



Consolidated financial statements for the year ended 31 December 2025

Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated financial statements for the year ended 31 December 2025

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Bahrain Car Parks Company (Amakin) B.S.C.
Administration and contact details as at 31 December 2025

Commercial registration number	11455 obtained on 31 October 1981	
Board of Directors	Khalifa Hassan AlJalahma Areej Abdulla Abdulghaffar Fahad Abdulrahman AlSaad Naser Khalid Alraee Sara Abduljabbar Alabbasi Mohamed Bouattour Hassan Bader Kaiksow Mohamed Rasheed AlMaraj Salah Yousuf Salahuddin Marwa Khalid Alsabbagh	- Chairman - Vice Chairman
Executive Committee members	Areej Abdulla Abdulghaffar Salah Yousuf Salahuddin Fahad Abdulrahman AlSaad Mohamed Bouattour	- Chairman
Audit and Risk Committee members	Hassan Bader Kaiksow Naser Khalid Alraee Marwa Khalid Alsabbagh	- Chairman
NRCG Committee members	Mohamed Rasheed AlMaraj Sara Abduljabbar Alabbasi Fahad Abdulrahman AlSaad	- Chairman
Digital Advisory Committee members	Mohamed Rasheed AlMaraj Frank Beckmann Tariq Ali Aljowder Ehsan Ali Al-Kooheji	- Chairman
Chief Executive Officer	Tariq Ali Aljowder	
Finance Director	Hassan Ali AlShoala	
Registered office	Office No. 2009, Building No.128, Road No. 383, Block No. 316 2 nd Floor, Amakin Building Government Avenue PO Box 5298 Manama Kingdom of Bahrain	
Bankers	Kuwait Finance House National Bank of Bahrain Bank of Bahrain and Kuwait Al Salam Bank Arab Bank	National Bank of Kuwait Ithmaar Bank Ila Bank
External auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
Internal auditors	Deloitte & Touche (M.E) PO Box 421 Manama Kingdom of Bahrain	
Share registrars	Bahrain Clear B.S.C. (c) PO Box 3203, Manama Kingdom of Bahrain	

Bahrain Car Parks Company (Amakin) B.S.C.
Directors' report for the year ended 31 December 2025

Dear shareholders,

The year 2025 marked a new and pivotal phase in the journey of Amakin, as the Group continued to strengthen its position as one of the leading providers of parking and smart mobility solutions in the Kingdom of Bahrain. This year represented a continuation of a steady development path that the Group has pursued over recent years, built on a clear strategic vision aimed at accelerating digital transformation, enhancing operational efficiency, and improving customer experience in line with the future aspirations of the sector.

Throughout 2025, we continued to move forward with confidence and consistency toward achieving our strategic objectives, guided by the principles of innovation, sustainability, and efficiency. The Group focused its efforts on developing its service ecosystem and strengthening its market presence through the adoption of advanced digital technologies. This approach contributed to improving service quality, expanding the scope of our operational activities, and enhancing our ability to respond swiftly to rapid market changes.

As part of its ongoing digital transformation strategy, the Group continued to implement new initiatives aimed at enhancing operational efficiency and elevating the customer experience. Building on its smart digital roadmap and user-focused approach, the year saw the launch of the new “Ticket-less” system, powered by automatic number plate recognition technology. The system enables users to manage parking electronically through the Amakin Mobility application, allowing them to register vehicle details, top up their accounts and complete payments seamlessly. By eliminating the need for paper-based transactions, the “Ticketless” system supports the Group’s broader digital transformation objectives while contributing to improved environmental sustainability.

In terms of payment channels, the Group continued over the past year to advance its transition towards digital solutions and reduce reliance on cash. Cash usage declined from 24% in January 2025 to 13% by December 2025, reflecting increased adoption of digital payment methods and improved efficiency within the collection system.

In this context, the Group continued to roll-out its Amakin Web Payment Portal to new sites, adding it to six new locations in the Kingdom, enabling transactions to be processed through digital channels and contributing to enhanced operational efficiency.

Operationally, 2025 was also a year of tangible expansion. The Group added 2,788 parking spaces, bringing the total number of parking slots under management to 12,092, alongside an unparalleled 17,000+ valet users an increase from 9,000+ users last year. This further strengthened our leadership position in the market.

Furthermore, the expansion plan saw tangible progress which includes the “Amakin - Pearls” project that commenced in June 2025 following the foundation stone laying ceremony in January of the same year. All foundation and site infrastructure works were completed, alongside the delivery of the ground-floor structural elements, paving the way for transition to the vertical construction phase. Overall project completion reached approximately 22% by the end of December 2025, within a 15-month execution plan and a total project cost of BHD 4.6 million, with notable progress achieved in the building’s structural works in line with the approved implementation schedule.

The achievements accomplished by Amakin during the year would not have been possible without the dedicated efforts of our team, whose exceptional performance reflects their professionalism and commitment. We also highly value the trust placed in us by our customers, partners, and shareholders, which has always been—and continues to be—the cornerstone of the Group’s success.

As we look ahead to the coming years, we reaffirm our commitment to continuing our development journey, strengthening innovation, and expanding our range of services, thereby delivering advanced solutions that support the future of smart mobility in the Kingdom of Bahrain and align with global transformations in this vital sector.

As a result of these efforts, the Group achieved an increase in net profit of 3% to reach 1,173,567 Bahraini Dinars, alongside a 5% increase in operating income to reach 3,253,196 Bahraini Dinars for the year ended December 31, 2025. Furthermore, Considering the achieved results and retained earnings from previous years, the Board of Directors would like to recommend the following appropriations from retained earnings to the shareholders:

1. Cash dividend distribution of 983,724 Bahraini Dinars, representing 9% of the share capital at a rate of 9 fils per share.
2. Transfer of 50,000 Bahraini Dinars to the charitable reserve.

The remuneration for the Board of Directors for the year 2025, amounting to 56,244 Bahraini Dinars, will be paid to the Board during 2026 following the approval of the Ministry of Industry and Commerce and the shareholders' approval at the Annual General Meeting.

Board of directors' remuneration details:

Name	Fixed remunerations ^(b)				Variable remunerations ^(c)					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance	
	Remunerations of the	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others				Total
First: Independent Directors:													
1- Mohamed Rasheed Almaraj ♦♦	-	7,750	-	-	7,750	6,000	-	-	-	6,000	-	13,750	-
2- Salah Yousuf Salahuddin ♦♦♦	-	5,000	-	-	5,000	6,000	-	-	-	6,000	-	11,000	-
3- Hasan Bader Kaikow ♦♦♦	-	4,500	-	-	4,500	6,000	-	-	-	6,000	-	10,500	-
4- Adnan Habib Hashim ♦	-	1,250	-	-	1,250	-	-	-	-	-	-	1,250	-
5- Ahmed Nazar Albaharna ♦	-	1,750	-	-	1,750	-	-	-	-	-	-	1,750	-
Second: Non-executive / Non-independent directors:													
1- Khalifa Hassan Al Jalahma ♦♦	-	5,650	-	-	5,650	9,000	-	-	-	9,000	-	14,650	-
2- Areej Abdulla Abdulghaffar (a) ♦♦	-	6,250	-	-	6,250	6,000	-	-	-	6,000	-	12,250	-
3- Naser Khalid Alraee (a) ♦♦♦	-	4,500	-	-	4,500	6,000	-	-	-	6,000	-	10,500	-
4- Sarah Abduljabbar Alabbasi (a) ♦♦♦	-	4,500	-	-	4,500	6,000	-	-	-	6,000	-	10,500	-
5- Fahad Abdulrahman Alsaad ♦♦	-	7,750	-	-	7,750	6,000	-	-	-	6,000	-	13,750	-
6- Marwa Khalid Alsabagh**	-	3,250	-	-	3,250	2,893	-	-	-	2,893	-	6,143	-
7- Mohamed Bouatour***	-	2,500	-	-	2,500	2,351	-	-	-	2,351	-	4,851	-
8- Amin Ahmed Salem Alarrayed ♦	-	1,600	-	-	1,600	-	-	-	-	-	-	1,600	-
9- Bader Kassim Buallay (a) ♦	-	1,250	-	-	1,250	-	-	-	-	-	-	1,250	-

10- Ahmed Abdulrahim Abdulghafour * ^^	-	1,250	-	-	1,250	-	-	-	-	-	1,250	-
11- Abdulla Ali Almalki (a) ♦	-	1,250	-	-	1,250	-	-	-	-	-	1,250	-
12- Jassim Bader Al-yacoub ^♦♦	-	2,500	-	-	2,500	-	-	-	-	-	2,500	-
Total	-	62,500	-	-	62,500	56,244	-	-	-	56,244	-	118,744

(a) Board members representing the Social Insurance Organization (SIO) receive the fixed remuneration only, the variable remuneration is paid to Social Insurance Organization (SIO). Variable remuneration for the year 2025 will be paid in the year 2026, subject to the approvals of the Ministry of Industry and Commerce and shareholders during the Annual General Meeting.

(b) Fixed remunerations for the year ended 31 December 2025 relating to allowances for attending Board and committee meetings were paid during the year.

(c) The proposed variable remuneration for the year ended 31 December 2025 will be paid during 2026 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

♦ Term Completed by Board member on 27 March 2025

♦♦ Term Completed by Board member on 27 March 2025, they are re-elected and reappointed

♦♦♦ New board member appointed/elected by the shareholders on 27 March 2025

^ Board member resigned on 15 May 2025

^^ Board member resigned on 6 August 2025

* Board member appointed on 15 May 2025

** Board member appointed on 9 July 2025

*** Board member appointed on 11 August 2025

Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO, Operations and Business Development Senior Director, Finance Director, IT Director, Senior Manager - Human Capital and Corporate Support and Senior Manager - Operations (Technical)	425,016	39,234	9,891	474,141

Upon the conclusion of this year, we are honored to extend our sincere gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, the King of the Kingdom of Bahrain, and to his wise government led by His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, for their continuous support of the private sector and national development efforts. We also express our appreciation to our valued shareholders for their trust and ongoing support, and to our dedicated team, which represents the cornerstone of the Group's success and progress.

As we look toward the next phase, we reaffirm our commitment to continuing our work with a spirit of innovation and development, with a firm focus on strengthening the future of smart mobility in the Kingdom.



Khalifa Hassan AlJalahma
Chairman



Areej Abdulla Abdulghaffar
Vice - chairman

Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bahrain Car Parks Company (Amakin) B.S.C. ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

Revenue recognition

The operating income as reported in Note 21 of the consolidated financial statements include rental income, and service charges in respect of investment properties, sales of car parks equipment and services, car park and other related income. The Group focuses on revenue as a key performance measure and by default, this area has a fraud risk element and is therefore always considered as a significant risk.

Our audit procedures included, considering the appropriateness of the Group's revenue recognition policies and assessing compliance with the policies in light of the applicable accounting standards. We have tested the effectiveness of internal controls implemented by the Group over the revenue cycle. We also tested the relevant supporting documents on a sample basis to confirm their reasonableness and accuracy.

Right-of-use of assets and lease liabilities

As described in Note 8 and 18 to the consolidated financial statements, the carrying values of right-of-use of assets and lease liabilities as at 31 December 2025 amounted to BD6,162,452 and BD1,103,844 respectively. The useful life of the right-of-use of assets are based on management's estimate of the period that the asset would generate revenue. Similarly, carrying value of lease liabilities are determined on a number of factors including management certainty to exercise the lease options to extend/terminate the lease, variable elements such as future lease payments and incremental borrowing rates. Changes to these assumptions could have a significant impact on either the carrying values or the amount charged to consolidated statement of profit or loss or both.

Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C. (continued)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Right-of-use of assets and lease liabilities (continued)

Our audit procedures included, review of reasonableness and consistency of the assumptions used by the management as well as the management process for determining the carrying values. We have further verified the relevant supporting documents on a sample basis to confirm the accuracy of management calculations.

Other information

Management is responsible for the other information. The other information consists of the information included in the Group's Annual Report, other than the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditors' report, we obtained the Report of the Board of Directors which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, 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 (TCWG) 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 have 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.

Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C. (continued)

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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 auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C. (continued)

Report on the audit of the 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

(A) As required by the Bahrain Commercial Companies Law, in case of the Company, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit;
- (2) the Company has carried out stock taking in accordance with the recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
- (3) the financial information included in the Directors' report is consistent with the books of account of the Company.

(B) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that:

- (1) the Company has appointed a corporate governance officer; and
- (2) the Company has a Board approved written guidance and procedures for corporate governance.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse, or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at 31 December 2025.



Manama, Kingdom of Bahrain
17 February 2026



Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated statement of financial position as at 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Intangible assets	7	73,247	70,825
Property, plant and equipment	8	9,569,047	9,845,718
Financial assets at fair value through other comprehensive income	9	-	146,600
Other financial assets at amortised cost	10	142,411	-
Investment properties	11	<u>2,826,442</u>	<u>1,880,664</u>
		<u>12,611,147</u>	<u>11,943,807</u>
Current assets			
Inventories		47,347	65,584
Investments at amortised cost	12	-	380,871
Current portion of term deposits	13	7,707,723	3,084,000
Trade and other receivables	14	826,740	1,084,847
Other financial assets at amortised cost	10	40,245	-
Cash and cash equivalents	15	<u>1,291,396</u>	<u>5,667,708</u>
		<u>9,913,451</u>	<u>10,283,010</u>
Total assets		<u>22,524,598</u>	<u>22,226,817</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	11,031,723	11,031,723
Treasury shares	16	(101,456)	(101,456)
Share premium		2,000,000	2,000,000
Statutory reserve	17	3,676,085	3,557,687
Charity reserve	17	8,620	31,555
Investment fair value reserve	17	-	(822,596)
Retained earnings	17	<u>3,873,212</u>	<u>4,664,363</u>
Total equity		<u>20,488,184</u>	<u>20,361,276</u>
Non-current liabilities			
Non-current portion of lease liabilities	18	1,004,644	1,036,255
Employees' terminal benefits	19	<u>78,729</u>	<u>60,215</u>
		<u>1,083,373</u>	<u>1,096,470</u>
Current liabilities			
Current portion of lease liabilities	18	99,200	138,500
Other payables	20	<u>853,841</u>	<u>630,571</u>
		<u>953,041</u>	<u>769,071</u>
Total liabilities		<u>2,036,414</u>	<u>1,865,541</u>
Total equity and liabilities		<u>22,524,598</u>	<u>22,226,817</u>

These consolidated financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:


Khalifa Hassan AlJalahma
Chairman


Areej Abdulla Abduighaffar
Vice - chairman


Tariq Ali Aljowder
Chief Executive Officer

See Auditor's Report dated 17-02-2026
 Signed by BDO, CR No. 10201-04
 Partner: Nath Venkitachalam Viswanath
 Reg. No. 151
 Signature: 

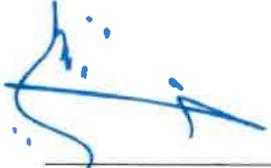
Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated statement of profit or loss for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Operating income	21	3,253,196	3,092,076
Net income from investments	22	512,513	569,863
Operating, general and administrative expenses	23	<u>(2,549,596)</u>	<u>(2,488,909)</u>
Operating profit		1,216,113	1,173,030
Other income		13,698	26,301
Directors' remuneration	24	<u>(56,244)</u>	<u>(63,000)</u>
Net profit for the year		<u>1,173,567</u>	<u>1,136,331</u>
Basic and diluted earnings per share	25	<u>11 fils</u>	<u>10 fils</u>

These consolidated financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:


 Khalifa Hassan AlJalahma
 Chairman


 Areej Abdulla Abdulghaffar
 Vice - chairman


 Tariq Ali Aljowder
 Chief Executive Officer

See Auditor's Report dated 17-02-2026
 Signed by BDO, CR No. 10201-04
 Partner: Nath Venkitachalam Viswanath
 Reg. No. 151
 Signature: 

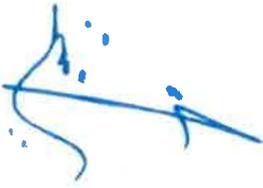
Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated statement of other comprehensive income for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit for the year	1,173,567	1,136,331
Other comprehensive loss:		
<i>Items that will not be reclassified to profit or loss:</i>		
Valuation losses on financial assets at fair value through other comprehensive income	9	(80,331)
Other comprehensive loss for the year	-	(80,331)
Total comprehensive income for the year	<u>1,173,567</u>	<u>1,056,000</u>

These consolidated financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:


 Khalifa Hassan AlJalahma
 Chairman


 Areej Abdulla Abdulghaffar
 Vice - chairman


 Tariq Ali Aljowder
 Chief Executive Officer

Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Charity reserve</u>	<u>Investment fair value reserve</u>	<u>Retained earnings</u>	<u>Total</u>
At 31 December 2023	11,031,723	(101,456)	2,000,000	3,444,054	221	(848,002)	4,661,823	20,188,363
Net profit for the year	-	-	-	-	-	-	1,136,331	1,136,331
Other comprehensive loss for the year	-	-	-	-	-	(80,331)	-	(80,331)
Transferred on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	105,737	(105,737)	-
Transferred to statutory reserve (Note 17)	-	-	-	113,633	-	-	(113,633)	-
Dividend paid for 2023 (Note 26)	-	-	-	-	-	-	(874,421)	(874,421)
Charity reserve created during the year (Note 27)	-	-	-	-	40,000	-	(40,000)	-
Charity payments made during the year (Note 17)	-	-	-	-	(8,666)	-	-	(8,666)
At 31 December 2024	11,031,723	(101,456)	2,000,000	3,557,687	31,555	(822,596)	4,664,363	20,361,276
Net profit for the year	-	-	-	-	-	-	1,173,567	1,173,567
Transferred on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	822,596	(822,596)	-
Transferred to statutory reserve (Note 17)	-	-	-	118,398	-	-	(118,398)	-
Dividend paid for 2024 (Note 26)	-	-	-	-	-	-	(983,724)	(983,724)
Charity reserve created during the year (Note 27)	-	-	-	-	40,000	-	(40,000)	-
Charity payments made during the year (Note 17)	-	-	-	-	(62,935)	-	-	(62,935)
At 31 December 2025	<u>11,031,723</u>	<u>(101,456)</u>	<u>2,000,000</u>	<u>3,676,085</u>	<u>8,620</u>	<u>-</u>	<u>3,873,212</u>	<u>20,488,184</u>

Bahrain Car Parks Company (Amakin) B.S.C.
Consolidated statement of cash flows for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Operating activities			
Net profit for the year		1,173,567	1,136,331
Adjustments for:			
Amortisation of intangible assets	7	20,927	17,907
Depreciation of property, plant and equipment	8	421,160	423,383
Unrealised fair value gain on investment properties	11	(45,317)	(50,900)
Allowance for impaired trade receivables	14	1,930	3,514
Interest expenses on lease liabilities	18	65,089	54,053
Dividend income	22	(12,217)	(14,210)
Exchange loss on Investments at amortised cost		5,871	-
Interest income on investments at amortised cost	22	(1,428)	(21,896)
Interest income on term deposits	22	(446,148)	(479,204)
Interest income on current account balance with a bank	22	(7,403)	(3,653)
Changes in operating assets and liabilities:			
Inventories		18,237	(24,709)
Trade and other receivables		256,177	60,748
Other payables		223,270	37,915
Employees' terminal benefits, net		18,514	11,932
Net cash provided by operating activities		<u>1,692,229</u>	<u>1,151,211</u>
Investing activities			
Purchase of intangible assets	7	(23,349)	(64,471)
Purchase of property, plant and equipment	8	(144,489)	(303,694)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9	146,600	226,926
Expenditure incurred on properties-under-development	11	(900,461)	(57,838)
Proceeds from Investments at amortised cost		375,000	-
Payments made towards financial assets at amortised cost		(182,656)	-
Dividend income received	22	12,217	14,210
Interest income received on investments at amortised cost	22	1,428	21,896
Interest income received on term deposits	22	446,148	479,204
Interest income received on current account balance with a bank	22	7,403	3,653
Net movements in term deposits		<u>(4,623,723)</u>	<u>1,260,040</u>
Net cash (used in)/provided by investing activities		<u>(4,885,882)</u>	<u>1,579,926</u>
Financing activities			
Principal paid on lease liabilities		(51,760)	(12,086)
Interest paid on lease liabilities		(84,240)	(7,914)
Charity payments	17	(62,935)	(8,666)
Dividend paid during the year	26	(983,724)	(874,421)
Net cash used in financing activities		<u>(1,182,659)</u>	<u>(903,087)</u>
Net (decrease)/increase in cash and cash equivalents		(4,376,312)	1,828,050
Cash and cash equivalents, beginning of the year		<u>5,667,708</u>	<u>3,839,658</u>
Cash and cash equivalents, end of the year	15	<u>1,291,396</u>	<u>5,667,708</u>

Non-cash transactions:

During the year ended 31 December 2024, the transactions towards additions to right-of use assets amounting to BD363,192 (Note 8) and lease liabilities amounting to BD363,192 (Note 18) have been excluded from the consolidated statement of cash flows, being non-cash transactions.

1 Organisation and activities

Bahrain Car Parks Company (Amakin) B.S.C. (“the Company”) and its subsidiary (collectively referred to as “the Group”), is a public Bahraini shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 11455 obtained on 31 October 1981.

The Group is principally engaged in the following activities:

- sale/trade in other machinery and equipment and parts;
- other marketing/promotion activities;
- operating of car parks;
- electrical installation;
- real estate activities with own or leased property;
- publicity and advertising;
- general trade; and
- valet parking services.

The registered office of the Company is in the Kingdom of Bahrain.

The Company owns 100% ownership interest in Amakin Saudi Limited LLC, KSA (“the Subsidiary”).

These consolidated financial statements, set out on pages 10 to 51, were approved, authorised for issue and signed by the Board of Directors on 17 February 2026.

2 Structure of the Group

The structure of the Group is as follows:

Subsidiary:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Commercial registration number and date of registration</u>	<u>Proportion of ownership interest 31 December 2025</u>
Amakin Saudi Limited LLC	Kingdom of Saudi Arabia	1009164638 29 December 2024	100% (2024: 100%)

On 29 December 2024, the Company incorporated Amakin Saudi Limited LLC (“the Subsidiary”), a new wholly-owned subsidiary which is registered in the Kingdom of Saudi Arabia.

The Amakin Saudi Limited LLC has not commenced its operations and has not carried out any business activities as at 31 December 2025. Accordingly, there were preliminary incorporation expenses incurred in the Subsidiary for the year ended 31 December 2025.

3 Basis of preparation

Statement of compliance

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

Basis of presentation and functional currency

The consolidated financial statements have been prepared using the going concern assumption under the historical cost convention as modified by the fair valuation of investment properties and financial assets through other comprehensive income (OCI). The consolidated financial statements have been presented in Bahrain Dinars which is the functional currency of the Group.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. The areas requiring exercise of judgment in applying Group’s accounting policies are disclosed in Note 5 to the consolidated financial statements.

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting standards contained numerous amendments to IFRS Accounting standards that the IASB considers non-urgent but necessary. ‘Improvements to IFRS Accounting standards’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting standards. The amendments are effective for the Group’s future accounting periods with earlier adoption.

Standards, amendments and interpretations issued and effective in 2025 but not relevant

The following new amendments to existing standards and interpretations to published standards are mandatory for accounting period beginning on or after 1 January 2025 or subsequent periods, but are not relevant to the Group’s operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 21	The effects of changes in foreign exchange rates	1 January 2025

3 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2025

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2025. They have not been adopted in preparing these consolidated financial statements for the year ended 31 December 2025 and will or may have an effect on the Group's future consolidated financial statements. In all cases, the Group intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of Cash Flows	1 January 2026
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 9	Financial Instruments	1 January 2026
IFRS 10	Consolidated Financial Statements	1 January 2026
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Early adoption of amendments or standards in 2025

The Group did not early-adopt any new or amended standards in 2025. There would have been no change in the consolidated operational results of the Group for the year ended 31 December 2025 had the Group early adopted any of the above standards applicable to the Group.

4 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Basis of consolidation

Subsidiary

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be changes in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and by other parties; and
- Other contractual arrangements.

4 Material accounting policy information (continued)

Basis of consolidation (continued)

Subsidiary (continued)

The consolidated financial statements present the results of the Company and its subsidiary ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Intangible asset

Intangible assets consist of software. The intangible assets are capitalised and amortised using the straight-line method over the term of 5 years. The carrying amounts of the intangible assets are reviewed annually and written-down to their recoverable amounts, when it is considered that there is impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Where necessary, an allowance is made for obsolete and slow-moving inventories.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated so as to write-off the cost of property, plant and equipment less their estimated residual values on a straight-line basis over their expected useful lives. Freehold land is not depreciated as it is deemed to have an infinite useful life. The major classes of depreciable assets with their estimated useful lives are as follows:

Building on leasehold land	30 years or the lease period, whichever is lower
Car park and other equipment	5 - 10 years
Office furniture and equipment	3 - 4 years

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the consolidated statement of profit or loss when they are incurred.

4 Material accounting policy information (continued)

Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the carrying amounts are written-down to their recoverable amounts.

Investment properties

Investment properties representing lands that are held to earn long-term rental yields and for capital appreciation. Investment properties are treated as long-term investments and are initially recorded at cost, including all transaction costs. Subsequent expenditure relating to an investment property is added to the carrying value when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Subsequent to initial recognition, investment properties are re-measured at fair values, representing open market values determined annually by external property valuers, or by taking into consideration other factors and sources of information such as assumptions about future demand, anticipated market recovery and the appropriate discount rate, and any unrealised fair value gains or losses arising are included in the consolidated statement of profit or loss in the year in which they arise. Fair value is the amount 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.

Investment properties are de-recognised when they have either been disposed-off, or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the de-recognition of an investment property are recognised in the consolidated statement of profit or loss in the year of de-recognition.

Properties-under-development

Properties-under-development represent expenditure incurred in setting up new commercial facilities, which are capitalised when they are available for use. Fair value gain/(loss) is not recognised until such time as these assets are completed, transferred to the respective category of investment properties.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which assets was acquired. The Group's accounting policy for each category is as follows:

a) Financial assets at fair value through other comprehensive income (FVTOCI)

The Group has a number of investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the investment fair value reserve. Upon disposal any balance within investment fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

4 Material accounting policy information (continued)

Financial assets (continued)

a) Financial assets at fair value through other comprehensive income (FVTOCI) (continued)

Dividend are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the investment fair value reserve.

b) Financial assets at amortised cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments), investments at amortised cost, term deposits and cash and cash equivalents in the consolidated statement of financial position.

Trade and other receivables (excluding prepayments)

Impairment allowances for current and non-current trade and other receivables, if any, are recognised based on the simplified approach within IFRS 9 using a allowance matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade and other receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables. For trade receivables, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised within general and administrative expenses in the consolidated statement of profit or loss. On confirmation that the trade and other receivable will not be collectable, the gross carrying value of the asset is written-off against the associated allowance.

Investments at amortised cost

Investments at amortised cost represents investments in debt instruments. The Group intends to hold these investments to maturity in order to collect contractual cash flows and these cash flows consist solely of payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. If there are any impairment losses, those are presented in the consolidated statement of profit or loss.

4 Material accounting policy information (continued)

Financial assets (continued)

b) Financial assets at amortised cost (continued)

Term deposits

Term deposits represent the monies placed with financial institutions. They are initially measured at amortised cost and profits are recognised on accrual basis. Term deposits are further classified into short-term, those which are having original maturity periods of more than three months but less than 12 months, and long-term, those which are having original maturity periods of more than one year from the consolidated statement of financial position date.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents.

Financial liabilities

The financial liabilities of the Group consist of other payables (excluding employee benefits) and lease liabilities. These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

Other payables (excluding employee benefits)

Other payables (excluding employee benefits) are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligation can be reliably estimated.

Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 Material accounting policy information (continued)

Employee benefits (continued)

Post-employment benefits

Employee benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Group contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Group's contributions are charged to the consolidated statement of profit or loss in the year to which they relate. In respect of this plan, the Group has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Group are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Group accrues for its liability in this respect on an annual basis until 28 February 2024, thereafter the Group contributes to the leaving indemnity for expatriate employees administered by the Social Insurance Organisation in the Kingdom of Bahrain.

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Dividend

Dividend are recognised when they become legally payable. In the case of interim dividend to equity shareholders, this is recognised when declared by the directors. In the case of final dividend, this is recognised when approved by the shareholders at the Annual General Meeting.

Board remuneration

Board members' remuneration is recognised in the consolidated statement of profit or loss on accrual basis.

Treasury shares

Shares of the Group repurchased at the consolidated statement of financial position date are designated as treasury shares until they are reissued or cancelled. The nominal value of treasury shares are disclosed as a deduction from reserves, with the difference between the nominal value of the shares and their purchase cost being adjusted against the retained earnings or the share premium account in the consolidated statement of changes in shareholders' equity. Gains or losses arising on the sale of treasury shares are recognised in the consolidated statement of change in shareholders' equity.

Contribution to charities

Charities are approved by the shareholders at the Annual General Meeting and contributions by the Group are recognised and transferred to the charity reserve in the year in which they are approved.

4 Material accounting policy information (continued)

Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRS Accounting Standards rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

4 Material accounting policy information (continued)

Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the consolidated statement of financial position. All payments made towards such leases are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

Revenue recognition

Performance obligation and timing of revenue recognition

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

4 Material accounting policy information (continued)

Revenue recognition (continued)

Performance obligation and timing of revenue recognition (continued)

In respect of sales of car parks equipment, revenue represent the invoiced value of equipment sold by the Group, net of discounts, during the year. Sales of these equipment are recognised when the control over the equipment is transferred to the customers, which is generally upon the delivery of equipment and customers' acceptance thereof.

Determining the transaction price

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Allocating amounts to performance obligations

The Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

For all the contracts, there is a fixed price set for each service to be rendered. Therefore, there is a limited judgment involved in allocating the contract price to each service rendered.

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Executive Committee members and the Chief Executive Officer.

The Group's primary segment reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

The Group's primary business segments are:

- Car park services;
- Property rentals services;
- Investment and related services; and
- Sales of equipment and related services.

4 Material accounting policy information (continued)

Segmental reporting (continued)

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Government grants

Government grants relating to costs are deferred and recognised in the consolidated statement profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the income are initially recognised as deferred income and when the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of profit or loss.

5 Critical accounting judgments and key source of estimation uncertainty

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and other available information.

The most significant areas requiring the use of management estimates and assumptions in these consolidated financial statements relate to:

- economic useful lives of intangible assets;
- economic useful lives of property, plant and equipment;
- classification of investments;
- fair valuation of investments;
- fair valuation of investment properties;
- fair value measurement;
- impairment of assets;
- revenue recognition;
- power to exercise control;
- determination of lease term and borrowing rates for leases;
- economic life of right-of-use assets;
- legal proceeding;
- going concern; and
- contingencies.

Economic useful lives of intangible assets

Intangible assets are amortised or depreciated over their estimated useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of profit or loss in specific periods.

Economic useful lives of property, plant and equipment

The Group's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of property, plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Classification of investments

In the process of applying the Group's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through other comprehensive or in amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

Fair valuation of investments

The Group determines fair values of investments that are not quoted in active markets by using valuation techniques such as adjusted net asset valuation and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year are different from assumptions that could require a material adjustment to the carrying amount of the investments. In case where adjusted net asset valuation models have been used to estimate fair values, the adjustments to the net asset values have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited and un-audited financial statements.

Fair valuation of investment properties

The Group obtains valuations performed by external valuers in order to determine the fair value of its investment properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties. The lack of comparable market transactions has resulted in a greater level of professional judgment being relied upon in arriving at valuations. Changes in the underlying assumptions could have a significant impact on the fair values presented.

Fair value measurement

A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Fair value measurement (continued)

The financial assets and liabilities of the Group are initially recorded at fair value and subsequently re-measured at amortised cost while those which require fair value re-measurement are disclosed in Note 2.

Impairment of assets

Financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables.

As at 31 December 2025, in the opinion of the management, an impairment allowance of BD14,673 is required towards impaired trade receivables from tenants and amounts due from a related party (2024: BD18,193). Further, in the opinion of the management, term deposits and bank balances are not impaired as at 31 December 2025 (2024: BDNil).

Other non-financial assets

The carrying amount of the Group's assets or its cash generating unit, other than financial assets, are reviewed at each consolidated statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset that generates cash flows that largely are independent from other assets. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Inventories

The Group creates allowance for inventories where cost exceeds net realizable value. At 31 December 2025, in the opinion of the management, no such allowance is required (2024: BDNil). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the period.

Revenue recognition

The Group exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Power to exercise control

Subsidiaries are fully consolidated from the date on which, control is achieved. The Group's management takes into consideration the following factors while determining, if the Group has control and power to exercise significant influence over its investee entities:

- control over the board of directors of the investee entity;
- rights to control the operational decision making process of the investee entity; and
- the ability to exercise its power over the investee that will affect the investee entity's financial position and returns.

The Group's management reviews at each reporting date, the above facts and circumstances that may indicate any change due to one or more elements mentioned above and confirms its continued ability and power to exercise significant influence over the investee entities. Any change in the assumptions and circumstances will have an impact on the Group management's decision making process.

Determination of lease term and the borrowing rates for leases

In case where the Group is a lessee, the Group's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Economic life of right-of-use assets

Right-of-use assets are depreciated over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of profit or loss in specific periods.

The Group's right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Legal proceedings

The Group recognises a provision where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be estimated reliably. In instances where the criteria are not met, a contingent liability may be disclosed in the notes to the consolidated financial statements. Obligations arising in respect of contingent liabilities that have been disclosed, or those which are not currently recognised or disclosed in the consolidated financial statements could have a material effect on the Group's consolidated financial position. Application of these accounting principles to legal cases requires the Group's management to make determinations about various factual and legal matters beyond its control.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Legal proceedings (continued)

The Group reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its consolidated financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claims or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claims or assessment has been brought, the progress of the case (including the progress after the date of the consolidated financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

Going concern

The management of the Group reviews the consolidated financial position on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Group ensure that they provide adequate financial support to fund the requirements of the Group to ensure the going concern status of the Group.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future event.

6 Segmental information

Business segments - primary reporting segment

The Group's primary segment reporting format is business segment. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. The Group's primary business segments are:

- Car park services - This segment is involved in providing car parks for the public in return for parking charges. This segment contributes 54.97% (2024: 49.60%) of the Group's total revenue.
- Property rental income - This segment is involved in the management, maintenance and renting of properties. This segment contributes 25.80% (2024: 25.74%) of the Group's total revenue.
- Investment and related services - This segment is involved in trading in financial and other assets and investing excess funds in the primary and secondary market. This segment contributes 13.56% (2024: 15.48%) of the Group's total revenue.
- Sales of equipment and related services - This segment is involved in trading in car parks management equipment's to clients. This segment contributes 5.67% (2024: 9.18%) of the Group's total revenue.

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6 Segmental information (continued)

As at, and for the year ended, 31 December 2025

	<u>Car park services</u>	<u>Property rental services</u>	<u>Investment activities</u>	<u>Sales of equipment</u>	<u>Unallocated expenses</u>	<u>Total</u>
Car park income	2,064,881	-	-	-		2,064,881
Sales of car parks equipment	-	-	-	214,070	-	214,070
Property rental income	-	871,377	-	-	-	871,377
Service charges income	-	<u>102,868</u>	-	-	-	<u>102,868</u>
Operating income	2,064,881	974,245	-	214,070	-	3,253,196
Net income from investments	-	-	512,513	-	-	512,513
Other income	<u>12,740</u>	<u>958</u>	-	-	-	<u>13,698</u>
Total revenue	<u>2,077,621</u>	<u>975,203</u>	<u>512,513</u>	<u>214,070</u>	-	<u>3,779,407</u>
Operating and general expenses	(1,375,443)	(614,581)	(84,049)	(43,952)	(66,655)	(2,184,680)
Depreciation	<u>(251,845)</u>	<u>(169,315)</u>	-	-	-	<u>(421,160)</u>
Total expenses	<u>(1,627,288)</u>	<u>(783,896)</u>	<u>(84,049)</u>	<u>(43,952)</u>	<u>(66,655)</u>	<u>(2,605,840)</u>
Segment profit	<u>450,333</u>	<u>191,307</u>	<u>428,464</u>	<u>170,118</u>	<u>(66,655)</u>	<u>1,173,567</u>
Reportable segment assets	<u>6,171,886</u>	<u>5,101,910</u>	<u>11,216,122</u>	<u>34,680</u>	-	<u>22,524,598</u>
Reportable segment liabilities	<u>1,356,833</u>	<u>561,391</u>	<u>46,862</u>	<u>71,328</u>	-	<u>2,036,414</u>
Other segment information						
Minimum operating lease commitment	<u>5,913,036</u>	-	-	-	-	<u>5,913,036</u>

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6 Segmental information (continued)

As at, and for the year ended, 31 December 2024

	<u>Car park services</u>	<u>Property rental services</u>	<u>Investment activities</u>	<u>Sales of equipment</u>	<u>Unallocated expenses</u>	<u>Total</u>
Car park income	1,816,424	-	-	-		1,816,424
Sales of car parks equipment	-	-	-	338,316	-	338,316
Property rental income	-	827,038	-	-	-	827,038
Service charges income	-	<u>110,298</u>	-	-	-	<u>110,298</u>
Operating income	1,816,424	937,336	-	338,316	-	3,092,076
Net income from investments	-	-	569,863	-	-	569,863
Other income	<u>13,077</u>	<u>12,134</u>	<u>1,090</u>	-	-	<u>26,301</u>
Total revenue	<u>1,829,501</u>	<u>949,470</u>	<u>570,953</u>	<u>338,316</u>	-	<u>3,688,240</u>
Operating and general expenses	(1,348,328)	(561,667)	(76,600)	(78,931)	(63,000)	(2,128,526)
Depreciation	<u>(242,512)</u>	<u>(180,871)</u>	-	-	-	<u>(423,383)</u>
Total expenses	<u>(1,590,840)</u>	<u>(742,538)</u>	<u>(76,600)</u>	<u>(78,931)</u>	<u>(63,000)</u>	<u>(2,551,909)</u>
Segment profit	<u>238,661</u>	<u>206,932</u>	<u>494,353</u>	<u>259,385</u>	<u>(63,000)</u>	<u>1,136,331</u>
Reportable segment assets	<u>5,369,263</u>	<u>5,339,530</u>	<u>11,449,239</u>	<u>68,785</u>	-	<u>22,226,817</u>
Reportable segment liabilities	<u>1,443,244</u>	<u>379,220</u>	<u>8,539</u>	<u>34,538</u>	-	<u>1,865,541</u>
Other segment information						
Minimum operating lease commitment	<u>6,029,036</u>	-	-	-	-	<u>6,029,036</u>

6 Segmental information (continued)

Geographical segments - secondary reporting segment

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Group's operations are restricted to the Kingdom of Bahrain as the Subsidiary has not commenced its operations in Kingdom of Saudi Arabia; therefore, no geographical segmental information has been presented.

7 Intangible assets

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	70,825	24,261
Additions during the year	23,349	64,471
Amortisation charge for the year (Note 23)	<u>(20,927)</u>	<u>(17,907)</u>
Closing balance	<u>73,247</u>	<u>70,825</u>

Intangible assets consist of software and are amortised over its estimated useful life, which is considered to be five years from the date of acquisition. The carrying value of the intangible asset is reviewed annually and adjusted for impairment if considered necessary.

In the opinion of the Group's management, the carrying value of the intangible assets is not impaired.

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8 Property, plant and equipment

	Freehold lands	Building on leasehold land	Car park and other equipments	Office furniture and equipments	Right -of-use assets: lands and buildings	Total
Cost						
At 31 December 2023	2,454,530	8,138,413	1,135,159	203,547	6,782,918	18,714,567
Additions	-	-	281,754	21,940	363,192	666,886
At 31 December 2024	2,454,530	8,138,413	1,416,913	225,487	7,146,110	19,381,453
Additions	-	-	133,770	10,719	-	144,489
At 31 December 2025	2,454,530	8,138,413	1,550,683	236,206	7,146,110	19,525,942
Accumulated depreciation						
At 31 December 2023	-	7,973,223	382,999	126,817	629,313	9,112,352
Charge for the year (Note 23)	-	18,354	197,947	30,800	176,282	423,383
At 31 December 2024	-	7,991,577	580,946	157,617	805,595	9,535,735
Charge for the year (Note 23)	-	18,354	195,295	29,448	178,063	421,160
At 31 December 2025	-	8,009,931	776,241	187,065	983,658	9,956,895
Net book amount						
At 31 December 2025	2,454,530	128,482	774,442	49,141	6,162,452	9,569,047
At 31 December 2024	2,454,530	146,836	835,967	67,870	6,340,515	9,845,718

The land on which Amakin building is constructed has been leased from the Government of the Kingdom of Bahrain for a period of 50 years commencing from the year 1982.

As at 31 December 2025 and 2024, the Group has lease contracts on lands and buildings, where the lease payments are fixed payments without any link to variable elements such as inflation and market rentals.

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9 Financial assets at fair value through other comprehensive income

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	146,600	453,857
Disposals during the year	(146,600)	(226,926)
Valuation losses recognised in other comprehensive income	<u>-</u>	<u>(80,331)</u>
Closing balance	<u><u>-</u></u>	<u><u>146,600</u></u>

The above investments are further classified as follows:

	31 December <u>2025</u>	31 December <u>2024</u>
Shares listed on the Bahrain Bourse	<u><u>-</u></u>	<u><u>146,600</u></u>

The investment categorised as financial assets at fair value through other comprehensive income are denominated in the following currencies:

Currency	31 December <u>2025</u>	31 December <u>2024</u>
Bahrain Dinar	<u><u>-</u></u>	<u><u>146,600</u></u>

The fair value of quoted investments is based on published market prices. As at 31 December 2025, the Group does not hold any unquoted investments, as all investment categorised as financial assets at fair value through other comprehensive income were fully disposed of during the year.

10 Other financial assets at amortized cost

	31 December <u>2025</u>	31 December <u>2024</u>
Additions	197,925	-
Repayment during the year	<u>(15,269)</u>	<u>-</u>
Closing balance	182,656	-
Less: current portion of Other financial assets at amortised cost	<u>(40,245)</u>	<u>-</u>
Non-current portion of Other financial assets at amortised cost	<u><u>142,411</u></u>	<u><u>-</u></u>

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11 Investment properties

	Investment properties	Properties- under- development	31 December 2025	31 December 2024
Opening balance	1,822,826	57,838	1,880,664	1,771,926
Additions during the year	-	900,461	900,461	57,838
Unrealised fair value gain for the year (Note 22)	<u>45,317</u>	<u>-</u>	<u>45,317</u>	<u>50,900</u>
Closing balance	<u>1,868,143</u>	<u>958,299</u>	<u>2,826,442</u>	<u>1,880,664</u>

As at 31 December 2025, properties-under-development represent a car parking building being constructed at "Amakin Pearls" located in Muharraq, Kingdom of Bahrain." This project currently in progress and is expected to be completed during the fourth quarter of 2026.

During the year ended 31 December 2025, the Group obtained valuations performed by external valuers. The Group updated its assessment of the fair value of each investment property, taking into account the independent valuations. The Group determines a property's value within a range of reasonable fair value estimates. The lack of comparable market transactions has resulted in a greater level of professional judgment being relied upon in arriving at valuations. As such, the Group used multiple information points. These information points and sources include assumptions about future demand, anticipated market recovery and the appropriate discount rate. Accordingly, the fair value gain amounted to BD45,317 for the year ended 31 December 2025 (2024: the fair value gain of BD50,900). During the year ended 31 December 2025, no income has been recognised from the investment properties (2024: BDNil). Further, no expenses relating to the investment properties, including repairs and maintenance, were incurred for the year ended 31 December 2025 (2024: BDNil). The fair values of investment properties are categorised as a level 2 recurring fair value measurement.

12 Investments at amortised cost

	31 December 2025	31 December 2024
Opening balance	380,871	380,871
Amount realised	(375,000)	-
Foreign exchange loss, net	<u>(5,871)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>380,871</u>

Amortised cost investments represent bonds (Ahli United Bank Perpetual Tier 1 Capital Securities) carrying coupon interest of 5.839% (2024: 5.839%) and are denominated in United States Dollars.

13 Term deposits

	31 December 2025	31 December 2024
Term deposit with banks maturing after 3 months but within 1 year	<u>7,707,723</u>	<u>3,084,000</u>

Fixed deposits held with the Group's bankers, earn interest at rates ranging between 5% and 5.4% per annum (2024: ranging between 5.4% and 6.3% per annum) and are denominated in Bahrain Dinar.

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14 Trade and other receivables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Rents receivable from tenants	137,478	325,139
Amounts due from a related party (Note 28)	23,033	31,669
Trade receivables from other customers	<u>26,007</u>	<u>21,914</u>
	186,518	378,722
Less: allowance for impaired trade receivables	<u>(14,673)</u>	<u>(18,193)</u>
	171,845	360,529
Accrued interest	298,063	290,017
Prepayments and other receivables	118,472	132,189
Accrued revenue	63,989	90,276
Advances paid to creditors	77,548	83,819
Security deposits	<u>96,823</u>	<u>128,017</u>
	<u>826,740</u>	<u>1,084,847</u>

The Group's trade receivables are amounts due from customers and are primarily denominated in Bahrain Dinar. It is not the policy of the Group to obtain collateral against trade and other receivables and, therefore, are all unsecured. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measure the expected credit losses using a lifetime expected credit loss allowance for trade receivables. To measure expected credit losses on a collective basis, trade receivables parties are grouped based on similar credit risk and aging. Accrued revenues do not share the risk characteristics of trade receivables and therefore, the Group concluded that they should be measured at amortised cost.

The expected loss rates are based on the Group's historical credit losses experienced over a year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Group operates.

On that basis, the lifetime expected loss allowance as at 31 December 2025 and 2024 was determined as follows for trade receivables:

<u>31 December 2025</u>	<u>Current</u>	<u>30 days overdue</u>	<u>90 days overdue</u>	<u>180 days overdue</u>	<u>360 days overdue</u>	<u>Above 360 days overdue</u>	<u>Total</u>
Expected loss rate	0%	0.04%	0.06%	0.10%	0.16%	100%	
Trade receivables	27,483	82,112	51,909	7,499	2,918	14,597	186,518
Loss allowance	-	35	29	7	5	14,597	14,673
<u>31 December 2024</u>	<u>Current</u>	<u>30 days overdue</u>	<u>90 days overdue</u>	<u>180 days overdue</u>	<u>360 days overdue</u>	<u>Above 360 days overdue</u>	<u>Total</u>
Expected loss rate	0%	0.96%	1.27%	1.82%	2.57%	100%	
Trade receivables	96,077	125,544	99,406	14,353	28,619	14,723	378,722
Loss allowance	-	1,209	1,265	261	735	14,723	18,193

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14 Trade and other receivables (continued)

The movement in allowance for impaired trade receivables is as follows:

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	18,193	59,022
Allowance created during the year	1,930	3,514
Allowance utilised during the year	<u>(5,450)</u>	<u>(44,343)</u>
Closing balance	<u>14,673</u>	<u>18,193</u>

Amounts due from a related party are unsecured, bear no interest and repayable on demand.

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable.

15 Cash and cash equivalents

	31 December <u>2025</u>	31 December <u>2024</u>
Short-term deposits maturing within three months	-	4,938,788
Current account balances with banks (*)	1,289,628	726,187
Cash on hand	<u>1,768</u>	<u>2,733</u>
	<u>1,291,396</u>	<u>5,667,708</u>

The current account balances with banks earn interest rate ranging between 0% and 4.5% per annum (2024: ranging between 0% and 4.5% per annum).

(*) Included in the current account balances with banks is a balance of BD81,298 earmarked towards due to a related party (2024: BD75,893).

16 Share capital

	31 December <u>2025</u>	31 December <u>2024</u>
Authorised:		
125,000,000 ordinary shares of 100 fils each (2024: 125,000,000 ordinary shares of 100 fils each)	<u>12,500,000</u>	<u>12,500,000</u>
Issued and fully paid-up:		
110,317,230 ordinary shares of 100 fils each (2024: 110,317,230 ordinary shares of 100 fils each)	11,031,723	11,031,723
Less: 1,014,559 treasury shares of 100 fils each (2024: 1,014,559 treasury shares of 100 fils each)	<u>(101,456)</u>	<u>(101,456)</u>
	<u>10,930,267</u>	<u>10,930,267</u>

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16 Share capital (continued)

Additional information on shareholding pattern

- (i) The names and nationalities of the major shareholders and the number of shares held which constitute an interest of 5% or more of the outstanding shares are as follows:

	At 31 December 2025		
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Hessa Mubarak Abdulaziz Alhasawi	Kuwaiti	15,000,000	13.60%

	At 31 December 2024		
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Hessa Mubarak Abdulaziz Alhasawi	Kuwaiti	15,000,000	13.60%

- (ii) The Group has only one class of equity shares and the holders of the shares have equal voting rights.

- (iii) The distribution schedule of equity shares, setting out the number of shareholders and percentages in the following categories, is as follows:

	At 31 December 2025		
	Number of shareholders	Number of shares	Percentage of total outstanding shares
Less than 1%	1,348	11,776,842	10.67%
1% and up to less than 5%	2	6,506,898	5.90%
5% and above	3	92,033,490	83.43%
	<u>1,353</u>	<u>110,317,230</u>	<u>100%</u>

	At 31 December 2024		
	Number of shareholders	Number of shares	Percentage of total outstanding shares
Less than 1%	1,352	11,776,842	10.67%
1% and up to less than 5%	2	6,506,898	5.90%
5% and above	3	92,033,490	83.43%
	<u>1,357</u>	<u>110,317,230</u>	<u>100%</u>

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17 Reserves

a) Statutory reserve

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	3,557,687	3,444,054
Transferred during the year	<u>118,398</u>	<u>113,633</u>
Closing balance	<u>3,676,085</u>	<u>3,557,687</u>

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the issued share capital is set aside. The Company's net profit before appropriation for the year ended 31 December 2025 was BD 1,183,978 (2024: BD1,136,331). This reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

b) Charity reserve

This reserve represents amounts set aside towards charity payments as approved by the shareholders of the Group. An amount of BD50,000 has been proposed for transfer to the charity reserve during the year ended 31 December 2025 (2024: BD40,000). An amount of BD62,935 has been paid during the year ended 31 December 2025 towards charity (2024: BD8,666). Further, an amount of BD40,000 has been transferred to the charity reserve during the year ended 31 December 2025 (2024:BD40,000). This reserve is not available for distribution. The proposed transfer has not been accounted for in these consolidated financial statements.

c) Investment fair value reserve

This reserve represents the unrealized fair value gains net of losses on investments categorised as financial assets at fair value through other comprehensive income. Unrealized fair value losses on the designated investments amounted to BDNil (2024: BD80,331). This reserve is not available for distribution.

d) Retained earnings

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	4,664,363	4,661,823
Net profit for the year	1,173,567	1,136,331
Dividend (Note 26)	(983,724)	(874,421)
Transferred to statutory reserve	(118,398)	(113,633)
Transferred on disposal of financial assets at value through other comprehensive income	(822,596)	(105,737)
Charity reserve created during the year	<u>(40,000)</u>	<u>(40,000)</u>
Closing balance	<u>3,873,212</u>	<u>4,664,363</u>

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18 Lease liabilities

	31 December 2025	31 December 2024
Opening balance	1,174,755	777,510
Additions	-	363,192
Lease payments	(136,000)	(20,000)
Interest expenses (Note 23)	<u>65,089</u>	<u>54,053</u>
Closing balance	1,103,844	1,174,755
Less: current portion of lease liabilities	<u>(99,200)</u>	<u>(138,500)</u>
Non-current portion of lease liabilities	<u>1,004,644</u>	<u>1,036,255</u>
Maturity analysis - contractual undiscounted cash flows:		
	31 December 2025	31 December 2024
Less than one year	99,200	138,500
More than one year and less than five years	489,210	373,500
More than five years	<u>5,324,626</u>	<u>5,517,036</u>
Total undiscounted leases	<u>5,913,036</u>	<u>6,029,036</u>

The annual rent for the land upon which the car park building is situated is revised every ten years; the amount payable being the higher of a fixed element increase or a percentage of the Group's gross operating profit. The current year's charge of BD74,099 (25% of the gross operating profit generated from the related building), is included under operating, general and administrative expenses (Note 23) (2024: BD74,434).

19 Employees' terminal benefits

Bahraini employees

The contributions made by the Group towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD176,492 (2024: BD116,242).

Expatriates employees

In accordance with the change in the Social Insurance Organisation ("SIO") regulations made through resolution no. 109 of 2023, effective from 1 March 2024, the employer needs to pay the end-of-service contribution in respect of the expatriate employees registered with SIO and SIO shall disburse the contributed amount to employees on completion of the employment term. The amount accrued by the Company until 28 February 2024, shall be maintained and settled by the Company with the respective employee.

The contributions made by the Company towards the end-of-service gratuity for expatriate nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD6,641 (2024: BD5,388).

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19 Employees' terminal benefits (continued)

The movement in the leaving indemnity liability applicable to employees is as follows:

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	60,215	48,283
Accruals for the year	18,791	14,376
Payments during the year	<u>(277)</u>	<u>(2,444)</u>
Closing balance	<u>78,729</u>	<u>60,215</u>
The number of staff employed by the Group	<u>92</u>	<u>95</u>

20 Other payables

	31 December <u>2025</u>	31 December <u>2024</u>
Accruals and other payables	612,746	396,771
Amounts due to a related party (Note 28)	163,886	170,633
Advances received from tenants	45,482	27,173
Provision for leave salary and air passage	22,561	26,826
Unclaimed dividend	<u>9,166</u>	<u>9,168</u>
	<u>853,841</u>	<u>630,571</u>

Amounts due to a related party are unsecured, bear no interest and are repayable on demand.

21 Operating income

	Year ended 31 December <u>2025</u>	Year ended 31 December <u>2024</u>
<i>Primary geographic markets</i>		
Kingdom of Bahrain	<u>3,253,196</u>	<u>3,092,076</u>
<i>Service/product type</i>		
Car park income	2,064,881	1,816,424
Rental income	871,377	827,038
Sales of car parks equipment and services	214,070	338,316
Service charges income	<u>102,868</u>	<u>110,298</u>
	<u>3,253,196</u>	<u>3,092,076</u>
<i>Contract counterparties</i>		
Direct to customers	3,017,252	2,936,127
Direct to a related party (Note 28)	<u>235,944</u>	<u>155,949</u>
	<u>3,253,196</u>	<u>3,092,076</u>
<i>Timing of revenue recognition</i>		
Over time	<u>3,253,196</u>	<u>3,092,076</u>

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22 Net income from investments

	Year ended 31 December <u>2025</u>	Year ended 31 December <u>2024</u>
Interest on term deposits	446,148	479,204
Unrealised fair value gain on investment properties (Note 11)	45,317	50,900
Interest income on investments at amortised cost	1,428	21,896
Dividend income	12,217	14,210
Interest on current account balance with a bank	<u>7,403</u>	<u>3,653</u>
	<u>512,513</u>	<u>569,863</u>

23 Operating, general and administrative expenses

	Year ended 31 December <u>2025</u>	Year ended 31 December <u>2024</u>
Staff costs (Note 28)	1,222,505	1,182,089
Depreciation of property, plant and equipment (Note 8)	421,160	423,383
Facilities management	181,709	183,341
Electricity and water charges	79,425	135,017
Cost of sales of car parks equipment and services	22,827	78,931
Lease rent expenses (Note 18)	74,099	74,434
Directors' sitting fees (Note 28)	62,500	65,250
Interest expenses on lease liabilities (Note 18)	65,089	54,053
Maintenance costs	25,048	25,525
Amortisation of intangible assets (Note 7)	20,927	17,907
Other operating, general and administrative expenses	<u>374,307</u>	<u>248,979</u>
	<u>2,549,596</u>	<u>2,488,909</u>

Staff costs are set off with Tamkeen support amounting to BD 115,784 for the Twelve-months year ended 31 December 2025 (2024: BD64,126)

24 Directors' remuneration

Accrued and expensed

An amount of BD56,244 has been accrued and expensed as Directors' remuneration during the year ended 31 December 2025 (Note 28), relating to current year 2025 (2024: BD63,000 relating to the year ended 31 December 2024). The payment of BD63,000 relating to the year ended 31 December 2024 was approved by the shareholders in the Annual General Meeting held on 26 March 2025.

Proposed by the Board of Directors

The Board of Directors of the Group has proposed to pay Directors' remuneration of BD56,244 for the year ended 31 December 2025. Such proposed remuneration only becomes payable once it has been approved by the shareholders in the Annual General Meeting.

25 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares issued during the year.

	Year ended 31 December <u>2025</u>	Year ended 31 December <u>2024</u>
Net profit attributable to the shareholders	<u>1,173,567</u>	<u>1,136,331</u>
Weighted average number of ordinary shares	<u>109,302,671</u>	<u>109,302,671</u>
Basic and diluted earnings per share	<u>11 fils</u>	<u>10 fils</u>

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

26 Dividend

Declared and paid

A dividend of BD983,724 representing 9% of the total issued and fully paid-up share capital of the Group for the year ended 31 December 2024 (at 9 fils per share) (2023: BD874,421 for the year ended 31 December 2023 at 8 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 26 March 2025 (2024: 26 March 2024).

Proposed by the Board of Directors

The Board of Directors of the Group has proposed a dividend of BD983,724 (2024: BD983,724) representing 9% of the total issued and fully paid-up share capital of the Group for the year ended 31 December 2025 at 9 fils per share (2024: at 9 fils per share). The proposed dividend only becomes payable once it has been approved by the shareholders in the Annual General Meeting and accordingly, the proposed dividend has not been accounted for in these consolidated financial statements.

27 Contribution to charity

Proposed by the Board of Directors

The Board of Directors of the Group have proposed charity contributions of BD50,000 for the year ended 31 December 2025 (2024: BD40,000). This is subject to the approval of shareholders in the Annual General Meeting.

28 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, directors, key management personnel and their close family members and such other companies over which the Group or its shareholders, directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on an arm's length basis.

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28 Transactions and balances with related parties (continued)

The following is a summary of the significant transactions entered into with the related parties during the year ended 31 December:

<u>Transaction</u>	<u>Nature of relationship</u>	<u>Name of the related party</u>	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Car park income (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	224,303	146,631
Sale of car parks equipment and services (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	11,641	9,318
Lease rent expenses (Note 23)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	74,099	74,434
Other car parks expenses included in operating, general and administrative expenses (Note 23)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	-	4,209
Directors' sitting fees (Note 23)	Key management personnel *	Key management personnel *	62,500	65,250
Directors' remuneration (Note 24)	Key management personnel *	Key management personnel *	56,244	63,000
Salaries and bonuses to key management personnel (Note 23)	Key management personnel *	Key management personnel *	464,250	423,913
Long-term benefits to key management personnel (Note 23)	Key management personnel *	Key management personnel *	9,891	8,173

(*) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Group. During the year ended 31 December 2025, other financial assets at amortised cost provided to the key management personnel amounted to BD171,755 (2024: BDNil)(Note 10).

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28 Transactions and balances with related parties (continued)

A summary of the related party balances is as follows:

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due from a related party (Note 14)</u>	
		<u>31 December 2025</u>	<u>31 December 2024</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>23,033</u>	<u>31,669</u>

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due to a related party (Note 20)</u>	
		<u>31 December 2025</u>	<u>31 December 2024</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>163,886</u>	<u>170,633</u>

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Other financial assets at amortised cost</u>	
		<u>31 December 2025</u>	<u>31 December 2024</u>
Key management personal	Key management personal	<u>158,791</u>	<u>-</u>

29 Financial assets and liabilities and risk management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, other payables and lease liabilities less cash and cash equivalents. Capital includes share capital and reserves attributable to the shareholders of the Company.

29 Financial assets and liabilities and risk management (continued)

Capital management

	31 December 2025	31 December 2024
Other payables	853,841	630,571
Lease liabilities	1,103,844	1,174,755
Less: cash and cash equivalents	<u>(1,291,396)</u>	<u>(5,667,708)</u>
Net debt/(surplus)	<u>666,289</u>	<u>(3,862,382)</u>
Share capital, net of treasury shares	10,930,267	10,930,267
Share premium	2,000,000	2,000,000
Statutory reserve	3,676,085	3,557,687
Charity reserve	8,620	31,555
Investment fair value reserve	-	(822,596)
Retained earnings	<u>3,873,212</u>	<u>4,664,363</u>
Total capital	<u>20,488,184</u>	<u>20,361,276</u>
Total capital and debt/(surplus)	<u>21,154,473</u>	<u>16,498,894</u>
Gearing ratio	<u>3%</u>	<u>Nil</u>

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, other payables and lease liabilities less cash and cash equivalents. Capital comprises of share capital, share premium, retained earnings and other reserves of the Group.

As at 31 December 2024, the Group had net surplus. Accordingly, the capital gearing ratio has not been calculated.

Risk management is carried out by the Risk Section of the Group under policies approved by the Board of Directors. The Group's Risk Section evaluates financial risks in close co-operation with the Group's operating units.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Financial assets at fair value through other comprehensive income;
- Investments at amortised cost;
- Other Financial Assets at amortised cost;
- Trade and other receivables (excluding prepayments);
- Term deposits;
- Cash and cash equivalents; and
- Other payables (excluding employee benefits)

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29 Financial assets and liabilities and risk management (continued)

A summary of the financial instruments held by category is provided below as at 31 December 2025:

	<i>Financial assets at fair value through OCI</i>	<i>Financial assets at amortised cost</i>
<u>Financial assets</u>		
Other Financial Assets at amortised cost	-	182,656
Trade and other receivables (excluding prepayments)	-	630,720
Term deposits	-	7,707,723
Cash and cash equivalents	-	<u>1,291,396</u>
Total financial assets	<u>-</u>	<u>9,812,495</u>

Principal financial instruments (continued)

	<i>Financial liabilities at amortised cost</i>
<u>Financial liabilities</u>	
Other payables (excluding employee benefits)	<u>831,280</u>

A summary of the financial instruments held by category is provided below as at 31 December 2024:

	<i>Financial assets at fair value through OCI</i>	<i>Financial assets at amortised cost</i>
<u>Financial assets</u>		
Financial assets at fair value through OCI	146,600	-
Investments at amortised cost	-	380,871
Trade and other receivables (excluding prepayments)	-	868,839
Term deposits	-	3,084,000
Cash and cash equivalents	-	<u>5,667,708</u>
Total financial assets	<u>146,600</u>	<u>10,001,418</u>

	<i>Financial liabilities at amortised cost</i>
<u>Financial liabilities</u>	
Other payables (excluding employee benefits)	<u>603,745</u>

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, as well as credit exposures to customers, including outstanding receivables. The Group's bank balances and term deposits are placed with national and multi-national banks with good credit ratings. The Group's investments are placed with national banks which have good credit ratings and other companies listed in the stock exchanges. Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Further, the Group's debt investments at amortised cost are considered to have low credit risk. Due to this factor, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The Group does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated. Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below

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29 Financial assets and liabilities and risk management (continued)

Credit risk (continued)

	<u>At 31 December 2025</u>	
	<u>Carrying value</u>	<u>Maximum exposure</u>
<i>Financial assets</i>		
Trade and other receivables (excluding prepayments)	630,720	630,720
Term deposits	7,707,723	7,707,723
Cash and cash equivalents	<u>1,291,396</u>	<u>1,289,628</u>
Total financial assets	<u>9,629,839</u>	<u>9,628,071</u>
	<u>At 31 December 2024</u>	
	<u>Carrying value</u>	<u>Maximum exposure</u>
<i>Financial assets</i>		
Trade and other receivables (excluding prepayments)	868,839	868,839
Term deposits	3,084,000	3,084,000
Cash and cash equivalents	<u>5,667,708</u>	<u>5,662,242</u>
Total financial assets	<u>9,620,547</u>	<u>9,615,081</u>

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at amortised cost, term deposits and a current account balance with a bank earn fixed rates of interest. The Group's other assets and liabilities, in the opinion of the Group's management, are not considered to be sensitive to interest rate risk. The hypothetical effect of 100 basis points interest rate increase or decrease on profits would be approximately BD89,974 (2024: BD91,326).

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available, to meet all liabilities as they fall due.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of non-derivative financial liabilities based on the earliest date on which the Group can be required to make payments.

At 31 December 2025	<u>Less than 1 year</u>	<u>Total</u>
Non-interest bearing instruments	<u>831,280</u>	<u>831,280</u>
At 31 December 2024	<u>Less than 1 year</u>	<u>Total</u>
Non-interest bearing instruments	<u>603,745</u>	<u>603,745</u>

Price risk is the risk that the Group is exposed to listed securities price risk because of investments held by the Group and classified in the consolidated statement of financial position as financial assets through other comprehensive income. To manage its price risk arising from investments in listed securities, the Group diversifies its portfolio. Diversification of the portfolio is achieved in accordance with the limits set by the Group.

29 Financial assets and liabilities and risk management (continued)

Investments fair value sensitivity analysis is as follows:

<u>Description</u>	<u>Change</u>	<u>Impact on equity</u>	
		<u>31 December 2025</u>	<u>31 December 2024</u>
Quoted financial assets through OCI	<u>+/-5%</u>	<u>-</u>	<u>+/-7,330</u>

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rate, currency rate, and equity price risk. The Group closely monitors the market forces and suitably revises the strategy to minimise the market risk.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's financial assets at fair value through other comprehensive income are primarily in United States Dollar and Bahrain Dinar. The Bahrain Dinar is effectively pegged to the United States Dollar. Accordingly, management assesses the Group's exposure to currency rate risk as insignificant.

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems or external events. The Group seeks to minimise this risk by continuous framing policies and procedures to identify, control and manage these risks.

Fair value measurement

Fair value is the amount 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.

Financial instruments not measured at fair value on recurring basis include trade and other receivables (excluding prepayments), cash and cash equivalents, term deposits, lease liabilities and other payables (excluding employee benefits). In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 December 2025 and 2024.

The following table sets out the fair value hierarchy of financial instruments measured at fair value on recurring basis along with valuation techniques and significant unobservable inputs used in determining the fair value measurement of financial instruments as well as the inter-relationship between unobservable inputs and fair value:

	<u>Fair value at 31 December</u>	<u>Level of hierarchy</u>	<u>Valuation technique used and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value</u>
Non-financial assets					
Investment properties	2,826,442 (2024:1,880,664)	L2	Independent valuation report, market indicators.	Current market rates.	Positive correlation between market rates and fair values.
Financial assets					
Quoted investments	- (2024: 146,600)	L1	Quoted prices from stock exchanges.	Not applicable	Not applicable

29 Financial assets and liabilities and risk management (continued)

Fair value measurement (continued)

Fair value (continued)

There are no transfers between levels during the year.

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	<u>Unquoted investments</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Opening balance	-	226,497
Disposal during the year	<u>-</u>	<u>(226,497)</u>
Closing balance	<u>-</u>	<u>-</u>

Investment risk is defined as the uncertainty about the future benefits to be realised from an investment. The Group has well-defined policies for managing investment risk. These policies cover investment authority limits and investment assessment practices. The Finance Department study the impact of transactions on the Group's consolidated statement of financial position and monitor the investment portfolio on a continuous basis. Every investment application is reviewed by a designated body depending on the size and the nature of the transaction. Fair valuation is generally conducted on a quarterly basis.

Legal risk includes the risk of unexpected losses from transactions and/or contracts not being enforceable under applicable laws or from unsound documentation. The Group deals with external law firm to support it in managing the legal risk.

Reputation risk is the risk that negative perception regarding the Group's business practices or internal controls, whether true or not, will cause a decline in the Group's investor base and lead to costly litigations which could have an adverse impact on the liquidity of the Group. The Board of Directors examines the issues that are considered to have reputation repercussions for the Group and issues directives to address these.

30 Events after the reporting date

There were no significant events subsequent to 31 December 2025 and occurring before the date of the report that are expected to have a significant impact on these consolidated financial statements.