved investment policy and do not deviate from it except with the approval of the Board of Directors.</li> <li>Ensure that all investment decisions are based on a comprehensive risk assessment.</li> <li>Take the necessary corrective actions in the event of any material deviation from the approved objectives.</li> <li>Periodically review the investment strategy and related policies.</li> <li>Assess the efficiency and effectiveness of the systems and mechanisms adopted for identifying, measuring, and monitoring investments and divestments.</li> </ul>						
<b>Achievements throughout the Year</b>	<ul style="list-style-type: none"> <li>Oversaw the pricing, submission, and negotiation processes related to several new investment opportunities and submitted their recommendations to the Board of Directors.</li> </ul>						
<b>Date of Formation</b>	09/11/2025						
<b>Committee Tenure</b>	3 years						
<b>Members of the Committee</b>	<table> <tr> <td>Sheikha Bibi Nasser Al-Sabah</td> <td>- President</td> </tr> <tr> <td>Mr. Mahmoud Tifouni</td> <td>- Member</td> </tr> <tr> <td>Mr. Samer Abbouchi</td> <td>- Member</td> </tr> </table>	Sheikha Bibi Nasser Al-Sabah	- President	Mr. Mahmoud Tifouni	- Member	Mr. Samer Abbouchi	- Member
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Mr. Mahmoud Tifouni	- Member						
Mr. Samer Abbouchi	- Member						
<b>Number of Meetings/Year</b>	1						

Committee Name	Risk Management Committee							
Committee Tasks	<ul style="list-style-type: none"> <li>▪ Prepare and review the risk management strategies and policies, ensure their implementation, and ensure they align with the nature and size of the Company's activities.</li> <li>▪ Evaluate the systems and mechanisms for identifying, measuring, and monitoring different types of risks the Company may face, to identify any shortcomings.</li> <li>▪ Approve or recommend changes to the risk appetite as appropriate.</li> <li>▪ Assist the Board of Directors and executive management in identifying and assessing the Company's acceptable risk level and ensure that the Company does not exceed this level once approved by the Board.</li> <li>▪ Ensure that sufficient resources and systems are in place for risk management.</li> <li>▪ Ensure that risk management staff fully understand the risks surrounding the Company and work to increase awareness among employees about risk culture and their understanding of it.</li> <li>▪ Review the organizational structure of risk management and provide recommendations before its approval by the BOD.</li> <li>▪ Ensure that those responsible for risk management have sufficient authority to perform their duties effectively, without granting them financial powers and authorities.</li> <li>▪ Ensure the independence of risk management employees from activities that expose the Company to risks.</li> <li>▪ Approve the principles, policies, strategies, processes, and frameworks related to risk management.</li> <li>▪ Prepare periodic reports on the nature of risks faced by the Company and submit these reports to the Board of Directors.</li> <li>▪ Review issues raised by the audit committee, which may affect risk management of the Company.</li> <li>▪ Hold at least four periodic meetings per year, and additionally whenever necessary.</li> </ul>							
Achievements throughout the Year	<ul style="list-style-type: none"> <li>▪ Approved enhancements to the Company's risk appetite, ensuring full alignment with the Company's strategic objectives.</li> <li>▪ Reviewed and confirmed the adequacy of the enterprise risk management framework.</li> <li>▪ Monitored risks related to operational activities and development projects, with focused oversight on risk exposure and the effectiveness of risk mitigations.</li> <li>▪ Strengthened oversight of key and emerging risks, which allows timely identification, assessment, and escalation of material risks to the Board.</li> <li>▪ Reviewed periodic risk reports and key risk indicators and provided recommendations to the Board.</li> <li>▪ Evaluated related party transactions, based on recommendations from the Risk Management function, and before submission to the Board.</li> </ul>							
Date of Formation	10/07/2025							
Committee Tenure	3 years							
Members of the Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Mrs. Sana Al-Hadlaq</td> <td style="text-align: center;">- President</td> </tr> <tr> <td style="text-align: center;">Mr. Mohammad Al-Qahtany</td> <td style="text-align: center;">- Member</td> </tr> <tr> <td style="text-align: center;">Mr. AbdulAmir Al-Muscatti</td> <td style="text-align: center;">- Member</td> </tr> </table>		Mrs. Sana Al-Hadlaq	- President	Mr. Mohammad Al-Qahtany	- Member	Mr. AbdulAmir Al-Muscatti	- Member
Mrs. Sana Al-Hadlaq	- President							
Mr. Mohammad Al-Qahtany	- Member							
Mr. AbdulAmir Al-Muscatti	- Member							
Number of Meetings/Year	4							

**d. Summary of how to apply the requirements that allow the Members of the Board of Directors to obtain accurate and timely information and data.**

The Company has implemented those requirements through an integrated information system connected to its accounting system (Oracle Cloud). Whereby, system users can generate the necessary financial and analytical reports to follow up on various operations within the Company, which enables Board members to obtain information accurately, promptly evaluate operating performance, and make necessary decisions. This is in addition to the system of periodic financial, operational, analytical, and evaluative reports, presentations, and summaries provided to the Board.

**3. Third Rule - Recruit Highly Qualified Candidates for Members of the Board of Directors and Executive Management**

**a. Brief about the application of the formation requirements of the Nominations and Remunerations Committee**

The Board of Directors has formed a Nomination and Remuneration Committee, which consists of 4 Board members (three non-executive members + an independent member). The committee is responsible for reviewing and recommending nominations for Board membership as well as nominations for Executive Management positions. The committee ensures the independence of independent Board members on an annual basis, in addition to assessing the performance of Board committees and the performance of the Board as a whole, and the performance of each Member on the Board of Directors. It has followed up on the implementation of the reward and recognition policy for the Board members, Executive Management, and employees. The Committee has prepared the job descriptions for each director; moreover, it annually reviews the needs and required skills of the Board members to ensure the effectiveness and efficiency of the current Board formation in managing and improving corporate performance.

**b. Report on the remuneration to the Members of the Board of Directors, the Executive Management, and the managers**

**1. Summary of the company's policy of compensation and incentives, for Members of a Board of Directors, the Executive Management, and the Managers**

The Company has approved the BOD Compensation and Remuneration Policy as well as the compensation and its Bonus Policy for Executive Management and employees. These policies have been designed to motivate the achievement of corporate strategic, operational, and sustainability goals. The application of these policies depends on the level of performance and achievements of the members and employees, as well as on the results of the Company's operational activities, as per the relevant laws and regulations.

## 2. Remuneration and benefits of Members of the Board of Directors

Remunerations and Benefits of Members of the Board of Directors During 2025*							
Total number of BOD members	Remuneration and Benefits through the Parent Company			Remuneration and Benefits through the Subsidiaries			
	Fixed remuneration and benefits (KD)	Variable remuneration and benefits (KD)		Fixed remuneration and benefits (KD)		Variable remuneration and benefits (KD)	
	Health Insurance	Annual remuneration	Committees' remuneration	Health insurance	Monthly Salaries (Total of the year)	Annual remuneration	Committees' remuneration
7**	N/A	42,000	N/A	N/A	N/A	N/A	N/A

\* Details of the segments and types of remuneration and benefits mentioned are examples without limitation.  
\*\*Upon approval during the Annual General Meeting

Total remuneration and benefits granted to five senior executives who have received the highest remuneration. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included*																	
Total executive positions	Remuneration and Benefits through the parent company									Remuneration and Benefits through the subsidiaries							
	Fixed remuneration and benefits (KD)									Variable remuneration and benefits (KD)	Fixed remuneration and benefits (KD)						Variable remuneration and benefits (KD)
	Monthly Salaries (Total of the year)	Health Insurance	Annual Tickets	Housing Allowance	Transportations Allowance	Children's Education Allowance	Other Benefits	End of Service Compensation	Annual remuneration	Monthly Salaries (Total of the year)	Health Insurance	Annual Tickets	Housing Allowance	Transportation Allowance	Children's Education Allowance	Annual remuneration	
*7	582,377	20,048	43,476	29,231	28,370	52,025	99,718	126,479	279,444	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

\*The positions include the **Group Chief Executive Officer** and **Group Chief Financial Officer**.

### c. Any substantial deviations from the remuneration policy approved by the Board of Directors

No deviations have been recorded during the year 2025.

## 4. Fourth Rule - Safeguarding the Integrity of Financial Reporting

### a. Written undertakings by both the Board of Directors and the Executive Management on the soundness and integrity of the prepared financial reports

The annual financial statements for the year 2025 submitted to shareholders included an undertaking from the Board of Directors to ensure the integrity and accuracy of all data presented in the financial report. Additionally, the Executive Management, represented by the GCFO, also presented their undertaking to the Board of Directors, ensuring that the financial reports and statements submitted for the financial year ending on 31/12/2025 were presented in a sound and fair manner and were prepared in accordance with International Financial Reporting Standards (IFRS).

### b. Brief about the application of the formation requirements of the Audit Committee

The Board of Directors formed the Audit Committee, consisting of 3 members (2 non-executive members + 1 independent member). The formation of the Committee took into consideration the required expertise, qualifications, and experience necessary to perform its duties effectively. The committee supports the BOD in ensuring the sufficiency and effectiveness of the internal controls of the Company.

### c. Instances of conflict between recommendations from the Audit Committee and decisions of the BOD.

The Audit Committee accomplished its duties during 2025 and did not record any conflicts between the committee's recommendations and the Board's decisions.

### d. Verification of the independence and neutrality of the External Auditor

The Audit Committee follows up on the external auditor (*Bader Al Abduljader from Al-Aiban, Al-Osaimi & Partners office - Ernst & Young*) appointed by the AGM. The committee also verifies the independence and the integrity of the external auditor regularly, and that it has no direct or indirect interest within the Company, and that it has not provided any services other than services related to audit functions, including the restricted services as per Circular No. (7) of 2023 Regarding the Combination between External Audit Services and any other consultancy or governance-related services.

## 5. Fifth Rule - Apply Sound Systems of Risk Management and Internal Audit

### a. Brief statement on the application of the formation requirements of an independent department/ an office/ an independent unit of risk management

The Company established an independent risk management department and appointed a risk manager responsible for measuring and monitoring the risks associated with the Company's activities. The risk management department possesses independence by reporting directly to the Risk Management Committee. It has been granted full authority to perform its duties of measuring and monitoring all types of risks the Company's operations may face.

### b. Brief about the application of the formation requirements of the Risk Management Committee

The Board of Directors has constituted a Risk Management Committee composed of three members, two non-executive and one independent, excluding the Board Chairperson. The formation took into account the requisite expertise, qualifications, and experience to ensure the effective performance of its mandate. The Board also endorsed the Committee's charter and ensured that its chairperson is a non-executive member.

### c. Summary clarifying the control and internal audit systems.

United Real Estate Company has adopted an integrated control framework designed to safeguard its financial soundness. This is achieved through the issuance of a Delegation of the Financial Authority Manual and Matrix (DOA) approved by the Board of Directors and delegated to executive management, in addition to policies and procedures written and/or embedded within the Company's approved operating systems. The principle of dual control has been enforced within this framework through multiple stages of review, verification, approval, and authorization, with clearly defined authorities across the relevant administrative levels and the application of dual signatory requirements for financial transactions.

The DOA, policies, and procedures are reviewed and updated periodically under defined mechanisms and controls. Furthermore, the internal control environment is subject to an annual evaluation by the Internal Audit Department, in addition to an independent annual external review, whereby a comprehensive report is issued assessing the efficiency and effectiveness of the Company's internal control systems.

### d. Brief statement on the application of the formation requirements of the internal audit department/ office/ unit

The Company established a completely independent internal audit department, which reports directly to the Audit Committee and the Board of Directors. The Board Audit Committee approves the department's charter and work plan, which details the tasks and responsibilities of the Internal Audit Department during the year.

## 6. Sixth Rule - Promote the Code of Conduct and Ethical Standards

### a. Summary of the business charter, including standards and determinants of the Code of Conduct and Ethical Standards

The Company has established Charters and a Code of Conduct and Ethics policy that contributes to the effective performance of both the members of the Board of Directors and all other employees. It includes, for example:

- Commitment to achieving the best corporate interests and refrain from abusing authority.
- Apply rules of sound ethical conduct and relevant laws.
- The required professional behaviors within the Company, such as confidentiality of information, expressions of improvement suggestions, and controls on acceptance of gifts and benefits.
- Establish a whistleblowing policy for reporting violations under a reporting system available to internal and external stakeholders.
- Establish disciplinary procedures for detected and evidenced undesirable behaviors in accordance with Kuwait's Labor Laws.
- Not to use the Company assets and resources to achieve personal interests and use such assets and resources optimally to achieve the Company goals.
- Develop procedures regulating the operations of Related Parties.
- Establish a clear separation between the Company's interests and those related to Members of the Board of Directors through developing mechanisms by the Board of Directors for giving priority to the Company's interests over the interests of the Board of Directors.
- Mandating Board Members to disclose before the Board of Directors any mutual interests with the Company, directly or indirectly.

### b. Summary of the policies and mechanisms for reducing conflicts of interest

The Board of Directors has reviewed and approved the Code of Ethics, the Related Party Transactions Policy, the Shareholders and Stakeholder Rights Policy, and the Conflict-of-Interest Policy, clarifying the means to deal with conflict-of-interest cases. Such policies are periodically reviewed and updated in accordance with the relevant laws and regulations.

## 7. Seventh Rule - Ensure Timely and High-Quality Disclosure and Transparency

### a. Summary of the application of mechanisms for presentation and accurate and transparent disclosure that define aspects, areas, and characteristics of disclosure.

The Board of Directors adopted the Disclosure and Transparency Policies and Procedures that clarify the applicable mechanisms for determining material information, whether financial or non-financial, as well as the mechanism of disclosure in the appropriate form and time. And in what allows shareholders and interested investors to know and understand the material information. The Policies and Procedures are subject to periodic review and updates in accordance with the CMA Disclosure and Transparency requirements as well as relevant regulations.

**b. Brief about the application of the requirements of the Board of Directors disclosure and executive management disclosures, and the managers' disclosures.**

A register has been developed for all Company disclosures, as well as those disclosures related to members of the Board of Directors and Executive Management, and persons included in the Company's insiders list. This register is updated periodically and is made accessible to shareholders of the Company.

Moreover, and in compliance with CMA resolutions, the company has established a register that includes the details of the remunerations, compensations, salaries, incentives, and any other financial benefits, whether paid directly or indirectly to the BOD, the Company's Executive Management, and managers, and whether through URC or/and its subsidiaries. This register is updated periodically and is made accessible to shareholders of the Company.

**c. Brief statement on the application of the formation requirements of a unit of investor affairs.**

An independent unit has been established to handle investor affairs. It has been delegated adequate authority by the board of directors and has been tasked with providing financial data, information, and necessary reports for shareholders, investors, and interested investors in a timely and accurate manner, and as per the disclosure mechanisms adopted within the Company.

**d. Brief on how to develop the infrastructure for the information technology on which it shall significantly rely on in the disclosure processes.**

The Company is committed to utilizing the electronic disclosure platforms mandated by Boursa and/or the CMA. In addition to the corporate governance web page on the Company's website, which displays all information, data, news, and disclosures. In what allows current and prospective shareholders and investors to exercise their rights and evaluate the Company's performance.

## **8. Eighth Rule - Respect the Rights of Shareholders**

**a. Summary of the application of the requirements for the identification and protection of the general rights of shareholders, in order to ensure fairness and equality amongst all shareholders.**

The Company is committed to implementing the requirements for identifying and safeguarding the general rights of all categories of shareholders in a manner that ensures the principles of fairness and equality. The Company has ensured that its Articles of Association include provisions that guarantee the protection of all shareholders' rights in compliance with the Companies Law and its Executive Regulations. The Board of Directors has approved a Shareholders' and Stakeholders' Policy, which sets out their general rights without discrimination and clarifies the mechanisms for exercising such rights, in a manner that does not negatively impact the interests of the Company or its shareholders. The Company reviews and updates this policy periodically in accordance with the applicable laws and regulatory instructions.

**b. Summary of the creation of a special record at the Clearing Agency as part of the requirements for ongoing monitoring of shareholders' data.**

The Company, in coordination with the Kuwait Clearing Company, maintains a dedicated record in which the data of all shareholders is recorded. It is constantly updated upon notification of any changes in its registered data. The Company has ascertained that this record is made accessible to shareholders in cooperation with the Investor Relations Unit and as per the procedures set by the Kuwait Clearing Company.

**c. Brief on how to encourage shareholders to participate and vote in the company's general assembly meetings.**

When convening ordinary and/or extraordinary general assemblies, the Company invites, informs, and reminds all shareholders about the details of the assembly in terms of time, place, and agenda. It also provides invitations and delegation forms (should a shareholder opt to appoint a representative to attend on his/her behalf). Furthermore, electronic attendance is enabled as per the policies and procedures governing online general assemblies set by the Kuwait Clearing Company. During general assemblies, the Company ensures that the required legal quorum is met, and it encourages shareholders to discuss all items of the meeting agenda and reply to their inquiries. Their acceptance/rejection/ reservations on each item are recorded via an equitable means of voting.

## **9. Ninth Rule - Recognize the Roles of Stakeholders**

**a. Brief about conditions and policies that ensure protection and recognition of the rights of stakeholders.**

The Board of Directors has adopted the shareholders' and stakeholders' rights policy. This policy includes the rules and procedures to be followed with stakeholders to ensure that their rights are protected and that they are compensated if these rights are violated, in addition to enabling stakeholders to report their discrepancies and observations. Furthermore, the Company has set up internal control systems to monitor compliance with relevant laws and regulations.

**b. Brief on how to encourage stakeholders to keep track of the Company's various activities.**

In line with the Shareholders' and Stakeholders' Rights Policy, the Company commits to several procedures that enable stakeholders to follow its activities and encourage their participation in those activities, as well as mechanisms for obtaining the necessary information and data that enable the realization of their interests. It also encourages their participation in reporting violations or any inappropriate practices.

## 10. Tenth Rule - Encourage and Enhance Performance

### a. Summary of the application of the requirements for the development of mechanisms that allow Members of the Board of Directors and Executive Management to attend the training programs and courses regularly.

As part of the Company's commitment to professional training and development requirements, the Company implemented a comprehensive, enterprise-wide training and development framework that promotes continuous upskilling across all levels. The Human Resources Department actively conducts training needs analyses, prepares the training plan, monitors participation, and reports progress to ensure measurable impact and alignment with business and sustainability objectives. Leveraging resources such as LinkedIn Learning, KFAS, external training partners, and peers. Employees complete learning hours and participate in structured learning paths, professional certifications, conferences, and specialized programs covering leadership, digital innovation, governance, ESG, compliance, and workplace wellbeing. In addition, the Company collaborated with Franklin Covey to create a customized Management Training Program including 360° assessments, workshops, and reinforcement coaching to strengthen management effectiveness and execution excellence. The list below outlines programs and training courses attended by directors.

Name	Training Programs and Courses
Mrs. Sana Al-Hadlaq	<ul style="list-style-type: none"> <li>▪ International Certificate in Wealth &amp; Investment Management (ICWIM).</li> <li>▪ Art of Public Speaking.</li> </ul>
Mr. AbdulAmir Al-Muscatai	<ul style="list-style-type: none"> <li>▪ The Comprehensive Training Program in Governance, Compliance, and Corporate Law</li> <li>▪ Corporate Governance Training</li> </ul>
Mr. Mohammad Al-Qahtany	<ul style="list-style-type: none"> <li>▪ Company IT infrastructure risk</li> <li>▪ Money laundering awareness</li> </ul>

### b. Brief on how to evaluate the performance of the Board as a whole, and the performance of each Member of the Board of Directors, and the Executive Management

The program for evaluating the performance of the Board as a whole and the performance of each Member of the Board of Directors through defined KPIs is set according to the best practices used to analyze the performance of the Board as a whole, as well as each individual member.

Both the Board of Directors and the Nomination and Remuneration Committee annually review the evaluations of the Board as a whole, and the performance of each Member of the Board of Directors and the Executive Management.

### c. An overview of the Board of Directors efforts in asserting the importance of corporate value creation with the employees at the company through achieving the Company's strategic goals and improving key performance indicators

The Board of Directors has set strategic goals that the Company seeks to achieve, with short, medium, and long-term plans put forward to reach the desired goals. The Board has also set policies and procedures that contribute to achieving those goals and improving performance. In what will enhance and develop institutional values, like increasing stakeholder confidence, encouraging self-monitoring and management of risks, and promoting sound governance principles and a culture of commitment.

## 11. Eleventh Rule - Focusing on the Importance of Corporate Social Responsibility (CSR)

### a. Summary of the development of a policy to ensure a balance between each of the Company's goals and society goals.

The Company's CSR policy was prepared and approved to clarify its emphasis on contributing to the economic and social development of the communities it serves and the importance of partaking in social advancement on a broader scale, and its employees in particular.

### b. Brief about the programs and mechanisms helping to highlight the Company's efforts exerted in the field of social work.

#### ▪ Subject: Education & Career Development:

- a. The Company participated in the national career forum, reflecting its institutional commitment to nurturing Kuwaiti youth, cultivating local talent, and facilitating their transition into the private sector. These efforts align with Kuwait's strategic vision to elevate Kuwaitization across all sectors, as URC reinforces its role as an employer contributing to national workforce development.
- b. The Company hosted Kuwait University finance club students for a site tour of Hessah district to provide practical exposure to financing, planning, and management practices.

#### ▪ Subject: Health & Wellness:

- a. The Company, in partnership with Kuwait Projects Company (Holding) - KIPCO, Kamco Invest, and UFM, organized a community blood donation initiative titled "Be the Reason" in collaboration with the Kuwait Central Blood Bank to support community health.
- b. In collaboration with New Mowasat Hospital, Marina Mall launched the "One Voice for You" campaign to promote breast cancer awareness. Supported by M2R as a media partner, the campaign was featured on digital screens across Marina Mall, other key locations, and Marina FM.
- c. As part of our Breast Cancer Awareness campaign, the Marina Mall team distributed 400 pink flowers over four consecutive Fridays to ladies visiting the Mall, a simple gesture symbolizing hope, strength, and solidarity with all women in their journey toward awareness and wellness.
- d. The Company partnered with New Mowasat Hospital to deliver an awareness campaign titled "You Are the Foundation" addressing diabetes and prostate cancer prevention.

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▪ **Subject: Environmental Sustainability:**

- a. The Company partnered with Al Tijari Bank to deliver the “Go Green” campaign, whereby the bank team distributed eco-friendly cleaning kits to visitors at Marina Beach to promote responsible waste management practices in alignment with environmental sustainability objectives.

▪ **Subject: Women Empowerment Advocacy:**

- a. The Company participated in Alnowair’s Grand Ceremony (Troupe Initiative) under the patronage of Sheikha Intisar AlSabah to support structured youth dialogue initiatives focused on women’s empowerment.
- b. Marina Mall Team conducted a radio interview with Nagham Al Sabah on Marina FM to launch its Instagram competition in collaboration with the station. The initiative focused on the mental and emotional aspects of women’s wellness, emphasizing the importance of pursuing new hobbies for self-care and balance. Winners of the competition were invited to attend an exclusive flower-arrangement workshop, designed to inspire creativity, relaxation, and connection among participants.

▪ **Subject: Internal Events:**

- a. The Company delivered community engagement and seasonal activation initiatives at Marina Mall (e.g., Gergeaan activities; Ya Hala, Back-to-School activities; and customer giveaways) to strengthen community connection.

▪ **Subject: Youth & Sports:**

- a. The Company hosted the 2025 XCAT World Powerboat Championship at Marina Waves, positioning the destination as a leading location for major sports events in Kuwait.
- b. The Company hosted the Red Bull Flying Day at Marina World, which featured participants constructing and launching custom-built flying machines in a high-energy, visually engaging event.
- c. The Company hosted Red Bull Quicksand at Marina Crescent as one of our signature annual sporting events.
- d. The Company hosted the TEQBALL Tournament at Marina Basketball Court.
- e. The Company sponsored KIB The Stadium for the third consecutive year at Marina Crescent.

▪ **Subject: Business & Social Events:**

- a. The Company participated as a Platinum Sponsor in the Kuwait Third PPP Conference to support public-private collaboration.
- b. UBC participated as a Gold Sponsor at the Kuwait Builders Summit (KBS).
- c. The Company launched the “Desert Residences” video series in collaboration with Seeds Academy (8 episodes), reflecting on architecture between faith and nature.
- d. Marina Mall participated in an interview with "Shi Thani" team on Marina FM, where we highlighted the campaign’s objectives and emphasized the human side of Marina Mall. During the interview, we expressed our genuine care for our visitors, whom we consider part of the Marina Mall family, reinforcing our commitment to community well-being and social responsibility.



**Bibi Nasser Sabah Al-Ahmed Al-Sabah**  
Chairperson

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# 04 Financial Performance



Date: 18 April 2026

التاريخ: 18 أبريل 2026

Messrs. Esteemed Shareholders

السادة/ المساهمين المحترمين

**Subject: Confirmation of soundness and accuracy of financial reports for the financial year ended 31 December 2025**

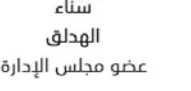

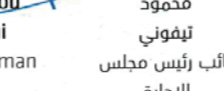
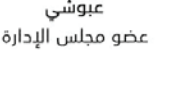
**الموضوع: تعهد بسلامة ودقة التقارير المالية للسنة المالية المنتهية في 31 ديسمبر 2025**

In reference to the subject mentioned above and in accordance with United Real Estate Company K.S.C.P's policies and procedures, to ensure the accuracy and reliability of financial statements as a key indicator of the Company's integrity, credibility, and transparency in presenting its financial position that ultimately increases investors' confidence and realization of shareholders' rights, in addition to the compliance with Article 5-3, Chapter 5, of the Corporate Governance Rules (Module 15) outlined in the CMA executive bylaws.

بالإشارة إلى الموضوع أعلاه، والتزاماً بسياسات وإجراءات شركة العقارات المتحدة للتأكد من سلامة بياناتها المالية باعتبارها أحد المؤشرات الهامة على نزاهة ومصداقية الشركة في عرض مركزها المالي وبهدف تعزيز ثقة المستثمرين وتمكين المساهمين من ممارسة حقوقهم، وتطبيقاً للأحكام المادة 3-5 من الفصل الخامس من كتاب حوكمة الشركات من اللائحة التنفيذية لهيئة أسواق المال.

We, the members of the Board of Directors, acknowledge, based on our periodic review of the interim financial statements results, that the Company's financial reports for the financial year ended 31 December 2025 are accurate and sound and reflect all the Company's financial aspects, including information, statements, reports, and results related to the Company's activities. Furthermore, the financial reports have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

نقر نحن أعضاء مجلس إدارة الشركة، وبناءً على متابعتنا الدورية لنتائج البيانات المالية المرحلية، بأن التقارير المالية للشركة للسنة المالية المنتهية في 31 ديسمبر 2025 قد تم عرضها بصورة سليمة وعادلة، واستعرضت كافة الجوانب المالية للشركة وما تضمنته من بيانات ونتائج وتقارير ذات صلة بأنشطة الشركة، كما بأنه تم إعداد التقارير المالية وفقاً للمعايير الدولية للتقارير المالية الصادرة عن مجلس معايير المحاسبة الدولية.

 <b>Bibi Nasser Al-Sabah</b> Chairperson	 بببي ناصر الصباح رئيس مجلس الإدارة
 <b>Sanaa Al Hadlaq</b> Board Member	 سناء الهدلق عضو مجلس الإدارة
 <b>Mohamed Al Qahtany</b> Board Member	 محمد القحطاني عضو مجلس الإدارة
 <b>Mahmood Tifouni</b> Vice Chairman	 محمود تيفوني نائب رئيس مجلس الإدارة
 <b>Samer Abbouchi</b> Board Member	 سامر عبوشي عضو مجلس الإدارة
 <b>Abdul Amir Al-Muscati</b> Independent Board Member	 عبد الأمير المسقطي عضو مجلس إدارة مستقل
 <b>Faisal Al Abdulrazzaq</b> Independent Board Member	 فيصل العبد الرزاق عضو مجلس إدارة مستقل

## United Real Estate Company K.S.C.P. and Subsidiaries

Consolidated Financial Statements  
31/12/2025





Ernst & Young  
Al Aiban, Al Osaimi & Partners  
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<https://www.ey.com>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNITED REAL ESTATE COMPANY K.S.C.P.

### Report on the Audit of Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of United Real Estate 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 income statement, 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) 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNITED REAL ESTATE COMPANY K.S.C.P. (continued)

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

#### *Key Audit Matters (continued)*

##### *Valuation of investment properties*

Investment properties are significant to the Group's consolidated financial statements. The management determines the fair value of its investment properties and uses external appraisers to support the valuation. The valuation of the investment properties at fair value is highly dependent on estimates and assumptions, such as average net initial yield, reversionary yield, inflation rate, vacancy rates, growth in rental rates, market knowledge and historical transactions.

The external valuers have included a material valuation uncertainty clause in their valuation report. This represents a significant estimate uncertainty in relation to the valuation of investment properties.

Given the size and significance of the valuation of investment properties, and the importance of the disclosures relating to the inputs used in such valuations, we have considered this as a key audit matter.

Our audit procedures included, amongst others:

- ▶ For a sample of properties, challenged key estimates, assumptions and methodology adopted in the valuations including the appropriateness of the valuation models and inputs used to value the investment properties.
- ▶ We involved and acquired assistance from our internal property valuation specialists, assessing the valuation methodology adopted by the external property valuer and comparing the key estimates and assumptions adopted in the valuation of investment properties on a sample basis, including discount rate and market yields
- ▶ We have tested the inputs and assumptions made by management of the Group and the appropriateness of the properties' related data supporting the external appraisers' valuations.
- ▶ We performed procedures for areas of risk and estimation. This included, where relevant, comparison of judgments made to current market practices and challenging the valuations on a sample basis.
- ▶ We evaluated the management's sensitivity analysis to ascertain the impact of reasonably possible changes to key assumptions on the fair value of investment properties.
- ▶ Further, we have considered the objectivity, independence and expertise of the external real estate appraisers.
- ▶ We also assessed the adequacy of the disclosures relating to the assumptions and sensitivity of such assumptions in Note 8 of the consolidated financial statements.



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNITED REAL ESTATE COMPANY K.S.C.P. (continued)

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

#### *Other information included in the Group's 2025 Annual Report*

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



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED REAL ESTATE COMPANY K.S.C.P. (continued)

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

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

- ▶ 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.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED REAL ESTATE COMPANY K.S.C.P. (continued)**

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

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

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

**Report on Other Legal and Regulatory Requirements**

Furthermore, in our opinion, proper books of account have been kept by the 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, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

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

18 March 2026  
Kuwait

**United Real Estate Company K.S.C.P. and Subsidiaries**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

	Notes	2025 KD	2024 KD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	9	151,227,225	151,634,562
Investment properties	8	387,673,831	370,600,834
Investment in associates	7	49,427,723	46,018,347
Financial assets at fair value through other comprehensive income	6	1,324,726	936,716
Right-of-use assets		1,562,595	2,533,195
Intangible assets		1,258,327	1,388,362
		<u>592,474,427</u>	<u>573,112,016</u>
<b>Current assets</b>			
Properties held for trading	5	31,394,140	31,489,293
Accounts receivable, prepayments and other assets	4	44,801,305	49,427,613
Bank balances and deposits	3	18,931,676	17,938,857
		<u>95,127,121</u>	<u>98,855,763</u>
<b>TOTAL ASSETS</b>		<u><b>687,601,548</b></u>	<u><b>671,967,779</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	11	252,199,877	262,533,667
Bonds	12	80,000,000	80,000,000
Accounts payable, accruals and other payables	10	20,450,535	9,123,821
Deferred tax liabilities	21	30,065,977	24,770,019
		<u>382,716,389</u>	<u>376,427,507</u>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	11	27,455,855	22,969,117
Accounts payable, accruals and other payables	10	67,778,195	68,282,524
		<u>95,234,050</u>	<u>91,251,641</u>
<b>Total liabilities</b>		<u><b>477,950,439</b></u>	<u><b>467,679,148</b></u>
<b>EQUITY</b>			
Share capital	13	143,054,551	143,054,551
Share premium	13	15,550,698	15,550,698
Statutory reserve	14	22,444,977	21,829,743
Voluntary reserve	15	2,582,767	2,582,767
Treasury shares	16	(7,646,942)	(15,503,985)
Treasury shares reserve		3,833,023	491,325
Other reserve		(14,846,769)	(14,766,471)
Revaluation surplus		34,456,348	36,574,836
Cumulative changes in fair values		(3,935,979)	(4,186,256)
Foreign currency translation reserve		(9,607,133)	(11,564,201)
Retained earnings		17,230,484	22,314,068
		<u>203,116,025</u>	<u>196,377,075</u>
<b>Equity attributable to equity holders of the Parent Company</b>		<u><b>203,116,025</b></u>	<u><b>196,377,075</b></u>
Non-controlling interests		6,535,084	7,911,556
<b>Total equity</b>		<u><b>209,651,109</b></u>	<u><b>204,288,631</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>687,601,548</b></u>	<u><b>671,967,779</b></u>

Bih Naser Sabah Al Ahmad Al Sabah  
Chairperson

United Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
<b>REVENUE</b>			
Gross rental income		30,566,533	30,100,713
Hospitality income		20,332,157	16,904,889
Contracting and services revenue		46,934,934	37,094,976
Sale of properties held for trading		1,025,869	89,379
Other operating revenue		4,402,250	4,608,847
		<u>103,261,743</u>	<u>88,798,804</u>
<b>COST OF REVENUE</b>			
Properties operating costs		(7,540,346)	(6,503,349)
Rental expense on leasehold properties		(1,980,403)	(1,983,402)
Hospitality costs		(14,678,697)	(13,142,323)
Contracting and services costs		(46,145,750)	(36,097,403)
Cost of properties held for trading sold	5	(998,035)	(57,030)
		<u>(71,343,231)</u>	<u>(57,783,507)</u>
<b>GROSS PROFIT</b>		<b>31,918,512</b>	<b>31,015,297</b>
Other net operating (loss) income	17	(6,395,542)	541,911
Selling and marketing expenses		(321,082)	(215,464)
General and administrative expenses	18	(9,085,335)	(7,674,369)
Valuation gain (loss) on investment properties	8	7,384,366	(5,693,136)
<b>OPERATING PROFIT</b>		<b>23,500,919</b>	<b>17,974,239</b>
Other net non-operating income	19	923,106	4,297,139
Finance costs - net	20	(21,500,002)	(19,718,207)
Share of results of associates	7	3,964,609	2,822,676
<b>PROFIT BEFORE TAXATION AND DIRECTORS' REMUNERATION</b>		<b>6,888,632</b>	<b>5,375,847</b>
Taxation expense	21	(2,359,600)	(195,969)
Directors' remuneration		(42,000)	(42,000)
<b>PROFIT FOR THE YEAR</b>		<b>4,487,032</b>	<b>5,137,878</b>
Attributable to:			
Equity holders of the Parent Company		6,110,343	5,087,862
Non-controlling interests		(1,623,311)	50,016
		<u>4,487,032</u>	<u>5,137,878</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>	22	<b>4.58 fils</b>	<b>3.91 fils</b>

United Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 KD	2024 KD
<b>Profit for the year</b>	<b>4,487,032</b>	<b>5,137,878</b>
<b>Other comprehensive income:</b>		
<i>Items that are or may be reclassified to consolidated income statement in subsequent periods:</i>		
Exchange difference on translation of foreign operations	2,044,688	5,671,693
<b>Net other comprehensive income that are or may be reclassified to consolidated income statement in subsequent periods</b>	<b>2,044,688</b>	<b>5,671,693</b>
<i>Items that will not be reclassified to consolidated income statement in subsequent periods:</i>		
Changes in fair value of equity instruments at fair value through other comprehensive income	243,634	(998,538)
Share of associates' other comprehensive income	1,608	913,452
Revaluation (loss) gain of property and equipment (Note 9)	(1,547,464)	605,070
Deferred tax on revaluation (loss) gain of property and equipment (Note 21)	213,278	(26,100)
<b>Net other comprehensive (loss) gain that will not be reclassified to consolidated income statement in subsequent periods</b>	<b>(1,088,944)</b>	<b>493,884</b>
<b>Other comprehensive income</b>	<b>955,744</b>	<b>6,165,577</b>
<b>Total comprehensive income for the year</b>	<b>5,442,776</b>	<b>11,303,455</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	6,819,248	10,693,321
Non-controlling interests	(1,376,472)	610,134
	<u>5,442,776</u>	<u>11,303,455</u>

United Real Estate Company K.S.C.P. and Subsidiaries  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**  
For the year ended 31 December 2025

	Equity attributable to equity holders of the Parent Company										Foreign		Total equity KD	
	Share Capital KD	Share premium KD	Statutory reserve KD	Voluntary Reserve KD	Treasury shares KD	Treasury shares reserve KD	Other reserve KD	Revaluation surplus KD	Cumulative changes in fair values KD	currency translation reserve KD	Retained earnings KD	Sub-total KD		Non-controlling interests KD
As at 1 January 2024	143,054,551	15,550,698	21,302,209	2,582,767	(15,503,985)	491,325	(16,410,588)	35,598,827	(3,419,809)	(16,675,776)	17,469,418	184,039,637	2,592,433	186,632,070
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,087,862	5,087,862	50,016	5,137,878
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	1,492,422	(998,538)	5,111,575	-	5,605,459	560,118	6,165,577
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	1,492,422	(998,538)	5,111,575	-	5,605,459	560,118	6,165,577
Transfer to statutory reserve	-	-	527,534	-	-	-	-	1,492,422	(998,538)	5,111,575	5,087,862	10,693,321	610,134	11,303,455
Arising on business combinations (Note 29)	-	-	-	-	-	-	-	-	-	-	(527,534)	-	-	-
Transfer of fair value reserve on derecognition of equity investments at FVOCI to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	6,353,106	6,353,106
Ownership changes in subsidiaries	-	-	-	-	-	-	-	-	232,091	-	(232,091)	-	-	-
Transfer of depreciation related to property and equipment carried at revaluation	-	-	-	-	-	-	1,644,117	-	-	-	-	1,644,117	(1,644,117)	-
	-	-	-	-	-	-	(516,413)	-	-	-	516,413	-	-	-
At 31 December 2024	143,054,551	15,550,698	21,829,743	2,582,767	(15,503,985)	491,325	(14,766,471)	36,574,836	(4,186,256)	(11,564,201)	22,314,068	196,377,075	7,911,556	204,288,631

United Real Estate Company K.S.C.P. and Subsidiaries  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2025

	Equity attributable to equity holders of the Parent Company										Foreign		Total equity KD	
	Share Capital KD	Share premium KD	Statutory reserve KD	Voluntary Reserve KD	Treasury shares KD	Treasury shares reserve KD	Other reserve KD	Revaluation surplus KD	Cumulative changes in fair values KD	currency translation reserve KD	Retained earnings KD	Sub-total KD		Non-controlling interests KD
As at 1 January 2025	143,054,551	15,550,698	21,829,743	2,582,767	(15,503,985)	491,325	(14,766,471)	36,574,836	(4,186,256)	(11,564,201)	22,314,068	196,377,075	7,911,556	204,288,631
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,110,343	6,110,343	(1,623,311)	4,487,032
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	(1,493,405)	245,242	1,957,068	-	708,905	246,839	955,744
Total comprehensive (loss) income for the year	-	-	-	-	-	-	-	(1,493,405)	245,242	1,957,068	-	708,905	246,839	955,744
Transfer to statutory reserve	-	-	615,234	-	-	-	-	(1,493,405)	245,242	1,957,068	6,110,343	6,819,248	(1,376,472)	5,442,776
Share of effect change of ownership interest for the associate (Note 7)	-	-	-	-	-	-	(80,298)	-	-	-	-	(80,298)	-	(80,298)
Transfer of fair value reserve on derecognition of equity investments at FVOCI to retained earnings	-	-	-	-	-	-	-	-	5,035	-	(5,035)	-	-	-
Distribution of treasury shares as bonus shares (Note 22)	-	-	-	-	7,857,043	3,341,698	-	-	-	-	(11,198,741)	-	-	-
Transfer of depreciation related to property and equipment carried at revaluation	-	-	-	-	-	-	-	(625,083)	-	-	625,083	-	-	-
At 31 December 2025	143,054,551	15,550,698	22,444,977	2,582,767	(7,646,942)	3,833,023	(14,846,769)	34,456,348	(3,935,979)	(9,607,133)	17,230,484	203,116,025	6,535,084	209,651,109

United Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
<b>OPERATING ACTIVITIES</b>			
Profit before taxation and directors' remuneration		6,888,632	5,375,847
Adjustments for:			
Valuation (gain) loss on investment properties	8	(7,384,366)	5,693,136
Share of results of associates	7	(3,964,609)	(2,822,676)
Impairment of property and equipment	9	1,520,000	-
Impairment of held for trading properties	5	1,521,731	-
Depreciation of property and equipment	9	4,141,480	3,582,467
Amortisation of intangible assets		112,166	112,387
Depreciation of right-of-use assets		1,571,959	1,430,094
Gain on disposal of investment property	17	(4,303)	(710,173)
Net gain disposal of property and equipment	17	(19,493)	(2,662)
Provision for maintenance on leasehold properties	17	687,830	1,031,747
Charge (reversal) for expected credit losses on accounts receivables	17	2,463,800	(502,545)
Charge for expected credit losses on bank balances	17	195,520	-
Provision for expected credit losses on loan to associate	19	-	(2,443,628)
Dividend income	19	(27,840)	(38,991)
Interest income	20	(752,789)	(1,994,643)
Finance costs	20	22,110,258	23,050,452
Provision for end of service benefit		1,352,214	1,541,960
		<b>30,412,190</b>	<b>33,302,772</b>
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable, prepayments and other assets		2,174,561	2,930,931
Properties held for trading		104,017	57,030
Accounts payable, accruals and other payables		(786,475)	(10,834,892)
		<b>31,904,293</b>	<b>25,455,841</b>
KFAS paid		(21,081)	(11,789)
NLST paid		(182,205)	-
ZAKAT paid		(28,856)	-
End of service benefit paid		(842,649)	(728,832)
<b>Net cash from operating activities</b>		<b>30,829,502</b>	<b>24,715,220</b>
<b>INVESTING ACTIVITIES</b>			
Additions and capital contribution in investment in associates	7	-	(9,674,210)
Additions to investment properties		(762,806)	(1,285,629)
Proceed from disposal of investment properties		123,455	5,037,980
Addition of financial assets at fair value through other comprehensive income		(144,580)	90,880
Additions to held for trading properties	5	(250,870)	-
Proceed from disposal of held for trading properties		894,018	-
Purchase of property and equipment	9	(1,757,345)	(7,995,784)
Proceeds from disposal of property and equipment		71,747	22,457
Net cash from acquisition of subsidiary	29	-	176,494
Dividends income received from an associate	7	695,252	379,608
Dividends income received		27,840	38,991
Interest income received		752,789	1,419,791
Additions to term deposits		7,251,246	437,977
<b>Net cash from (used in) investing activities</b>		<b>6,900,746</b>	<b>(11,351,445)</b>

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

	Notes	2025 KD	2024 KD
<b>FINANCING ACTIVITIES</b>			
Proceeds from interest-bearing loans and borrowings		30,501,543	20,436,145
Repayment of interest-bearing loans and borrowings		(37,388,473)	(25,773,345)
Payment of principal portion of lease liabilities	10	(1,718,183)	(1,619,151)
Finance costs paid		(22,036,895)	(23,425,138)
<b>Net cash used in financing activities</b>		<b>(30,642,008)</b>	<b>(30,381,489)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Foreign currency translation adjustments		7,088,240	(17,017,714)
Cash and cash equivalents at the beginning of the year		191,674	(1,196,345)
		<b>8,358,130</b>	<b>26,572,189</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	3	<b>15,638,044</b>	<b>8,358,130</b>
<b>Non-cash items excluded from the consolidated statement of cash flows:</b>			
Additions to right-of-use assets		(574,071)	-
Additions to investment properties		(11,693,431)	-
Additions to lease liabilities (included under accounts payable, accruals and other payables)		12,267,502	-

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 1 CORPORATE INFORMATION

United Real Estate Company K.S.C.P. (the “Parent Company” or “URC”) is a public shareholding company incorporated in the State of Kuwait in accordance with an Amiri Decree issued in 1973, and is listed on the Boursa Kuwait. The address of the Parent Company’s registered office is P.O. Box 2232 Safat, 13023 - State of Kuwait.

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue by the Board of Directors of the Parent Company on 18 March 2026 and are issued subject to the approval of the Ordinary General Assembly of the shareholders of the Parent Company. The shareholders’ General Assembly has the power to amend the consolidated financial statements after issuance.

On 26 November 2025, the Extra-Ordinary General Meeting (EGM) of the Parent Company approved to amend the article of association and the memorandum of incorporation. Accordingly, The Parent Company updated its commercial register on 7 December 2025, with the below activities.

1. Ownership of real estate and movable assets for the benefit of the Company. 2. Buying and selling land and real estate for the Company’s own account only. 3. Buying and selling land and real estate. 4. Management of third-party properties. 5. Management of public facilities. 6. Management and development of land and real estate. 7. Management and organization of exhibitions and conferences. 8. Organization and management of commercial exhibitions. 9. Project management. 10. Management and leasing of real estate owned or leased by the Company. 11. Management and leasing of residential real estate owned or leased by the Company. 12. Management and leasing of non-residential real estate owned or leased by the Company. 13. Conducting auctions outside retail establishments. 14. Operation of sports facilities. 15. Management of tourism facilities. 16. Management and operation of sports facilities and the provision of all related services. 17. Design, construction, operation, maintenance, and transfer of projects under the PPP (Public-Private Partnership) system. 18. Buying and selling shares and bonds for the Company’s own account. 19. Investment of surplus funds in financial portfolios managed by specialized companies and entities. 20. Infrastructure works. 21. General construction of residential buildings. 22. General construction of non-residential buildings. 23. Civil building maintenance services. 24. Mechanical works. 25. Electrical installations. 26. Installation of elevators and escalators. 27. Installation of cooling and air-conditioning systems and air-conditioning piping works. 28. Repair and maintenance of air-conditioning, refrigeration, and air purification systems. 29. Real estate consultancy. 30. Chalets / rest houses. 31. Hotel apartments. 32. Management and operation of hotel apartments. 33. Restaurant. 34. Cafeteria. 35. Hotel. 36. Management and operation of hotels. 37. Café. 38. Care and maintenance of public parks and gardens. 39. Parks. 40. Buying and selling resorts. 41. Resorts.

The Parent Company is allowed to conduct the above-mentioned operations inside or outside the State of Kuwait by its own or as an agent. It may also engage in activities that are similar, complementary, necessary, or related to its stated objectives.

#### 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through other comprehensive income and freehold land and buildings classified under property and equipment that have been measured at fair value.

The consolidated financial statements are presented in Kuwaiti Dinars (“KD”), being the functional and presentational currency of the Parent Company.

#### 2.2 STATEMENT OF COMPLIANCE

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 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.

##### *Lack of Exchangeability - Amendments to IAS 21*

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

The amendments did not have a material impact on the Group’s consolidated financial statements.

Other amendments to IFRS Accounting Standards which are effective for annual accounting period starting from 1 January 2025 did not have any material impact on the accounting policies, financial position or performance of the Group.

#### 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.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also 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, are 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 not intending to early adopt the standard.

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

On May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments), The Amendments include:

- ▶ A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- ▶ Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- ▶ Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- ▶ The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

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

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

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

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

##### *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 standard will not have an impact on the Group's consolidated financial statements

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION

##### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (investees which are controlled by the Parent Company) including special purpose entities. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. All inter-group balances and transactions, including inter-group profits and unrealised profits and losses and dividends are eliminated on consolidation.

Non-controlling interests represent the equity in the subsidiaries not attributable directly, or indirectly, to the shareholders of the Parent Company. Equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of changes in equity.

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 component of equity while any resultant gain or loss is recognised in consolidated income statement. Any investment retained is recognised at fair value.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### Basis of consolidation (continued)

The principal subsidiaries of the Group are as follows:

Name of company	Equity interest as at 31 December		Country of incorporation	Principal business
	2025	2024		
<b>Directly held</b>				
United Building Company K.S.C. (Closed)	100%	100%	Kuwait	Contracting activities
Souk Al-Mutaheda Joint Venture – Salhia	92.17%	92.17%	Kuwait	Real estate development
Tamleek United Real Estate Company W.L.L.	100%	100%	Kuwait	Real estate development
United International Project Management Company W.L.L.	100%	100%	Kuwait	Project management
United Facilities Management Company K.S.C. (Closed)	99.2%	99.2%	Kuwait	Facilities management
United Facility Development Company K.S.C. (Closed)	63.5%	63.5%	Kuwait	Real estate development
Universal United Real Estate Consultancy Company W.L.L.	63%	63%	Kuwait	Real estate development
Mina United for Real Estate Services W.L.L.	100%	100%	Kuwait	Real estate development
Twenty-Two Project Management Co. WLL	100%	100%	Kuwait	Real estate development
Jiwar International Company for Lands and Real Estate Management and Development SPC	100%	100%	Kuwait	Real estate development
United Circle Group Company for Restaurant Management **	60%	-	Kuwait	Hospitality
AlBahar AlAhmar Tourism Development Co. LTD **	80%	-	Sudan	Real estate development
United Building Company Egypt S.A.E.	100%	100%	Egypt	Contracting activities
United Real Estate Holding for Financial Investments S.A.E.	100%	100%	Egypt	Holding
Gulf Egypt Hotels and Tourism S.A.E.	100%	100%	Egypt	Hotel Management
United Real Estate Jordan Company P.S.C.	100%	100%	Jordan	Real estate development
Arwa Real Estate Development Company P.S.C	100%	100%	Jordan	Real estate development
Al Manazel United Real Estate Development Company P.S.C	100%	100%	Jordan	Real estate development
United Real Estate Company L.L.C.	80%	80%	Syria	Real estate development
United Investment Company L.L.C.	100%	100%	Syria	Real estate development General Trading And Contracting
Mena United for Contracting & General Company LLC	100%	100%	Syria	Real estate development
United Company for Investment LLC	75%	75%	Syria	Real estate development
United Real Estate Company S.A.O.C	100%	100%	Oman	Real estate development
Kuwait United Real Estate Development Co. WLL	100%	100%	Oman	Real estate development
United Masirah Real Estate Development Co.S.P.C **	100%	-	Oman	Real estate development
Kuwait Real Estate Limited	100%	100%	KSA	Real estate development
Al Dhiyafa Holding Lebanon S.A.L	100%	100%	Lebanon	Holding
United Lebanese Real Estate Holding Co. SAL	100%	100%	Lebanon	Holding
Dhow Holdings Limited***	-	100%	Isle of Man	Holding
Assoufid B.V. ****	49%	49%	Netherlands	Real estate development
<b>Held through Assoufid B.V.</b>				
Assoufid Golf & Hotel S.A	100%	100%	Morocco	Real estate development
Assoufid Golf Operations Société Anonyme SA	100%	100%	Morocco	Real estate development
Assoufid Hotel Société Anonyme SA	100%	100%	Morocco	Real estate development
Assoufid Palace Société Anonyme SA	100%	100%	Morocco	Real estate development
Assoufid Properties Development Société Anonyme SA	100%	100%	Morocco	Real estate development
Assoufid Properties Management Société Anonyme SA	100%	100%	Morocco	Real estate development
Assoufid Golf Société Co. SA	100%	100%	Morocco	Real estate development
Stavebni Société Co.	100%	100%	Morocco	Real estate development
<b>Held through Tamleek United Real Estate Company W.L.L.</b>				
Manazel United for Real Estate Investment Company S.A.E.	54.5%	54.5%	Egypt	Real estate development
United Project Management S.A.R.L	1%	1%	Morocco	Project management
<b>Held through United Real Estate Company S.A.O.C</b>				
United Facilities Management Company L.L.C.	100%	100%	Oman	Facilities management
<b>Held through United Real Estate Holding for Financial Investments S.A.E.</b>				
Retaj United for Touristic Investment Co. S.A.E.	100%	100%	Egypt	Touristic development
Manazel United for Real Estate Investment Company S.A.E.	45.5%	45.5%	Egypt	Real estate development
Areej United for Agriculture Investment Co. S.A.E.	100%	100%	Egypt	Agriculture
Aswar United for Real Estate Investment Company S.A.E.	100%	100%	Egypt	Real estate development
United Facilities Management Company S.A.E	20%	20%	Egypt	Renting and operating or
<b>Held through United International Project Management Company W.L.L.</b>				
Egypt United Project Management Co. WLL	100%	100%	Egypt	Facilities management
United Project Management S.A.R.L	99%	99%	Morocco	Project management
<b>Held through United Building Company Egypt S.A.E.</b>				
United for Services & Maintenance WLL	100%	100%	Egypt	Facilities Management
<b>Held through Gulf Egypt Hotels and Tourism S.A.E.</b>				
Gulf Egypt for Agriculture Investment & Food Manufacturing Co.	98%	98%	Egypt	Agricultural Investment & Food Manufacturing
Arab Company for Animal Production	96%	96%	Egypt	Animal Production

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### Basis of consolidation (continued)

Name of company	Equity interest as at 31 December		Country of incorporation	Principal business
	2025	2024		
<b>Held through Al Dhiyafa Holding Lebanon S.A.L</b>				
Bhamdoun United Real Estate Company S.A.L	75%	75%	Lebanon	Hotel management
Raoouche Holding Company S.A.L	55%	55%	Lebanon	Holding
United Lebanese Real Estate Company S.A.L	100%	100%	Lebanon	Real estate development
<b>Held through United Lebanese Real Estate Company S.A.L.</b>				
Bhamdoun United Real Estate Company S.A.L	25%	25%	Lebanon	Hotel management
Raoouche Holding Company S.A.L	45%	45%	Lebanon	Holding
<b>Held through United Real Estate Jordan Company P.S.C.</b>				
Abdali Mall Company P.S.C.	100%	100%	Jordan	Real estate development
Panorama for Beauty Company P.S.C.*	96%	80%	Jordan	Beauty services
<b>Held through Arwa Real Estate Development Company P.S.C</b>				
Areej United Housing Company W.L.L.	50%	50%	Jordan	Real estate development
<b>Held through Al Manazel United Real Estate Development Company P.S.C</b>				
Areej United Housing Company W.L.L.	50%	50%	Jordan	Real estate development
<b>Held through United Facilities Management Company K.S.C. (Closed)</b>				
United Arab Facility Management L.L.C. ****	-	100%	Jordan	Facilities management
UFM Facilities Management Services L.L.C. ***	-	100%	Bahrain	Services Facilities
United Facilities Management Company S.A.E	80%	80%	Egypt	Services Facilities
United Kuwait Healthcare Services Company S.P.C	99.2%	99.2%	Kuwait	Medcial care

\* During the year, the Group increased its shareholding in an existing subsidiary.

\*\* During the year, the Group incorporated these new subsidiaries.

\*\*\* During the year, the Group completed the liquidation of its wholly-owned subsidiaries. As the liquidation process was finalized during the year, the Group ceased to have control over these entities. The derecognition of these subsidiaries resulted in a loss of KD 54,742, which has been recognized in the consolidated income statement.

\*\*\*\* During 2024, the Group acquired control of a previously held associate through contractual agreement resulting is associate to be consolidated (Note 29)

##### 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 costs incurred are expensed and included in general and administrative expenses.

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

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated income statement.

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 income statement 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 consolidated income statement.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 the consolidated income statement.

#### Business combinations and goodwill (continued)

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 forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of 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, the management use their judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement the 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 interests method in accounting for business combinations involving entities under common control.

The 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.

#### Financial instruments

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

#### Date of recognition

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

#### Initial measurement of financial instruments

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

#### Measurement categories of financial assets and liabilities

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

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

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments (continued)

#### i) Financial assets

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

#### Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVTPL. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

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

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

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

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the 'SPPI test').

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition that may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

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

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

The Group reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

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

- ▶ Debt instruments at amortised cost
- ▶ Equity instrument at fair value through other comprehensive income (FVOCI)
- ▶ Financial assets carried at fair value through profit or loss (FVTPL)

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### Financial instruments (continued)

###### i) Financial assets (continued)

###### *Debt instruments at amortised cost*

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

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

Bank balances, short-term deposits, accounts receivables and loan to an associate is classified as debt instruments at amortised cost.

Debt instruments at amortised cost are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated income statement. Any gain or loss on derecognition is recognised in the consolidated income statement.

###### *Equity instruments at FVOCI*

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

Equity investments at FVOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognised in other comprehensive income and presented in the cumulative changes in fair values as part of equity. Cumulative gains and losses previously recognised in other comprehensive income are transferred to retained earnings on derecognition and are not recognised in the consolidated income statement. Dividends are recognised in statement of income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity investments at FVOCI are not subject to impairment assessment.

###### *Financial asset at FVTPL*

Financial assets at FVTPL includes instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

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

###### *a. Accounts receivables and amount due from related parties*

Accounts receivables and amount due from related parties are carried at original invoice amount less expected credit losses and are stated at amortised cost.

###### *b. Bank balances, cash and deposits*

Bank balances, cash and deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. These are stated at amortised cost using effective interest rate method.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and on hand and short-term deposits net of bank overdraft.

###### *c. Other current assets*

Other current assets are carried at their cost, less impairment, if any.

###### *Reclassification of financial assets*

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### Financial instruments (continued)

###### i) Financial assets (continued)

###### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

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

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

###### ii) Financial liabilities

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

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

The Group's financial liabilities include trade and other payables and interest-bearing loans.

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

###### *a. Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

###### *b. Interest bearing loans*

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 as finance costs in the consolidated income statement.

Installments due within one year are shown as current liabilities. Interest is charged as an expense as it accrues in the consolidated income statement, with unpaid amounts included in accrued expenses under 'trade and other navables'.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### Financial instruments (continued)

##### ii) Financial liabilities (continued)

###### c. Trade and other payables

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

###### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated income statement.

##### iii) Offsetting of financial instruments

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

##### Impairment of financial and non-financial assets

###### Financial assets

The Group recognises an allowance for expected credit losses (ECL) 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. The shortfall is then discounted at an approximation to the asset's 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).

###### a. Determination of ECL on accounts receivable and bank balances

The Group applies a simplified approach in calculating ECLs with respect to accounts receivables. 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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group does not determine ECLs on bank balances as these are considered to be of low risk and the Group does not expect to incur any credit losses on these instruments.

###### b. Determination of ECL on loan to an associate and amounts due from related parties

The Group has applied the general approach under IFRS 9 for determination of ECLs on loan to an associate and amounts due from related parties. Under the general approach, the ECLs are recognized in three stages. For exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit loss that result from default events that are possible within next 12 months (a 12-month ECL classified in Stage 1). With respect to 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 classified in Stage 2). Further, the Group measures loss allowances at an amount equal to lifetime ECL that are determined to be credit impaired based on objective evidence of impairment (a lifetime ECL classified in Stage 3). Counter party that has a strong capacity to meet its contractual cash flow obligations in the near term, is considered to be low credit risk.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial and non-financial assets (continued)

###### Financial assets (continued)

###### i) Determining the stage of expected credit losses

At each reporting date, the Group assesses whether there has been significant increase in credit risk since initial recognition by comparing risk of default occurring over the remaining expected life from the reporting date with the risk of default at the date of initial recognition of the financial instrument. The Group uses a mix of qualitative and quantitative criteria to determine a significant increase in credit risk. The loan to an associate and amounts due from related parties are transitioned to stage 2 once it is determined that there has been a significant increase in credit risk.

At each reporting date, the Group also assesses whether any amounts due are credit impaired. The Group considers amounts due to be credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of these financial instruments. All credit impaired amounts due are classified as stage 3 for ECL measurement purposes. Evidence of credit impairment includes observable data about the following:

- ▶ Significant financial difficulty of the counter party;
- ▶ A breach of the contractual terms;
- ▶ The borrower having granted a concession that the Group would otherwise not consider, for economic or contractual reasons relating to the counter party's financial difficulty.

At the reporting date, if credit risk of these amounts has not increased significantly since initial recognition nor credit impaired, these are classified as stage 1.

###### ii) Measurement of ECLs and forward-looking information

ECL is a probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at an appropriate discount rate relevant to the amounts due. Cash shortfall represents the difference between cash flows due to the Group and the cash flows that are expected to be received. For receivables on demand, the Group does not consider the impact of discounting the future cash flow shortfalls to be material as these balances are expected to be settled in a short period of time. The key elements in the measurement of ECL included probability of default (PD), loss given default (LGD) and exposure at default (EAD). The determination of these elements requires considerable judgment from the management.

The Group considers key economic variables that are expected to have an impact on the credit risk and the ECL in order to incorporate forward looking adjustments into the determined ECL. These primarily reflect reasonable and supportable forecasts of the future macro-economic conditions. The management reviews these forecasts and estimates on a regular basis.

###### Non-financial assets

The carrying amounts of the Group's non-financial assets, other than, investment property and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial and non-financial assets (continued)

###### *Non-financial assets (continued)*

Each unit or group of units to which the goodwill is so allocated:

- ▶ represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- ▶ is not larger than a segment based on the Group's segment information reporting format determined in accordance with *IFRS 8: Operating Segment*.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

##### Fair values

The Group measures financial instruments, such as, financial assets at FVOCI, and non-financial assets such as investment properties, freehold land and buildings, at fair value at each reporting date.

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. An analysis of fair values of financial instruments and non-financial assets and further details as to how they are measured are provided in Note 8 and Note 28.

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

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Fair values (continued)

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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for the valuation of Group's investment properties and property and equipment carried at the revaluation model. Involvement of external valuers is decided upon annually by the management. Selection criteria include regulatory requirements, market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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 investments in equity instruments, where a reasonable estimate of fair value cannot be determined, the investment is carried at cost.

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

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.

##### Properties held for trading

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as properties held for trading and are measured at lower of cost and net realisable value.

Cost includes free hold and leasehold rights for land, amount paid to contractors for construction, borrowing costs, planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated cost of sale. Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of properties held for trading recognised in consolidated income statement on disposal is determined with reference to the specific cost incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold. Write down of properties held for trading are charged to other operating expenses.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investment in associates

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

The Group's investment in its associate, an entity in which the Group has significant influence, is accounted for using the equity method. Under the equity method, the investment in the associate 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 since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

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

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

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

##### Investment properties

Investment property comprises of developed property and property under construction or re-development held to earn rentals or for capital appreciation or both. Property held under a lease is classified as an investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is carried at fair value that is determined based on valuation performed by accredited independent valuers periodically using valuation methods consistent with the nature and usage of investment properties. Gains or losses arising from changes in the fair values are included in the consolidated income statement in the year in which they arise. For the purposes of these consolidated financial statements the assessed fair value is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.
- Increased by the carrying amount of any liability to the superior leaseholder or freeholder included in the consolidated statement of financial position as a finance lease obligation.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investment properties (continued)

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the consolidated income statement in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period consolidated financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. 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 sell.

##### Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value except for freehold land and buildings that are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. The freehold land is not depreciated.

The initial cost of property and equipment comprises their cost and any directly attributable costs of bringing an item of property and equipment to its working condition and location. Expenditure incurred after the property and equipment has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property and equipment.

In respect to the freehold and buildings, valuations are performed annually to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Any revaluation changes are recorded to the revaluation surplus in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated income statement, in which case the increase is recognised in the consolidated income statement. A revaluation deficit is recognised in the consolidated income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the 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 leasehold land and buildings 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 other assets to their residual values as follows:

Building	20 to 50 years
Tools and equipment	3 to 10 years
Computer hardware and software	3 to 5 years
Furniture and fixtures	3 to 5 years
Motor vehicles	4 to 5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair values less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the period the asset is derecognised. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### End of service indemnity

The Group provides end of service benefits to its employees. Provision is made for amounts payable to employees under the Kuwaiti Labour Law, employee contracts and applicable labour laws in the countries where the subsidiaries operate. The expected costs of these benefits are accrued over the period of employment. These liabilities which are unfunded represents the amount payable to each employee as a result of involuntary termination on the reporting date.

Further, with respect to its national employees, the Group also makes contributions to 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.

##### Treasury shares

Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Group 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 a contra account in equity. When the treasury shares are reissued, gains are credited to a separate account in equity (the "treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance in 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.

##### Other reserve

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

##### Revenue recognition

The Group is primarily engaged in providing the following services:

###### Rental services

The Group generates rental income from properties leased to its customers under an operating lease. The rental income excludes contingent rental income and is recognised over time based on the lease term, using an input method to measure progress towards complete satisfaction of the service.

Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

###### Hospitality services

The Group generates hospitality income from its owned hotels. These include revenues from room occupancies and food and beverages sales. The Group recognises the revenues from these operations and will continue to be recognised at a point in time when the obligations are performed i.e. when the rooms are occupied, and food and beverages are sold.

###### Contracting services

The Group generates contracting and services revenues from its construction and property development operations conducted on third party properties and various facility management services such as maintenance, cleaning and security services that are routine or recurring in nature.

###### i) Construction and property development operations

The Group's revenues associated with construction and property development operations are recognised over time, using an input method, by reference to the percentage-of-completion, to measure progress towards complete satisfaction of the service.

###### ii) Facility management operations

The Group's revenues associated with the facility management operations are recognised over time, using an input method to measure progress towards complete satisfaction of the service.

###### Sale of properties held for trading

The revenues from disposal of a properties held for trading are recognised when the customer (buyer) obtains control of the asset, i.e. the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset, which is normally on unconditional exchange of contracts. For conditional exchanges, the revenues are recognised only when all the significant conditions are satisfied, and the control of the asset is determined to be transferred to the customer.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Revenue recognition (continued)

###### Interest income

Interest income is recognised as interest accrues using the effective interest method ("EIR") that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

###### Dividend income

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

The significant accounting judgements related to the revenue from contracts with customers is detailed in Note 2.6.

##### Contract balances

###### Contract assets

A contract asset is the right to consideration in exchange for services performed for the customer. If the Group performs services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional based on the contractual terms.

###### Contract liabilities

A contract liability is the obligation for the performance of services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group performs services for the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

##### Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate and where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be incurred to settle the obligation. Where 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 income statement net of any reimbursement.

##### Borrowing costs

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

##### Contingencies

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

Contingent assets are not recognised in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

##### Taxation

###### 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 profit for the year 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).

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Taxation (continued)

###### *National Labor Support Tax (NLST) and Zakat*

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

###### *Domestic Minimum Top-up Tax (DMTT)*

Income taxes arising from tax law enacted by the State of Kuwait (Law No. 157 of 2024) for implementation of DMTT on entities which are part of multinational group with annual revenues of EUR 750 million or more are provided for in accordance with the Executive regulations issued through Ministerial Resolution No. 55 of 2025. Refer Note 21 for further information.

###### *Taxation on overseas subsidiaries*

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

##### Segment information

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

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Foreign currency

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

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

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

##### 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 lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental revenues arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income 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 revenues. Contingent rents are recognised as revenue in the period in which they are earned.

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

If the ownership of the leased asset is transferred 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 in accordance with the Group's impairment of non-financial assets policy.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Leases (continued)

##### Group as a lessee (continued)

##### 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 incentive 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 the incremental borrowing rate at the lease commencement date if the profit 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 profit 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

##### 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). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. 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.

A property interest that is held by the Group under an operating lease may be classified and accounted for as an investment property when the property otherwise meets the definition of an investment property, evaluated property by property, and based on management's intention. The initial cost of a property interest held under a lease and classified as an investment property is determined at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

#### 2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

##### Judgments

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

##### Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### a. Identifying performance obligations in a bundled contract

The Group provides certain contracting and hospitality services to its customers as part of a single arrangement and these arrangements may include various performance obligations that represents performing a contractually agreed-upon task(s) for a customer. The Group determined that each of these performance obligations are capable of being distinct as these services are separately identifiable from other obligations in the contract and the customer can benefit from each service on its own.

Furthermore, the Group also determined that the promises of such services are distinct within the context of each contract, the transaction price is determined separately based on each obligation and these services are not highly interdependent or highly interrelated.

The transaction prices are allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, the Group estimates separate transaction price for each performance obligation based on expected cost plus margin.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

##### Judgments (continued)

##### Revenue from contracts with customers (continued)

##### b. Determine transaction price

The transaction price is the amount of consideration that is enforceable and to which the Group expects to be entitled in exchange for services promised to the customer. The Group determines the transaction price by considering the terms of the contract and business practices that are customary.

##### c. Determining the timing of satisfaction of services

##### i. Hospitality income

The Group concluded that revenue from room occupancy and food and beverages sales to its customers is to be recognised at the point in time when the obligations are performed as upon rendering of such services or sales, the Group is entitled to a present right to payment for the service or sale. Furthermore, the customer obtains the ability to direct the use of, and obtain substantially all of the remaining benefits from each service or sale.

##### ii. Construction and property development operations

The Group concluded that revenue from contracting in relation to construction and property development service to its customers is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform such services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The Group has a right to payment for the performance completed to date as, under each contractual agreement with a customer, the Group is entitled to an amount that at least compensates the Group for its performance completed to date in the event that the customer terminates the contract for reasons other than the Group's failure to perform as promised. Furthermore, certain assets are created by the Group's performance of contracting obligations. However, these assets are determined to be restricted contractually from readily directing the assets for another use by the customer during the creation or enhancement of the respective assets.

The Group has determined to utilize the input method for measuring progress of such services because there is a direct relationship between the Group's effort and the transfer of service to the customer. The Group recognises revenue on these services on the basis of the costs incurred relative to the total expected costs to complete the performance obligations. The Group assesses the percentage of costs incurred as a proportion to the total estimated costs relative to each contract in order to determine the revenues to be recognised to date and accounting for the estimated margin for the entire term of the contract.

##### iii. Facility management operations

The Group concluded that revenue from contracting in relation to facility management services to its customers is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group has a right to payment for the performance completed to date as, under each contractual agreement with a customer, the Group is entitled to an amount that at least compensates the Group for its performance completed to date in the event that the customer terminates the contract for reasons other than the Group's failure to perform as promised. Furthermore, the Group's performance does not create an asset with an alternative use to the entity.

The Group has determined to utilize the output method for measuring progress of such services on the basis of direct measurements of the value to the customer of the services performed to date relative to the remaining services promised under the contract. The Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. In regard to service contracts that are performed with the same pattern of consumption over time and whose consideration consists of a fixed amount over the term of the contract, the Group recognises revenues on a straight-line basis as the Group's efforts being evenly expended throughout the performance period. Whereas, in regard to the service contracts with consideration dependent on the measurement of the services performed, such as number of hours, the Group recognises revenues based on the performance completed to date.

##### d. Principal versus agent considerations

During the performance of contracting services to its customer, the Group involves certain third parties in providing certain services. The Group has concluded that it is a principal in such arrangements as the Group retains the right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf and the Group is primarily held responsible for fulfilling each obligation to the customer.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

##### Judgments (continued)

*Revenue from contracts with customers (continued)*

iii. Facility management operations (continued)

e. Consideration of significant financing component in a contract

The Group does not expect to have any contracts where the period between the transfer of promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

##### *Classification of financial assets*

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

##### *Classification of property*

The Group determines whether a property is classified as investment property or property held for trading:

- ▶ Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- ▶ Properties held for trading comprise property that is held for sale in the ordinary course of business.

##### *Operating lease commitments – Group as lessor*

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

##### *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 several 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.

##### Estimates and assumptions

*Estimation of net realisable value for properties held for trading*

Properties held for trading is stated at the lower of cost and net realisable value (NRV). NRV is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions.

##### *Valuation of investment properties, freehold land and buildings*

Fair value of investment properties, freehold land and buildings have been assessed by independent real estate appraisers. Two main methods were used to determine the fair value of interests in investment properties, freehold land and building; (a) Discounted cash flow analysis and (b) Property market value method as follows:

(a) Discounted cash flow is based on a series of projected free cash flows supported by the terms of any existing lease and other contracts and discounted at a rate that reflects the risk of the asset.

(b) Property market value method is based on the assessment made by an independent real estate appraiser using values of actual deals transacted recently by other parties for properties in a similar location and condition and based on the knowledge and experience of the real estate appraiser.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

##### Estimates and assumptions (continued)

*Valuation of investment properties, freehold land and buildings (continued)*

Investment property under construction is also valued at fair value as determined by independent real estate valuation experts, except if such values cannot be reliably determined. The fair value of investment properties under construction is determined using either the Discounted Cash Flow Method or the Residual Method.

The significant methods and assumptions used by valuers in estimating fair value of investment property, freehold land and buildings are stated in Note 8 and Note 9.

##### *Techniques used for valuing investment properties*

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either to an operating property or a development property. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the property.

The Residual Method (or Hypothetical Development Approach) to estimating fair value is a combination of the Capitalisation (income) approach and a Cost approach (summation). The Residual Method is defined as: "A method of determining the value of a property which has potential for development, redevelopment or refurbishment. The estimated total cost of the work, including fees and other associated expenditures, plus allowance for interest, developer's risk and profit, is deducted from the gross value of the completed project. The resultant figure is then adjusted back to the date of valuation to give the residual value."

##### *Valuation of unquoted equity investments*

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

- ▶ recent arm's length market transactions;
- ▶ current fair value of another instrument that is substantially the same;
- ▶ the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- ▶ other valuation models.

##### *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 or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

3 BANK BALANCES AND SHORT-TERM DEPOSITS

	2025 KD	2024 KD
Cash at banks	11,937,888	9,307,574
Expected credit losses	(195,520)	-
Term deposits	7,189,308	8,631,283
Bank balances and deposits	18,931,676	17,938,857
Add: expected credit losses	195,520	-
Less: Deposits with original maturities exceeding three months	(1,002,772)	(8,254,018)
Less: bank overdrafts (Note 11)	(2,486,380)	(1,326,709)
<b>Cash and cash equivalents for the purpose of consolidated statement of cash flows</b>	<b>15,638,044</b>	<b>8,358,130</b>

Short term deposits are made for varying periods ranging from one day to three months and earn interest at the respective short-term deposit rates.

Cash at banks and deposits amounting to KD 7,714,333 (2024: KD 11,561,378) are placed with related parties (Note 24).

4 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER ASSETS

	2025 KD	2024 KD
Accounts receivables	34,551,029	36,470,281
Due from customers for contract work	2,148,980	5,891,862
Retention receivable	9,085,992	8,061,210
Accrued rental and hospitality income	700,724	704,977
Due from related parties *	1,478,994	2,110,311
Other assets	1,840,676	1,628,944
	49,806,395	54,867,585
Allowance for expected credit losses	(6,639,137)	(6,815,631)
	43,167,258	48,051,954
Prepayments and advances	1,634,047	1,375,659
	44,801,305	49,427,613

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

	2025 KD	2024 KD
As at 1 January	6,815,631	6,794,031
Net expected credit losses for the year (Note 17)	2,463,800	(502,545)
Written off	(1,905,660)	(88,499)
Foreign currency exchange difference	(734,634)	612,644
As at 31 December	6,639,137	6,815,631

\* As at 31 December 2025, due from related parties with a nominal value of KD 258,046 (2024: KD 243,643) were provided for, resulting in net due from related parties of KD 1,220,948 (2024: KD 1,866,668) (Note 24).

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

5 PROPERTIES HELD FOR TRADING

	2025 KD	2024 KD
As at 1 January	31,489,293	8,489,149
Additions during the year	250,870	-
Additions on business combination under common control (Note 29)	-	24,050,390
Transfer to investment property (Note 8)	-	(961,838)
Impairment (Note 17)	(1,521,731)	-
Disposals	(998,035)	(57,030)
Foreign exchange difference	2,173,743	(31,378)
As at 31 December	31,394,140	31,489,293

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 KD	2024 KD
Quoted equity shares	188,668	180,366
Unquoted equity shares	1,136,058	756,350
Financial assets at fair value through other comprehensive income	1,324,726	936,716

Investments with aggregate carrying amounts of KD 539,875 (2024: KD 157,981) represent investments in related parties (Note 24) and investments with aggregate carrying amounts of KD 1,163,001 (2024: KD 906,995) are managed by a related party.

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

7 INVESTMENT IN ASSOCIATES

Name of company	Country of Incorporation	Equity interest		Carrying value	
		2025	2024	2025 KD	2024 KD
Mena Homes Real Estate Company K.S.C. (Closed) (a)	Kuwait	48.45%	48.45%	35,481,526	31,755,796
Al-Fujeira Real Estate Limited	United Arab Emirates	50.00%	50.00%	6,573,384	6,692,033
Insha'a Holding Company K.S.C. (Closed)	Kuwait	40.00%	40.00%	6,859,930	6,953,245
Ikarus United for Marine Services Company K.S.C. (Closed) (a)	Kuwait	20.00%	20.00%	512,883	615,455
Al Thaniya Real Estate Company P.S.C.	Jordan	-	50.00%	-	1,818
				49,427,723	46,018,347

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

7 INVESTMENT IN ASSOCIATES (continued)

The movement in the carrying amount of investment in associates during the year is as follows:

	2025 KD	2024 KD
As at 1 January	46,018,347	40,239,603
Additions and capital contributions during the year (a)	-	9,674,210
Transfer upon business combination under common control (b)	-	(6,103,965)
Disposal	(1,308)	-
Dividends	(695,252)	(379,608)
Share of results	3,964,609	2,822,676
Share of other comprehensive income	1,608	913,452
Share of effect change of ownership interest for the associate	(80,298)	-
Foreign exchange differences	(94,164)	(1,148,021)
Other movements	314,181	-
At 31 December	<u>49,427,723</u>	<u>46,018,347</u>

a) During the year ended 31 December 2024, Mena Homes Real Estate Company K.S.C. (Closed) ("Mena Homes"), an associate, increased its capital by KD 12,172,953, to which the Group contributed an amount of KD 9,474,210.

During the year ended 31 December 2024, Ikarus United Marine Services K.S.C. (Closed) ("Ikarus"), an associate, increased its capital through additional capital contribution to which the Group contributed an amount of KD 200,000.

There were no capital contributions made during the year.

b) During the year ended 31 December 2024, the Parent Company acquired control of Assoufid BV. Upon acquisition, the investment in Assoufid BV. was reclassified from an associate to a subsidiary. The assets and liabilities of Assoufid BV. Were transferred to Parent Company at their carrying amounts as result of business combination under common control (Note 29).

The Group determines that Mena Homes Real Estate Company K.S.C. (Closed) ("Mena Homes") as the material associates of the Group and the following table provides summarised financial information of the Group's investment in associates:

	<u>Mena Homes</u>		<u>Others</u>		<u>Total</u>	
	2025 KD	2024 KD	2025 KD	2024 KD	2025 KD	2024 KD
<b>Summarised statement of financial position :</b>						
Non-current assets	143,862,438	130,790,859	22,834,552	23,668,864	166,696,990	154,459,723
Current assets	25,219,503	67,344,213	14,527,834	15,631,048	39,747,337	82,975,261
Non-current liabilities	(90,318,898)	(83,417,776)	(5,154,517)	(2,124,214)	(95,473,415)	(85,541,990)
Current liabilities	(9,893,953)	(52,889,587)	(6,431,858)	(6,576,615)	(16,325,811)	(59,466,202)
Equity	<u>68,869,090</u>	<u>61,827,709</u>	<u>25,776,011</u>	<u>30,599,083</u>	<u>94,645,101</u>	<u>92,426,791</u>
Proportion of the Group's ownership	48.45%	48.45%				
Group's share in the net assets	33,367,074	29,955,525	11,112,198	11,428,552	44,479,272	41,384,077
Elimination of downstream transaction	(440,558)	(754,739)	-	-	(440,558)	(754,739)
Goodwill	2,555,010	2,555,010	2,833,999	2,833,999	5,389,009	5,389,009
Carrying value of the associates	<u>35,481,526</u>	<u>31,755,796</u>	<u>13,946,197</u>	<u>14,262,551</u>	<u>49,427,723</u>	<u>46,018,347</u>
<b>Summarised statement of income:</b>						
Revenues	50,270,236	49,452,394	16,281,690	15,193,522	66,551,926	64,645,916
Profit for the year	7,041,798	4,836,018	952,116	796,983	7,993,914	5,633,001
Group's share in profit for the year	<u>3,411,548</u>	<u>2,235,438</u>	<u>553,061</u>	<u>587,238</u>	<u>3,964,609</u>	<u>2,822,676</u>

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

8 INVESTMENT PROPERTIES

	2025 KD	2024 KD
Lands for development (a)	58,637,116	54,560,966
Investment properties under construction (b)	31,730,170	14,003,815
Developed properties (c)	297,306,545	302,036,053
	<u>387,673,831</u>	<u>370,600,834</u>

Valuation of lands for development, investment properties under construction and developed properties were conducted as at 31 December 2025 by independent appraisers with a recognised and relevant professional qualification and recent experience of the location and category of investment property being valued. The income capitalisation method or property market value method have been used for developed properties as deemed appropriate considering the nature and usage of the property. The fair value of lands for development and investment property under construction has been determined through market value method or depreciated replacement cost method.

The investment properties with carrying value of KD 255,860,686 (2024: KD 258,012,068) are mortgage as security for certain term loan facilities availed by subsidiaries (Note 11).

a) Lands for development

The movement in lands for development during the year was as follows:

	2025 KD	2024 KD
As at 1 January	54,560,966	57,442,972
Additions	187,599	734,418
Disposals	(127,414)	(4,327,807)
Valuation gain	4,370,757	705,934
Foreign exchange differences	(354,792)	5,449
As at 31 December	<u>58,637,116</u>	<u>54,560,966</u>

Lands for development include a plot of land in Sharm El Sheikh, Egypt amounting to KD 14,734,313 (2024: KD 13,836,337) which is not yet registered in the name of the subsidiary (Gulf Egypt) and the subsidiary is not permitted to register it until it completes its construction project on this land.

b) Investment properties under construction

	2025 KD	2024 KD
As at 1 January	14,003,815	13,976,290
Additions	11,726,388	7,329
Valuation gain	6,139,046	302,507
Foreign exchange differences	(139,079)	(282,311)
As at 31 December	<u>31,730,170</u>	<u>14,003,815</u>

c) Developed properties

	2025 KD	2024 KD
Developed lands and buildings:		
Developed lands and buildings	249,613,311	248,825,214
Buildings constructed on land leased from the Government	47,693,234	53,210,839
	<u>297,306,545</u>	<u>302,036,053</u>

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

**8 INVESTMENT PROPERTIES (continued)**

The lease periods for the plots of land leased from the Government of Kuwait and others range from more than 1 year to 50 years and are renewable.

The movement during the year was as follows:

	2025 KD	2024 KD
As at 1 January	302,036,053	306,595,861
Additions	542,251	543,882
Transfer from held for trading properties (Note 5)	-	961,838
Valuation loss	(3,125,437)	(6,701,577)
Foreign exchange differences	(2,146,322)	636,049
As at 31 December	<u>297,306,545</u>	<u>302,036,053</u>

**Fair value hierarchy**

The following tables provide the fair value measurement hierarchy of the Group's investment properties:

	<i>Fair value measurement using</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
<i>Total KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	
<b>31 December 2025</b>				
Investment properties	<u>387,673,831</u>	<u>-</u>	<u>260,880,535</u>	<u>126,793,296</u>
<b>31 December 2024</b>				
Investment properties	<u>370,600,834</u>	<u>-</u>	<u>243,552,983</u>	<u>127,047,851</u>

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

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values:

	2025 KD	2024 KD
Opening balance	127,047,851	133,311,572
Additions and capital expenditures	278,654	293,205
Valuation loss	(533,209)	(6,556,926)
<b>Closing balance</b>	<u>126,793,296</u>	<u>127,047,851</u>

**Description of significant unobservable inputs to valuation:**

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy are the yield rate and discount rate (income approach methods).

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

**8 INVESTMENT PROPERTIES (continued)**

**Sensitivity analysis**

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

Significant assumptions used for valuation of investment properties with the same characteristics are as follows:

	2025	2024
Average price per square metre - KD	112	125
Average cap rate - %	12.89	14.68
Vacancy rate - %	5.00	5.00

**Sensitivity analysis**

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment properties.

<i>Significant unobservable inputs</i>	<i>Sensitivity</i>	<i>Impact on fair value</i>	
		<i>2024 KD</i>	<i>2024 KD</i>
Average price per square metre	+1%	2,608,805	2,706,622
	- 1%	(2,608,805)	(2,706,662)
Average cap rate	+10bps	(1,267,933)	(1,357,263)
	- 10bps	1,267,933	1,330,386
Average cash flow	+1%	1,280,740	1,343,690
	- 1%	(1,255,379)	(1,343,690)

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

9 PROPERTY AND EQUIPMENT (continued)

	Freehold land KD	Buildings KD	Tools and equipment KD	Computer hardware and software KD	Furniture and fixtures KD	Motor vehicles KD	Right of use of asset KD	Capital work in progress KD	Total KD
Cost:									
As at 1 January 2024	54,689,347	118,714,702	25,227,425	5,935,263	19,921,111	2,711,323	447,947	393,961	228,041,079
Additions	4,778,539	2,380,814	306,510	192,204	173,023	17,953	-	146,741	7,995,784
Additions on business combination	10,405,232	1,150,984	240,728	102,398	123,602	48,013	-	-	12,070,957
Revaluation adjustment	161,461	443,609	-	(42,114)	(221,651)	-	-	-	605,070
Disposal	-	-	(437,902)	(137,104)	122,011	(5,591)	1,939	(83)	(701,667)
Exchange adjustment	(2,080,443)	3,733,653	(1,278,659)	(137,104)	-	-	-	(83)	355,723
As at 31 December 2024	67,954,136	126,423,762	24,058,102	6,050,647	20,118,096	2,771,698	449,886	540,619	248,366,946
Depreciation:									
As at 1 January 2024	-	(47,203,223)	(20,689,730)	(5,364,697)	(17,008,567)	(2,146,169)	(96,756)	-	(92,509,142)
Charge for the year	-	(2,261,047)	(374,697)	(202,545)	(555,353)	(179,871)	(8,954)	-	(3,582,467)
Additions on business combination	-	(644,869)	(193,883)	(98,625)	(96,449)	(25,167)	-	-	(1,058,993)
Disposal	-	-	436,708	23,513	221,651	-	-	-	681,872
Exchange adjustment	-	(178,442)	(23,354)	(14,714)	(47,788)	1,107	(463)	-	(263,654)
At 31 December 2024	-	(50,287,581)	(20,844,956)	(5,657,068)	(17,486,506)	(2,350,100)	(106,173)	-	(96,732,384)
Net carrying amount									
At 31 December 2024	67,954,136	76,136,181	3,213,146	393,579	2,631,590	421,598	343,713	540,619	151,634,562

The fair value of the freehold land and building was determined using the market comparable method. The valuations have been performed by an independent valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. The unit of comparison applied by the Group is the price per square meter (sqm). As at the reporting date, a gain from the revaluation of the freehold land and buildings of KD gain 1,547,464 (2024: gain KD 605,070), related deferred tax adjustment arising on the revaluation gain of KD gain 213,278 (2024: loss KD 26,100).

Land and buildings with carrying value of KD 125,867,613 (2024: KD 126,769,312) are mortgage as security for certain term loan facilities availed by subsidiaries (Note 11).

Significant unobservable valuation input

As at 31 December 2025, range of average market price for the freehold land and buildings (per square metre) used by the valuer is KD 967 (2024: KD 924). Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

9 PROPERTY AND EQUIPMENT

	Freehold land KD	Buildings KD	Tools and equipment KD	Computer hardware and software KD	Furniture and fixtures KD	Motor vehicles KD	Right of use of asset KD	Capital work in progress KD	Total KD
Cost:									
As at 1 January 2025	67,954,136	126,423,762	24,058,102	6,050,647	20,118,096	2,771,698	449,886	540,619	248,366,946
Additions	-	76,417	250,352	199,997	109,094	402,249	-	719,236	1,757,345
Revaluation adjustment	(16,738,646)	15,191,182	-	-	-	-	-	-	(1,547,464)
Disposal	-	-	(309,304)	(2,252,119)	(68,241)	(392,867)	(144,813)	-	(915,225)
Write off	-	(9,821,827)	(2,252,119)	(2,261,258)	(4,487,092)	(1,487,092)	-	-	(18,822,296)
Exchange adjustment	598,309	1,280,140	153,301	(6,623)	(83,483)	2,868	(6,223)	(3,746)	1,934,543
As at 31 December 2025	51,813,799	133,149,674	21,900,332	3,914,522	15,263,748	3,032,002	443,663	1,256,109	230,773,849
Depreciation:									
As at 1 January 2025	-	(50,287,581)	(20,844,956)	(5,657,068)	(17,486,506)	(2,350,100)	(106,173)	-	(96,732,384)
Charge for the year	-	(2,887,228)	(344,772)	(202,513)	(527,699)	(170,365)	(8,933)	-	(4,141,480)
Impairment	-	(361,467)	(1,158,533)	-	-	-	-	-	(1,520,000)
Disposal	-	-	309,304	68,241	392,867	92,559	-	-	862,971
Write off	-	9,821,827	2,252,119	2,261,258	4,487,092	-	-	-	18,822,296
Exchange adjustment	-	3,249,152	(148,073)	43,711	14,602	1,050	1,531	-	3,161,973
At 31 December 2025	-	(40,465,297)	(19,934,911)	(3,486,371)	(13,119,614)	(2,426,856)	(113,575)	-	(79,546,624)
Net carrying amount									
At 31 December 2025	51,813,799	92,684,377	1,965,421	428,151	2,144,134	605,146	330,088	1,256,109	151,227,225

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

9 PROPERTY AND EQUIPMENT (continued)

The depreciation charge has been allocated in the consolidated statement of income as followed:

	2025 KD	2024 KD
<i>Cost of revenue</i>		
Contracting and services cost	355,761	545,148
Hospitality costs	2,965,569	2,595,116
Properties operating costs	395,057	-
<i>Operational expenses</i>		
General and administrative expenses (Note 18)	425,093	442,203
	<u>4,141,480</u>	<u>3,582,467</u>

10 ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2025 KD	2024 KD
Rent received in advance	562,829	459,577
Accounts payable	32,390,342	34,693,901
Retentions	5,783,095	6,074,849
Lease liabilities	15,283,827	4,741,078
Indemnity	6,189,462	5,686,563
Refundable deposits	5,083,749	5,585,938
Due to related parties (Note 24)	7,971,642	7,739,636
Other payables	14,963,784	12,403,722
KFAS payable	-	21,081
	<u>88,228,730</u>	<u>77,406,345</u>

The following table shows the movement of the Group's lease liabilities:

	2025 KD	2024 KD
As at 1 January	4,741,078	3,778,485
Addition	11,538,741	2,386,316
Finance cost *	792,574	226,238
Payments	(1,718,183)	(1,619,151)
Foreign exchange differences	(70,383)	(30,810)
	<u>15,283,827</u>	<u>4,741,078</u>
Current	1,022,754	1,303,820
Non-current	14,261,073	3,437,258
<b>As at 31 December</b>	<u>15,283,827</u>	<u>4,741,078</u>

\* Finance cost on lease liability capitalised during the year amounted to KD 569,738 (2024: KD Nil) and finance cost recognised in the consolidated income statement amounted to KD 222,836 (2024: KD 226,238) (Note 20)

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

11 INTEREST BEARING LOANS AND BORROWINGS

	2025 KD	2024 KD
Loans	277,169,352	284,176,075
Bank overdrafts (Note 3)	2,486,380	1,326,709
	<u>279,655,732</u>	<u>285,502,784</u>
	2025 KD	2024 KD
<b>By Parent:</b>		
Current	17,916,130	15,105,188
Non-current	117,029,770	119,549,400
	<u>134,945,900</u>	<u>134,654,588</u>
<b>By Subsidiaries:</b>		
Current	9,539,725	7,863,929
Non-current	135,170,107	142,984,267
	<u>144,709,832</u>	<u>150,848,196</u>
	<u>279,655,732</u>	<u>285,502,784</u>

The following table shows the current and non-current portion of the Group's loans obligations:

	Current portion KD	Non-current portion KD	Total 2025 KD	Total 2024 KD
Bank overdrafts	2,486,380	-	2,486,380	1,326,709
Short term loans	9,289,588	-	9,289,588	11,229,655
Term loans	15,679,887	252,199,877	267,879,764	272,946,420
	<u>27,455,855</u>	<u>252,199,877</u>	<u>279,655,732</u>	<u>285,502,784</u>

Investment property with carrying value of KD 255,860,686 (2024: KD 258,012,068) (Note 8) and land and buildings with carrying value of KD 125,867,613 (2024: KD 126,769,312) (Note 9) are mortgage ed as security for certain term loans availed by subsidiaries.

Term loans are obtained for varying periods ranging from one year to fifteen years and carry interest rates ranging from 4.5% to 11% (2024: 5% to 11%).

As at 31 December 2025, the Group's short-term loans and overdrafts amounting to KD 11,775,968 (31 December 2024: KD 12,556,364) are renewable on a yearly basis.

Interest bearing loans and borrowings amounting to KD 79,134,588 (2024: KD 80,984,588) are due to related parties (Note 24).

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 11 INTEREST BEARING LOANS AND BORROWINGS (continued)

The following table shows the current and non-current portions (analysed by currency) of the Group's loan obligations.

	<i>Current portion KD</i>	<i>Non-current portion KD</i>	<i>Total 2025 KD</i>	<i>Total 2024 KD</i>
US Dollar	2,761,192	-	2,761,192	5,570,637
Omani Riyal	667,417	12,659,206	13,326,623	14,082,002
Egyptian Pound	435,239	1,659,352	2,094,591	2,314,161
Jordanian Dinar	431,455	17,775,976	18,207,431	19,154,329
Kuwaiti Dinar	23,160,552	220,105,343	243,265,895	244,381,655
	<u>27,455,855</u>	<u>252,199,877</u>	<u>279,655,732</u>	<u>285,502,784</u>

#### 12 BONDS

On 28 March 2023, the Parent Company issued unsecured bonds with the principal amount of KD 80,000,000 comprising of bonds in two series as follows:

	<i>2025 KD</i>	<i>2024 KD</i>
• Due on 28 March 2028, carrying interest at a fixed rate of 7% per annum payable quarterly in arrears.	54,600,000	54,600,000
• Due on 28 March 2028, carrying interest at a variable rate of 3% over the Central Bank of Kuwait discount rate payable quarterly in arrears.	25,400,000	25,400,000
	<u>80,000,000</u>	<u>80,000,000</u>

#### 13 SHARE CAPITAL AND SHARE PREMIUM

The authorised and issued share capital of the Parent Company as of 31 December 2025 is KD 143,054,551 (2024: KD 143,054,551), comprising of 1,430,545,513 shares (2024: 1,430,545,513 shares) of 100 fils each (2024: 100 fils each), which is distributed as follows:

	<i>Paid in cash</i>		<i>In-kind contribution</i>	
	<i>Number of Shares</i>	<i>KD</i>	<i>Number of Shares</i>	<i>KD</i>
<b>2025</b>				
Shares of 100 fils	<u>1,187,974,420</u>	<u>118,797,442</u>	<u>242,571,093</u>	<u>24,257,109</u>
2024				
Shares of 100 fils	<u>1,187,974,420</u>	<u>118,797,442</u>	<u>242,571,093</u>	<u>24,257,109</u>

The share premium is not available for distribution.

#### 14 STATUTORY RESERVE

In accordance with the Companies' Law, as amended, and the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, a minimum of 10% of the profit for the year before tax and board of 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.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 15 VOLUNTARY RESERVE

In accordance with the Parent Company's Articles of Association, 10% of profit for the year attributable to equity holders of the Parent Company before taxation and directors' remuneration is to be transferred to the voluntary reserve. Such annual transfers have been discontinued by a resolution of the shareholders' Annual General Assembly upon a recommendation by the Board of Directors.

#### 16 TREASURY SHARES

	<i>2025</i>	<i>2024</i>
Number of treasury shares	63,380,146	128,481,710
Percentage to issued shares	4.430%	8.981%
Market value in KD	16,415,458	14,389,952
Cost in KD	7,646,942	15,503,985

Reserves, retained earnings and share premium equivalent to the cost of treasury shares are not available for distribution throughout the period these shares are held by the Group.

#### 17 OTHER NET OPERATING (LOSS) INCOME

	<i>2025 KD</i>	<i>2024 KD</i>
Gain on disposal of investment properties	4,303	710,173
Provision for maintenance on leasehold properties	(687,830)	(1,031,747)
Net (charge) reversal of provision for expected credit losses on accounts receivables (Note 4)	(2,463,800)	502,545
Charge of provision for expected credit losses on bank balances (Note 3)	(195,520)	-
Impairment of property and equipment (Note 9)	(1,520,000)	-
Impairment of properties held for trading (Note 5)	(1,521,731)	-
Gain on disposal of property and equipment	19,493	2,662
Foreign exchange (loss) gain	(30,457)	358,278
	<u>(6,395,542)</u>	<u>541,911</u>

#### 18 GENERAL AND ADMINISTRATIVE EXPENSES

Included in the general and administration expenses are the following staff related costs:

	<i>2025 KD</i>	<i>2024 KD</i>
Salaries, short-term employee benefits	6,133,872	4,561,651
Post-employment benefits	472,777	536,431
	<u>6,606,649</u>	<u>5,098,082</u>
Professional fees	573,548	1,020,258
Depreciation of property and equipment (Note 9)	425,093	442,203
Other administrative expenses	1,480,045	1,113,826
	<u>9,085,335</u>	<u>7,674,369</u>

Salaries, short-term employee benefits and post-employment benefits charged to cost of revenue amounts to KD 24,279,161 (2024: KD 23,220,058).

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 19 OTHER NET NON-OPERATING INCOME

	2025 KD	2024 KD
Other income	950,008	1,814,520
Dividend income	27,840	38,991
Reversal of provision for expected credit losses on loan to an associate	-	2,443,628
Loss on liquidation of subsidiaries	(54,742)	-
	<u>923,106</u>	<u>4,297,139</u>

#### 20 FINANCE COSTS – NET

	2025 KD	2024 KD
Interest on bank loans	21,887,422	22,824,214
Interest on lease liabilities (Note 10)	222,836	226,238
Interest income	(752,789)	(1,994,643)
Net foreign exchange loss (gain)	142,533	(1,337,602)
	<u>21,500,002</u>	<u>19,718,207</u>

#### 21 TAXATION

	2025 KD	2024 KD
Contribution to KFAS	-	21,081
NLST	-	122,526
Zakat	-	1,872
<i>Taxation on overseas subsidiaries</i>		
Current tax	20,920	3,338
Deferred tax	2,338,680	47,152
	<u>2,359,600</u>	<u>195,969</u>

The tax rate applicable to the taxable overseas subsidiaries companies is in the range of 15% to 28 % (2024: 15% to 22.5 %). For the purpose of determining the taxable results for the year, the accounting profit of the overseas subsidiary companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices of each overseas subsidiary companies jurisdiction.

The deferred tax liabilities relate to the following:

	2025 KD	2024 KD
Revaluation of investment properties to fair value	(10,240,315)	(9,239,566)
Revaluation of property and equipment to fair value	(10,544,256)	(6,697,841)
Deferred tax – relating to origination and reversal of temporary differences	(9,281,406)	(8,832,612)
	<u>(30,065,977)</u>	<u>(24,770,019)</u>

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 21 TAXATION (continued)

The reconciliation of deferred tax liabilities is detailed as followed:

	2025 KD	2024 KD
As at 1 January	(24,770,019)	(31,710,829)
Charge for the year	(2,338,680)	(47,152)
Business acquisition	-	(395,529)
Deferred tax adjustment on revaluation of property and equipment to fair value taken to other comprehensive income	213,278	(26,100)
Foreign exchange differences	(3,170,556)	7,409,591
	<u>(30,065,977)</u>	<u>(24,770,019)</u>

As at 31 December

#### Pillar 2 Income Taxes

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

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

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

#### 22 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent 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 earnings per share are identical.

	2025 KD	2024 KD
Gain for the year attributable to the equity holders of the Parent Company	6,110,343	5,087,862
	<u>Shares</u>	<u>Shares</u>
<i>Number of shares outstanding</i>		
Weighted average number of paid-up shares	1,430,545,513	1,430,545,513
Less: Weighted average number of treasury shares	(96,198,469)	(128,481,710)
	<u>1,334,347,044</u>	<u>1,302,063,803</u>
Weighted average number of shares outstanding for basic earnings per share		
Earnings per share attributable to equity holders of the Parent Company	4.58 fils	3.91 fils

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 23 DIVIDEND

The shareholders' annual general assembly held on 25 May 2025 approved the audited consolidated financial statements of the Group for the year ended 31 December 2024 and the proposal made by Parent Company's Board of Directors on distributing Parent Company shares, at a rate of 5% of the outstanding shares by using treasury shares, to the shareholders. (31 December 2023: Bonus shares of Nil and cash dividend Nil).

The Parent Company's Board of directors in their meeting held on 18 March 2026 has proposed to distribute bonus shares of 3% of the outstanding shares by using treasury shares, to the shareholders. (31 December 2024: Bonus shares of 5% and cash dividend Nil). These proposals are subject to the approval by the Shareholders' Annual General Assembly.

#### 24 RELATED PARTY TRANSACTIONS

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

	<i>Ultimate Parent Company</i>	<i>Associates</i>	<i>Other related parties</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Consolidated statement of financial position</b>					
Cash and deposits (Note 3)	-	-	7,714,333	7,714,333	11,561,378
Accounts receivable, prepayments and other assets (Note 4)	-	633,182	587,766	1,220,948	1,866,668
Financial assets at fair value through other comprehensive income (Note 6)	-	-	539,875	539,875	157,981
Accounts payable, accruals and other payables (Note 10)	7,779	-	7,963,863	7,971,642	7,739,636
Interest bearing loans and borrowings (Note 11)	-	-	79,134,588	79,134,588	80,984,588
	<i>Ultimate Parent Company</i>	<i>Associates</i>	<i>Other related parties</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Consolidated income statement</b>					
Contracting and services revenue	40,411	501,553	5,166,836	5,708,800	5,835,769
Rental income	111,096	103,080	1,261,581	1,475,757	2,088,852
Interest income	-	-	456,674	456,674	574,851
Other operating revenue	-	782,116	-	782,116	699,474
Properties operating costs	-	(161,800)	-	(161,800)	(161,800)
Provision for expected credit losses on trade receivables	-	(259,978)	-	(259,978)	-
General and administrative expenses	-	(8,100)	(299,973)	(308,073)	(270,804)
Finance costs	-	-	(4,408,224)	(4,408,224)	(4,446,936)

Certain investments with carrying value of KD 1,163,001 (2024: KD 906,995) are managed by a related party (Note 6).

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 24 RELATED PARTY TRANSACTIONS (continued)

##### Transactions with key management personnel

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees.

The aggregate value of transactions and outstanding balances related to key management personnel were, as follows:

	<i>Transactions values for the year ended</i>		<i>Balance outstanding as at</i>	
	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>
<b>Key management personnel compensation</b>				
Salaries and other short-term benefits	1,134,689	1,105,292	93,951	125,129
End of service benefits	126,479	129,694	464,920	637,983
	<u>1,261,168</u>	<u>1,234,986</u>	<u>558,871</u>	<u>763,112</u>

#### 25 CONTINGENT LIABILITIES AND COMMITMENTS

##### Contingent liabilities

At 31 December 2025 the Group had contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to KD 64,010,375 (31 December 2024: KD 60,482,958).

##### Contingent assets

At 31 December 2025 the Group had contingent assets in respect of bank, other guarantees and other matters arising in the ordinary course of business from which it is anticipated, amounting to KD 5,441,866 (31 December 2024: KD 5,973,823).

##### Capital commitments

The Group has agreed capital commitments with third parties and is consequently committed to future capital expenditure amounting to KD 33,023 (31 December 2024: KD 54,728).

##### Operating lease commitments – Group as a lessor

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

	<i>2025 KD</i>	<i>2024 KD</i>
Within one year	27,232,714	28,323,438
After one year but not more than three years	56,414,711	55,109,893
	<u>83,647,425</u>	<u>83,433,331</u>

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 26 LEGAL CASES

- (a) On 16 April 2014, the group entered into an agreement with the Aga family ("the Buyer") stipulating the sale of some shares in a subsidiary company, Manazel United for Real Estate Investment Company S.A.E. ("Manazel"). However, the Buyer did not fulfil the obligation to pay the purchase price to the group contrary to the terms of the agreement concluded by the Aga family.

During the period from 2016 to 2018, the Buyer (the Aga family) obtained final judgments affirming the validity and enforceability of contracts for the sale of approximately 45% of the company's shares. The Company has appealed the same judgments before the Court of Cassation through a request for reconsideration, and these appeals have not been resolved as of the date of these consolidated financial statements.

All judgments issued in favour of the Aga family were suspended by the Financial Supervisory Authority and the Public Funds Prosecution based on a complaint filed by the company. A final judgment was issued in favour of the company by the Criminal Court on 18 July 2020, and the Egyptian Court of Cassation on 11 August 2022, in criminal case No. 2915/2020. The court found that the contracting party (the Agha family) obtained the above judgments based on forgery in the contract and stock sale orders.

Notwithstanding the above, management had recorded a provisional loss of KD 761,589 as at 31 December 2025 relating to the potential loss of equity interest in Manazel (31 December 2024: KD 725,173). The legal counsel of the Group believes that this matter will not have a material adverse effect on the consolidated financial statements.

- (b) The Group has certain fully depreciated assets as at 31 December 2025 Nil (31 December 2024: Nil) which represent Built-Own-Transfer (BOT) projects for the construction of certain properties (the "Properties"). These Properties were built on certain leasehold lands from the Ministry of Finance ("MOF") for an initial period of 25 years which was then extended for additional 10 years. Upon expiry of the renewed lease term, MOF had not extended the lease periods and filed legal cases against the Group to evacuate the Properties and for additional rentals. The Group has filed counter legal cases against MOF to renew the lease period. As per the legal counsel, the Group is entitled to renew and continue the management and operation of these contracts based on the original terms of the contracts with MOF. The Group is still managing the operations of the Properties as legal cases are under consideration of the court of cassation. As per the legal counsel, the Group is entitled to revenues arising from the Properties until final ruling is made and repossession effected. Accordingly, revenue from the Properties and related operational costs have been recognised by the Group in the consolidated income statement amounting to KD 3,338,418 (31 December 2024: KD 3,287,227) and KD 3,401,170 (31 December 2024: KD 2,470,565) respectively.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 27 SEGMENT INFORMATION

The management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss as explained in the table below.

Segment results include revenue and expenses directly attributable to a segment.

The Group has following reportable segments:

- ▶ Rental operations: consist of leasing of properties.
- ▶ Hospitality operations: consist of hospitality services provided through Marina Hotel, Hilton Hotel, Bhamdoun Hotel, Waldorf Astoria and Salalah Residence.
- ▶ Real estate development & Property trading: consist of purchase and resale of properties & development of real estate properties.
- ▶ Contracting and services: consist of managing third party properties.

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

	<i>Segment revenues</i>	<i>Segment gross profit</i>	<i>Segment results</i>	<i>Segment revenues</i>	<i>Segment gross profit</i>	<i>Segment results</i>
	<i>2025</i>	<i>2025</i>	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental operations **	33,473,069	21,930,845	(1,917,332)	34,199,899	22,508,774	(5,811,835)
Hospitality operations	20,332,157	5,653,461	1,273,813	16,904,889	3,762,566	2,565,172
Real estate development & Trading ***	2,174,155	(202,193)	3,112,511	709,848	629,820	4,964,412
Contracting	18,561,211	(577,845)	(1,038,858)	6,315,910	(177,022)	40,258
Real estate services	31,892,950	4,886,256	3,177,001	34,169,716	4,565,245	2,972,696
Inter-segmental eliminations	(3,171,799)	227,988	273,269	(3,501,458)	(274,086)	(226,358)
<b>Total</b>	<b>103,261,743</b>	<b>31,918,512</b>	<b>4,880,404</b>	<b>88,798,804</b>	<b>31,015,297</b>	<b>4,504,345</b>
Directors' remuneration*			(42,000)			(42,000)
Loss on liquidation of subsidiaries*			(54,742)			-
Other income*			(296,630)			675,533
<b>Profit for the year</b>			<b>4,487,032</b>			<b>5,137,878</b>

\* These costs are not allocated to segments, as this type of activity is driven by the central corporate function, which is managed at the Group level.

\*\* The rental operations segment includes valuation adjustment of investment properties loss amounting to KD 3,028,824 (2024: loss amounting to KD 6,662,485)

\*\*\* The Real estate development & Trading segment includes valuation adjustment of investment properties gain amounting to KD 10,413,190 (2024: gain KD 969,349).

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

27 SEGMENT INFORMATION (continued)

Disaggregated revenue information

The following presents the disaggregation of the Group's revenues:

Timing of revenue recognition	Services performed			Services performed		
	over time KD	at point in time KD	Total 2025 KD	over time KD	at point in time KD	Total 2024 KD
<i>31 December</i>						
Rental operations	30,652,727	2,820,342	33,473,069	30,186,910	4,012,986	34,199,896
Hospitality operations	-	20,332,157	20,332,157	-	16,904,889	16,904,889
Real estate development & Trading	1,148,287	1,025,869	2,174,156	620,469	89,379	709,848
Contracting	18,561,211	-	18,561,211	6,315,910	-	6,315,910
Real estate services	31,892,950	-	31,892,950	33,667,776	501,940	34,169,716
Inter-segmental elimination:	(3,171,800)	-	(3,171,800)	(3,501,455)	-	(3,501,455)
<b>Total revenue from contracts with customers</b>	<b>79,083,375</b>	<b>24,178,368</b>	<b>103,261,743</b>	<b>67,289,610</b>	<b>21,509,194</b>	<b>88,798,804</b>

Assets:	2025 KD	2024 KD
Rental operations	322,173,907	332,891,983
Hospitality operations	134,260,227	134,373,108
Real estate development & trading	209,088,211	186,356,831
Contracting	27,806,650	31,418,446
Real estate services	27,127,541	24,315,140
Unallocated	906,963	1,115,205
Inter-segmental eliminations	(33,761,951)	(38,502,934)
<b>Total assets</b>	<b>687,601,548</b>	<b>671,967,779</b>

Liabilities:	2025 KD	2024 KD
Rental operations	431,312,616	436,003,851
Hospitality operations	40,542,594	40,964,290
Real estate development & trading	84,988,407	67,886,663
Contracting	20,742,759	23,396,750
Real estate services	20,510,749	20,620,495
Unallocated	(3,882,301)	(4,452,236)
Inter-segmental eliminations	(116,264,390)	(116,740,665)
<b>Total liabilities</b>	<b>477,950,434</b>	<b>467,679,148</b>

Geographical markets	2025 KD	2024 KD
<i>Revenue:</i>		
Kuwait	77,328,532	68,221,364
Egypt	15,271,310	12,154,404
Lebanon	1,650,146	741,804
Oman	3,586,933	3,283,548
Jordan	4,594,371	4,397,684
Europe	830,451	-
	<b>103,261,743</b>	<b>88,798,804</b>

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

27 SEGMENT INFORMATION (continued)

The revenue information above is based on the location of the subsidiaries.

Other geographic information

The following presents information regarding the Group's non-current assets based on its geographical segments:

	2025 KD	2024 KD
Kuwait	211,904,628	184,512,315
Egypt	145,471,099	148,931,453
Lebanon	29,981,857	30,189,379
UAE	6,573,384	6,692,033
Syria	4,235,758	4,240,829
Oman	67,730,739	72,048,630
Bahrain	1,425,274	1,184,718
Jordan	110,212,856	111,959,773
Europe	12,586,508	11,011,964
KSA	2,352,324	2,340,922
	<b>592,474,427</b>	<b>573,112,016</b>

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial instruments comprise financial assets and financial liabilities.

The methodologies and assumptions used to determine fair values of financial instruments are as follows:

The fair value of financial instruments that are traded in active markets is determined by reference to the quoted market prices or dealer price quotations (bid prices for long positions and ask price for short position) without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Determination of fair value and fair value hierarchy:

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

28 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level: 1 KD	Level: 3 KD	Total KD
<b>2025</b>			
<b>Financial assets at fair value through other comprehensive income (Note 6):</b>			
Quoted equity shares	188,668	-	188,668
Unquoted equity shares	-	1,136,058	1,136,058
	<u>188,668</u>	<u>1,136,058</u>	<u>1,324,726</u>
	Level: 1 KD	Level: 3 KD	Total KD
<b>2024</b>			
<b>Financial assets at fair value through other comprehensive income (Note 6):</b>			
Quoted equity shares	180,366	-	180,366
Unquoted equity shares	-	756,350	756,350
	<u>180,366</u>	<u>756,350</u>	<u>936,716</u>

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

The following table below shows a reconciliation of the opening, and the closing amount of level 3 financial assets measured at fair value:

	31 December 2025 KD	31 December 2024 KD
As at 1 January	756,350	1,866,871
Re-measurement recognised in other comprehensive income	240,395	(771,755)
Others including net purchases (sales) and transfer	139,313	(338,766)
As at 31 December	<u>1,136,058</u>	<u>756,350</u>

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis:**

*Financial assets at fair value through other comprehensive income:*

Fair values of financial assets classified as fair value through other comprehensive income are determined using valuation techniques that are not based on observable market prices or rates. Unquoted equity shares are valued based on price to book value method using latest available financial statements of the investee entities.

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

29 BUSINESS COMBINATION UNDER COMMON CONTROL

On 19 December 2024, the Parent Company obtained control of Assoufid B.V. ("Assoufid") through a contractual agreement without the transfer of any consideration. As a result, Assoufid has been consolidated as a subsidiary. Assoufid is a company incorporated in the Netherlands that operates through its subsidiaries and is engaged in the construction of a mixed-used integrated tourism and residential project located in Marrakech, the Kingdom of Morocco. While Assoufid is expected to generate minimal revenue until the completion of the development, at the acquisition date, it was actively involved in the construction, development, and marketing of the project.

Prior to obtaining control, the Parent Company held a 49% equity interest in Assoufid., which was previously accounted for using the equity method. Control was acquired through a contractual agreement with another shareholder, granting the Parent Company the ability to direct Assoufid's financial and operating policies.

Since both the Parent Company and Assoufid are controlled by the same Ultimate Parent Company (KIPCO) before and after the combination, and the common control is not transitory, management adopted a pooling of interest method to account for the above business combination.

**Assets acquired and liabilities assumed**

The carrying values of the identifiable assets and liabilities of Assoufid at the acquisition date were as follows:

	KD
<b>Assets</b>	
Cash and bank balances	176,494
Receivables and others	8,551,059
Properties held for trading	24,050,390
Property and equipment	11,011,964
	<u>43,789,907</u>
<b>Liabilities</b>	
Due to related parties	25,668,037
Accounts payable and accruals	5,664,799
	<u>31,332,836</u>
<b>Total identifiable net assets</b>	<u>12,457,071</u>
Non-controlling interest	(6,353,106)
Previously held interest	(6,103,965)
	<u>-</u>
<b>Impact from acquisition of the subsidiary</b>	
	<u>-</u>
<b>Cash flows on business combination</b>	
Cash and bank balances in the subsidiary acquired	176,494
	<u>176,494</u>
<b>Net cash inflow on business combination</b>	<u>176,494</u>

From the date of acquisition, Assoufid contributed nil revenue and profit before tax from continuing operations of the Group for the year ended 31 December 2024. If the acquisition had occurred on 1 January 2024 with all other variables held constant, Group revenue for 2024 would have increased by KD 696,141, whereas the increase in profit would be immaterial for 2024.

The Group has elected to measure the non-controlling interest in Assoufid at the proportionate share of Assoufid's net identifiable assets.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 30 RISK MANAGEMENT

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. The Group's principal financial liabilities comprise interest bearing loans, accounts and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group's financial assets comprise accounts and other receivables, due to related parties and cash and short-term deposits. The Group also holds financial assets at fair value through other comprehensive income, loan to an associate.

The management is monitoring and reassessing the risk management objectives and policies based on the current updates. For the year ended 31 December 2025, there were no significant changes to the risk management objectives and policies as compared to the audited consolidated financial statements as at 31 December 2024.

#### Risk management structure

The Board of Directors of the Parent Company are ultimately responsible for the overall risk management approach and for approving the risk strategies and principles.

#### Excessive risk concentration

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

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on country and counter party limits and maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### 30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group manages credit risk by setting limits for individual counter-parties, monitors credit exposures, and continually assesses the creditworthiness of counterparties, with the result that the Group's exposure to bad debts is not significant.

The Group trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Group management.

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and short term deposits, the Group's exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of bank balances, short term deposits and accounts receivable. The Group is also exposed to credit risk on its loan to an associate. Due to the nature of the Group's business, the Group does not take possession of collaterals.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 30 RISK MANAGEMENT (continued)

#### 30.1 Credit risk (continued)

#### 30.1.1 Gross maximum exposure to credit risk

The table below shows the gross maximum exposure to credit risk across financial assets before credit risk mitigation:

	2025 KD	2024 KD
Bank balances and deposits	18,931,676	17,938,857
Accounts receivable and other assets (excluding Prepayments and advances)	43,167,258	48,051,954
	<u>62,098,934</u>	<u>65,990,811</u>

As at 31 December 2025, the maximum credit exposure to a single counterparty amounting to KD 1,478,994 (2024: KD 2,110,311). The above-mentioned, financial assets of the Group are distributed over the following geographical regions:

Geographical regions	2025 KD	2024 KD
Kuwait	45,238,121	48,726,655
Jordan	2,804,447	2,988,902
Egypt	5,303,263	3,784,656
Lebanon	265,110	446,160
Oman	1,274,910	1,196,375
Europe	7,100,040	8,727,555
UAE	446	1,042
Bahrain	25,879	25,660
Syria	86,718	93,806
	<u>62,098,934</u>	<u>65,990,811</u>

The Group's exposure is predominately to real estate and construction sectors. There is no concentration of credit risk with respect to real estate receivables, as the Group has a large number of tenants.

#### Bank balances and deposits

The credit risk on bank balances and deposits is considered negligible, since the counterparties are reputable banks and financial institutions.

#### Accounts receivables and other assets

The Group generally trades only with recognized and creditworthy counter parties. The Group has policies and procedures in place to limit the amount of credit exposure to any counter party. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

With respect to trade accounts receivable, an impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The provision rates are based on days past due and customer segments with similar loss patterns (i.e., product and customer type etc). The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade accounts receivable are written-off if past due more than one year are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each trade accounts receivable. The Group does not have a policy to obtain collaterals against trade accounts receivable.

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**30 RISK MANAGEMENT (continued)**

**30.2 Liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a periodic basis.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flows which includes future interest payments over the life of these financial liabilities.

	Within one year			Sub total	1 to 5 years	Greater than 5 years	Total
	Within 1 month	Within 3 months	3 to 12 months				
<b>31 December 2025</b>							
Accounts payable, accruals and other payables	1,345,541	6,613,777	66,376,516	74,335,834	5,717,503	19,806,138	99,859,475
Interest bearing loans and borrowings *	278,942	7,144,524	33,087,655	40,511,121	183,236,349	145,076,497	368,823,967
Bonds	-	1,368,250	4,104,750	5,473,000	86,841,250	-	92,314,250
<b>Total liabilities</b>	<b>1,624,483</b>	<b>15,126,551</b>	<b>103,568,921</b>	<b>120,319,955</b>	<b>275,795,102</b>	<b>164,882,635</b>	<b>560,997,692</b>
<b>31 December 2024</b>							
Accounts payable, accruals and other payables	6,090,386	18,624,026	44,048,839	68,763,251	11,426,556	-	80,189,807
Interest bearing loans and borrowings *	1,216,977	4,528,284	19,128,759	24,874,020	224,995,485	131,740,292	381,609,797
Bonds	-	1,400,000	4,200,000	5,600,000	92,600,000	-	98,200,000
<b>Total liabilities</b>	<b>7,307,363</b>	<b>24,552,310</b>	<b>67,377,598</b>	<b>99,237,271</b>	<b>329,022,041</b>	<b>131,740,292</b>	<b>559,999,604</b>

\* Interest bearing loans and borrowings includes an amount of short-term loans and overdraft KD 11,775,968 (2024: KD 12,556,364). The balance is due within one year from the reporting date and is renewable on maturity.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflows on financial liabilities.

**30.3 Market risk**

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

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

United Real Estate Company K.S.C.P. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

**30 RISK MANAGEMENT (continued)**

**30.3 Market risk (continued)**

**30.3.1 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. Interest rate risk is managed by the finance department of the Parent Company. The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, loans and borrowings and bonds) as a result of mismatches of interest rate repricing of assets and liabilities. It is the Group's policy to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to keep a substantial portion of its borrowings at variable rates of interest.

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

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible increase in interest rates, with all other variables held constant.

	50 basis points increase Effect on profit before directors' remuneration and taxation	
	2025 KD	2024 KD
US Dollars	(5,975)	(26,896)
Kuwaiti Dinars	(1,589,166)	(1,580,096)
Jordanian Dinars	(90,085)	(95,384)
Omani Riyal	(66,633)	(70,410)
Egyptian Pound	(10,473)	(11,571)

The effect of decrease in the basis points on the results will be symmetric to the effect in increased in the basis points.

**30.3.2 Equity price risk**

Equity price risk arises from changes in the fair values of equity investments. The Group manages this through diversification of investments in terms of geographical distribution and industry concentration. The majority of the Group's quoted investments are quoted on the regional Stock Exchanges.

The effect on other comprehensive income as a result of a change in the fair value of equity instruments held as available for sale financial assets at 31 December 2025 and 31 December 2024 due to 5% increase in the following market indices with all other variables held constant is as follows:

Market indices	Effect on equity	
	2025 KD	2024 KD
Kuwait	1,712	996
Others	7,721	8,033

The effect on the profit before directors' remuneration and taxation represents decrease in fair value of impaired available for sale investments which will be recorded in the consolidated income statement. Sensitivity to equity price movements will be on a symmetric basis to the effect of increase in equity prices.

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 30 RISK MANAGEMENT (continued)

##### 30.3 Market risk (continued)

###### 30.3.3 Foreign currency risk

Currency risk is the risk that the value of the financial instrument on monetary items will fluctuate due to changes in the foreign exchange rates. The Group incurs foreign currency risk on transactions denominated in a currency other than the Kuwaiti Dinar. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

The following table demonstrates the sensitivity to a change in currency rate by 1%, with all other variables held constant:

	<i>Increase by 1%</i>	
	<i>Effect on profit before directors' remuneration and taxation</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
US Dollars	<b>(229,027)</b>	(220,029)
Euro	<b>(38,285)</b>	(26,656)
Egyptian Pounds	<b>(5,692)</b>	(211,471)
Omani Riyal	<b>(199,251)</b>	(200,904)
Syrian Lira	<b>(11,328)</b>	-
Jordanian Dinar	<b>(194,457)</b>	(14,555)

The effect of decrease in the currency rate by 1% will be symmetric to the effect of increase in the basis.

#### 31 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximise shareholder value and remain within the quantitative loan covenants.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 as per the debt covenant for their loans, which is net debt divided by total equity.

The Group includes within net debt interest-bearing loans and borrowings, less cash and cash equivalents. For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves.

	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Interest bearing loans and borrowings (Note 11)	<b>279,655,732</b>	285,502,784
Bonds (Note 12)	<b>80,000,000</b>	80,000,000
Less: Bank balances and deposits (Note 3)	<b>(18,931,676)</b>	(17,938,857)
Net debt	<b>340,724,056</b>	347,563,927
Total equity	<b>209,651,109</b>	204,288,631
Gearing ratio	<b>162.5%</b>	170.13%

## United Real Estate Company K.S.C.P. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

#### 32 EVENTS AFTER THE REPORTING DATE

Subsequent to the Group's reporting date of 31 December 2025, the following significant events occurred:

- ▶ Significant geopolitical tension escalated in Middle east, impacting GCC countries, including State of Kuwait. In late February 2026, the conflict has caused regional disruption including airspace closure, flight cancellations, supply-chain disturbances, and heightened geopolitical uncertainty due to which business and economic uncertainties have arisen. The existing and anticipated effects of the Geopolitical conflict is expected to continue to evolve.

Although the Group's 31 December 2025 financial position is not impacted, it has created significant uncertainty regarding the Group's future operations, supply chain, customer demand, and overall economic conditions in the region.

Management is continuing to assess the potential effects on future trading conditions, including potential impact on logistics, customer activity and regional demand patterns. As of the date of authorization of these financial statements, it is not possible to provide a reliable estimate of the financial effect of this event as the situation is still evolving. The Group's is continuing to monitor situation and development closely in 2026.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

- ▶ On 2 March 2026, The Parent Company was awarded a tender for the Seafront Project – Phase Three (Sharq Area) in Kuwait City, for an annual fee of KD 13,130,000. URC is in the process of completing the necessary procedures in accordance with the applicable requirements.

In accordance with IAS 10 – Events after the Reporting period, these events are considered non-adjusting subsequent events, as they relate to conditions that did not exist as at the reporting date.

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