

A Year of Progress.
A Legacy of Trust.



بورصة الكويت
BOURSA KUWAIT

2024

ANNUAL REPORT

Boursa Kuwait

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His Highness
Sheikh Sabah Al-Khaled Al-Hamad Al-Sabah
The Crown Prince of the State of Kuwait



His Highness
Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah
The Amir of the State of Kuwait



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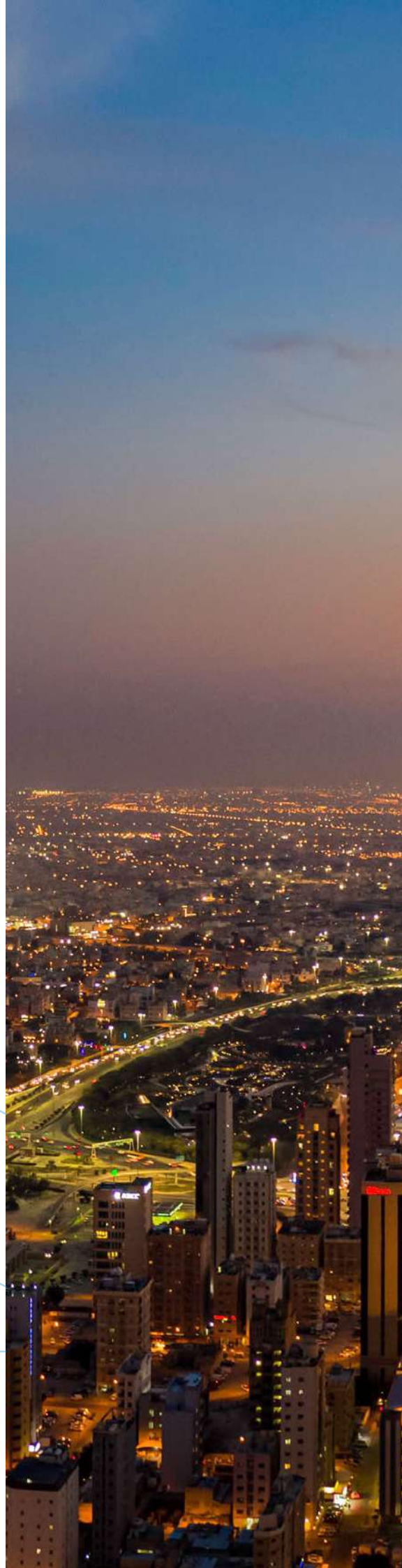
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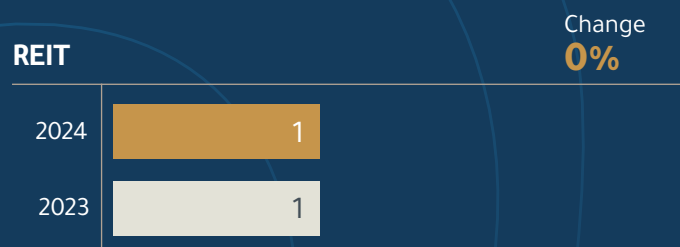
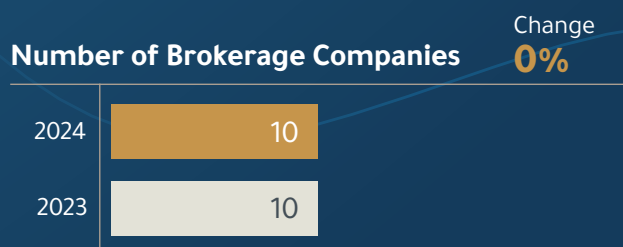
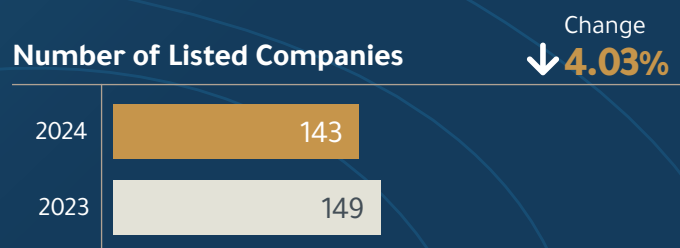
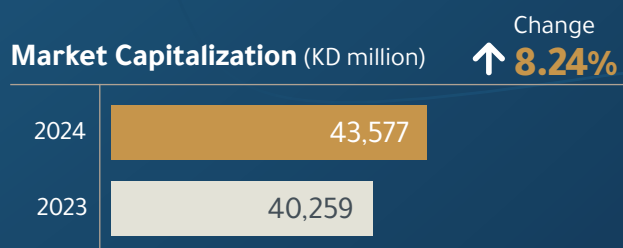
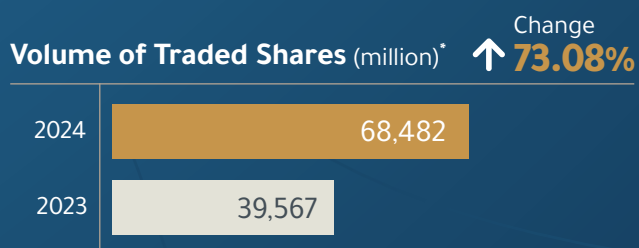
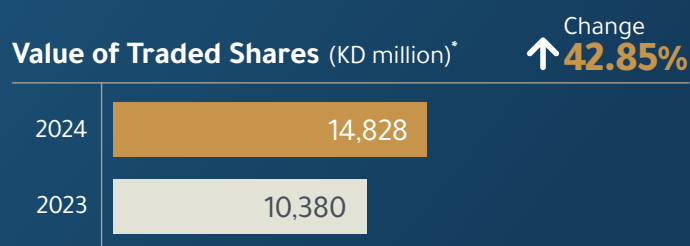
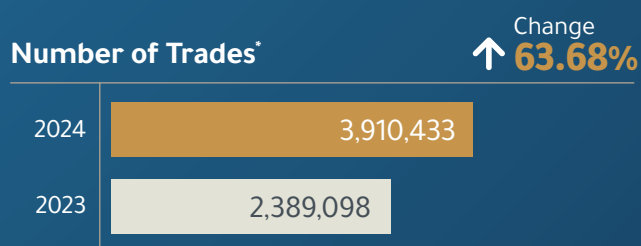
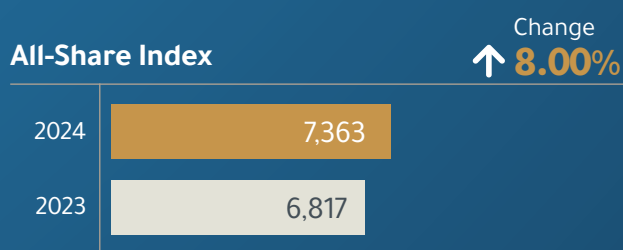




General Market Statistics

Building a Sustainable Future

Building upon a foundation of success, Boursa Kuwait (Boursa Kuwait or Company) achieved significant milestones in 2024, further solidifying its position as one of the leading exchanges in the region and contributing to the development of a vibrant and sustainable market within the Kuwaiti financial landscape.



* includes Tradable Rights issues.



At a Glance

Shaping the Future of the Kuwaiti Capital Market

Boursa Kuwait is the national stock market of the State of Kuwait. The Company has been a key driver in the development of the Kuwaiti capital market and the diversification of the national economy in line with the goals of the country's vision to transform into a cultural, financial and investment hub in the region.

Financial Highlights

Total Operating Revenues (KD)

36.31 million

↑ 18.36%

Total Operating Expenses (KD)

13.91 million

↑ 12.12%

Net Profit (Attributable to Shareholders of the Parent Company) (KD)

18.18 million

↑ 15.08%

Total Assets (KD)

126.15 million

↑ 6.11%

Total Liabilities (KD)

11.72 million

↑ 11.86%

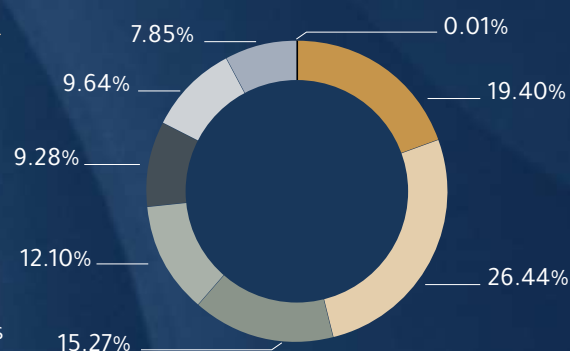
Total Equity (Attributable to Shareholders of the Parent Company) (KD)

67.55 million

↑ 5.17%

Total Operating Revenues (KD), % Breakdown

7,046,454	■ Subscription Fees
9,602,520	■ Share in Trading Commission
5,545,950	■ Clearing Operations
4,393,456	■ Central Depository Services
3,371,240	■ Shareholders Register Services
3,501,946	■ Settlement Operations
2,850,113	■ Miscellaneous Fees
3,002	■ Reversal of Provision for Expected Credit Losses
36,314,681	Total Operating Revenues



Since its establishment, Boursa Kuwait has succeeded in delivering significant progress to the Kuwaiti capital market through engagement, growth and innovation while continually supporting regulators, issuers, investors and various key stakeholders. It has successfully guided the reclassification of the Kuwaiti capital market to “Emerging Market” status in the world’s top three indices, strengthening the country’s position as a leading financial center in the region.

The Company acts with strategic purpose and focus to develop the market in line with international standards and has earned a reputation for continuous improvement by introducing investment tools and products, reinforcing transparency and restructuring the market to increase its competitiveness and liquidity.

Boursa Kuwait also serves as a catalyst and trailblazer for Kuwait’s privatization drive. The Company was among the first Kuwaiti government entities to successfully undergo privatization, which it accomplished in 2019 over two phases.

In the first phase, a consortium of Kuwaiti investment companies and an international exchange won the bidding to purchase 44% of the Company’s shares in February, while the second phase took place in October of the same year when 50% of the Company’s shares were offered to Kuwaiti citizens in an initial public offering (IPO), which saw an oversubscription rate of 850%. The remaining 6% is owned by the Public Institute for Social Security (PIFSS).

Boursa Kuwait is also one of the first stock exchanges in the Middle East to go public, self-listing on the “Premier” Market in September 2020.



Vision

To develop a strong and efficient financial market with liquidity and transparency that can effectively put issuers and investors in touch with one another for investment opportunities and high returns on investment in creating a developed capital market that is a pioneer in the region.



Mission

To develop an effective and fair platform for trading with high transparency, one that is able to provide financial and investment services efficiently for all, with a focus on excellence in each service we provide.



Core Values

Professionalism

We adhere to widely accepted, proven international standards in our work. We deal with our customers, colleagues and all stakeholders in the utmost professional manner.

Accountability

We take responsibility for our performance in the eyes of all, ready to be held accountable for our individual actions and to receive commensurate rewards for our hard work and achievements.

Client impact

We are results-oriented and strive to make a difference. We create sustainable impact with our work in our industry and communities, while delivering on our sustainability commitments.

Prudence

We continuously strive to achieve sustainable profits and returns for everyone and are committed to taking prudent steps, stemming from our understanding of the risk factors that our organization and our clients are exposed to. Our diligence in managing these factors mitigates risks.

Our History

Kuwait boasts a rich trade history that dates back to the 18th century, establishing itself as a pivotal route from the Arabian Gulf to Aleppo and a key hub for Indian trade routes. The nation's shipbuilding prowess in the Indian Ocean became renowned, with Kuwaiti merchants even venturing to Mumbai to source materials for boat construction.

In 1911, this maritime legacy led to the founding of Arab Steamers Limited, the region's first company to issue shares. Stock trading then gained traction in the 1950s, with significant developments occurring in the early 21st century, including the establishment of the Capital Markets Authority (CMA) in 2010, which focused on regulating securities activities and promoting transparency, efficiency and fair trade.

One of the key decisions made by the CMA in its nascent years was the formation of Boursa Kuwait in 2014 as a private company tasked with assuming the responsibility for Kuwait's stock exchange operations from the Kuwait Stock Exchange, in an effort to develop and enhance the Kuwaiti capital market to international standards. The Company was able to initiate reforms, adopt best-in-class practices and entice investors from all over the world to invest in the market.

Boursa Kuwait was established with a clear mandate to streamline processes and develop products and services, restructure the market to increase its competitiveness and ensure that the Kuwaiti capital market is able to attract international institutional investors, in line with the State of Kuwait's vision and the National Development Plan and as part of the nation's efforts to transform into a cultural, financial and investment hub in the region.

The Company was also able to transform itself from a government entity into a private organization quite seamlessly. In a groundbreaking move, a consortium of investors acquired 44% of the CMA's shares in 2019, and subsequently, an IPO in October of the same year witnessed a remarkable 850% oversubscription, making it one of the region's most successful IPOs. Boursa Kuwait then triumphantly listed its shares on the "Premier" Market in September 2020.

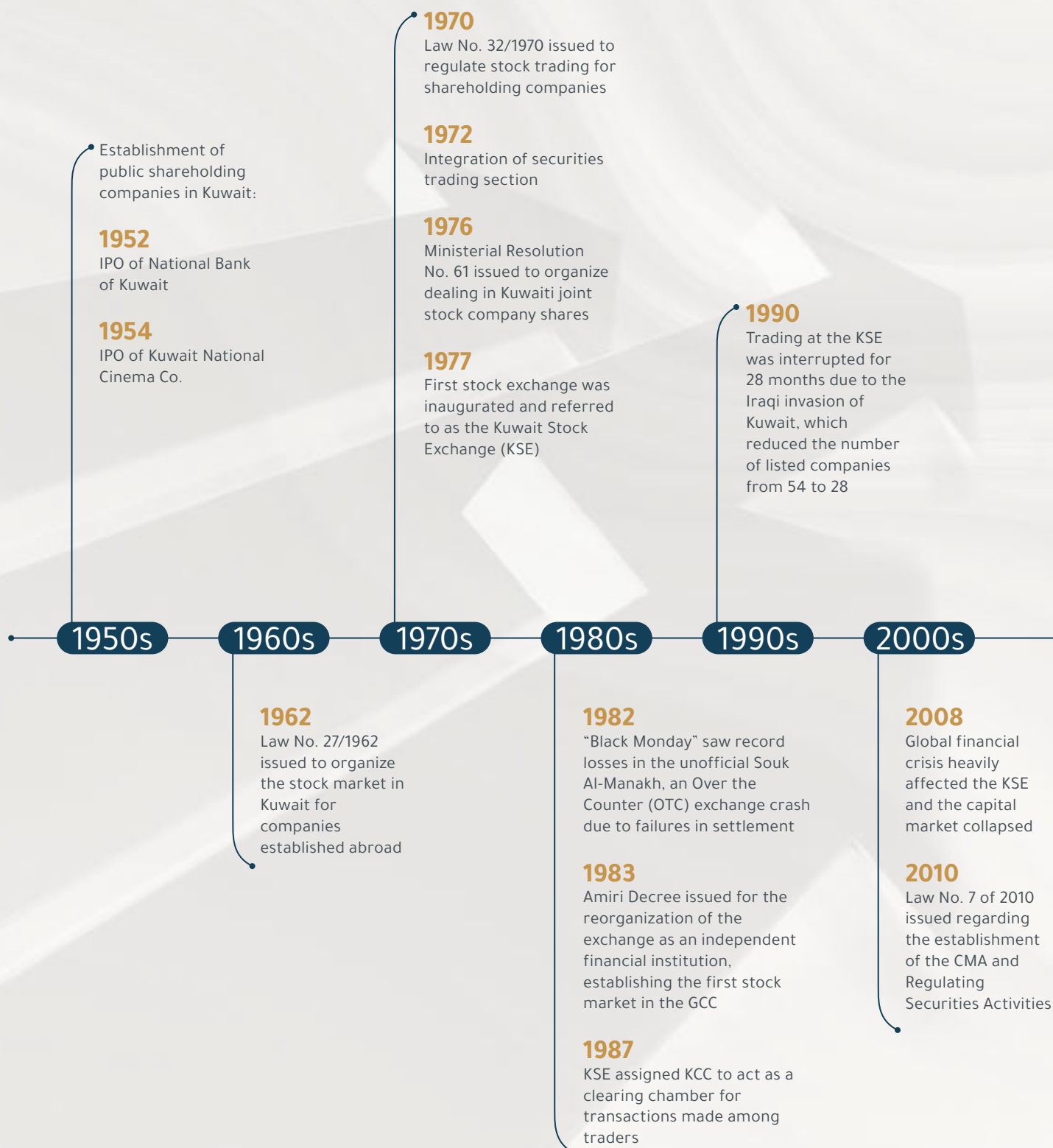
Boursa Kuwait's efforts with the CMA and Kuwait Clearing Company (KCC) led to Kuwait's reclassification as an "Emerging Market" by the world's leading index providers, a journey that reflects a compelling narrative of transformation, innovation and success in Kuwait's financial landscape.





Our History (continued)

Kuwait's Capital Market History 1950s to 2010



Boursa Kuwait's History From Establishment to 2023

2014

Establishment of Boursa Kuwait, marking the first step in privatizing Kuwait's stock exchange

2015

Boursa Kuwait's Board of Directors approved the transitional strategy

2016

- Boursa Kuwait formally assumed responsibility for Kuwait's stock exchange operations
- CMA awarded the exchange license to Boursa Kuwait, enabling independent operation of the exchange
- Web-based Company Information Portal (CIP) was launched for timely disclosures in a streamlined manner
- Boursa Kuwait, KCC and the CMA created the Tri-Lateral Taskforce for the development of Kuwait's capital market

2017

- Trading efficiency's MD 1 launched, covering:
 - Tick size
 - T+3 settlement cycle
 - Corporate actions
 - Static price limit
- Full trading rulebook published
- FTSE Russell announced the reclassification of Kuwait to "Emerging Market"

2018

- Updated rulebook published
- MD 2 launched, covering:
 - Market segmentation
 - Listing rules
 - Analyst conferences
 - Bilingual disclosures
 - Market cap indices
 - Dynamic circuit breakers
 - Index circuit breakers
- Boursa Academy launched to promote financial literacy
- OTC platform established
- S&P DJI announced reclassification of Kuwait to "Emerging Market"

2019

- Updated rulebook published
- MD 3.1 launched, covering:
 - Trade-at-last
 - Closing auction order
 - Off-market trades automation
 - Short selling and SLB
 - Intentional crossing
 - Tender offers
 - Security swaps
 - REITs
- MSCI announced conditional reclassification of Kuwait to "Emerging Market"
- Partial privatization (Consortium won a tender to acquire 44% and PIFSS 6%)
- 50% IPO subscription

2010s

2020s

2020

- BK Main 50 launched
- Acquisition of additional 16.67% of KCC
- Boursa Kuwait listed on the "Premier" Market
- Kuwait's inclusion into MSCI Emerging Markets Indices
- First REIT listed on Boursa Kuwait
- New Boursa Kuwait website and apps launched

2021

- Introduction of Tradable Rights Issues
- "Main" Market listings of:
 - Land United Real Estate Company
 - Al-Safat Investment Co.
 - Jassim Transport & Stevedoring Company
- Launch of ESG Disclosure Guide

2022

- Inauguration of new Nasser Al-Kharafi/Jassim Al-Bahar Trading Hall
- Listing of Ali Al-Ghanim Sons Automotive Company

2023

- Obtained LEED Gold certification for its building

Year in Review

Boursa Kuwait celebrated its 10th anniversary in 2024, marking a decade of transformation, innovation and a steadfast dedication to fostering trust in Kuwait's financial ecosystem. Throughout this journey, the exchange has established itself as a cornerstone of the nation's economic landscape, empowering investors with a secure, transparent and forward-thinking market platform while building a foundation for future generations to thrive.

February 1

Winner of "Best for Sustainability Transparency" by Global Finance

Boursa Kuwait was awarded this prestigious honor for its exceptional commitment to transparent and accurate sustainability reporting practices.



March 7

Ring the bell for women's empowerment

Boursa Kuwait joined over 100 exchanges from around the world to ring the bell in commemoration of International Women's Day, marking the seventh consecutive year that the exchange participates in the global "Ring the Bell for Women's Empowerment" initiative.



May 21

Showcasing promising investment opportunities in the Kuwaiti capital market with Jefferies Financial Group (JEF)

Boursa Kuwait organized its 12th Corporate Day in London, connecting six listed companies with global institutional investors, with three dozen meetings aimed to attract investors' interest in the unique opportunities presented by Kuwait's listed companies and market.



March 4

Promoting women's economic empowerment and inclusion of women in leadership positions

Boursa Kuwait hosted a fireside chat on women's economic empowerment, organized by the European Union delegation in Kuwait, to enrich society with diverse viewpoints and innovative leadership styles to address contemporary challenges.



May 1

Hosting Chinese companies keen on listing on Boursa Kuwait

Boursa Kuwait welcomed a distinguished delegation of senior executives from three prominent Chinese enterprises listed on the Hong Kong Stock Exchange (HKEX), alongside one company formerly listed on the New York Stock Exchange (NYSE), exploring opportunities to list on Boursa Kuwait.



May 28

Promoting best practices in investor relations and crafting impactful annual reports with Instinctif Partners

Boursa Kuwait hosted a well-received Investor Relations (IR) workshop for dozens of companies listed in the Kuwaiti capital market in collaboration with Instinctif Partners, helping to enrich the awareness and understanding of the latest, best-in-class standards and practices in IR, an important aspect of communicating with investors and creating trust and transparency in capital markets.



June 10

"Premier" Market listing of Beyout Investment Group Holding Company

Boursa Kuwait's "Premier" Market welcomed Beyout Investment Group Holding Company's strategic decision to list 30% of its shares to diversify its shareholder base, strengthen the company's governance structures, and broaden its network and visibility among its principal investors.



June 14

Organizing a blood drive in collaboration with Kuwait Central Blood Bank

In commemoration of World Blood Donor Day, Boursa Kuwait and KCC organized the fourth edition of their annual blood drive at the Boursa Kuwait building, in partnership with Kuwait Central Blood Bank, to raise awareness of the importance of donating blood.



June 5

Driving long-term value creation with artificial intelligence in Investor Relations

Boursa Kuwait hosted an IR workshop in collaboration with the Middle East Investor Relations Association (MEIRA) and its Kuwait chapter, highlighting the role that artificial intelligence (AI) can play in elevating the IR function and what that means for long-term value creation.



June 12

Highlighting investment opportunities in the Kuwaiti capital market during the GCC Exchanges Conference

Boursa Kuwait held its 13th Corporate Day during the GCC Exchanges Conference organized by HSBC, providing a platform for leading Kuwaiti issuers to engage with world-renowned investment institutions, through over 50 meetings to share knowledge and build relationships.



Year in Review (continued)

In 2024, the exchange continued its stellar journey and achievements, engaging with the international investment community, reinforcing Kuwait's position on the global stage, and attracting foreign investment to build a legacy of collaboration that continues to enhance the country's standing as a hub of financial opportunity.

June 20

Support for the UN Refugee Agency and its mandate on World Refugee Day 2024

Boursa Kuwait continued its strategic partnership with the United Nations High Commission for Refugees (UNHCR), pledging its support for the fourth consecutive year on World Refugee Day 2024, in line with its broader efforts to support humanitarian causes and make a difference and positive impact in the community.



September 17

Empowering women in finance in partnership with Playbook

Boursa Kuwait sponsored and hosted a "Women and Prosperity" event organized by Playbook, which brought together some of the standout female leaders from Kuwait and across the GCC to highlight the growing role women are playing in shaping the future of the financial services industry.



September 29

Encouraging digital innovation in Investor Relations with MEIRA

Boursa Kuwait organized an interactive seminar on digital innovation and its impact on IR, in collaboration with MEIRA and its Kuwait chapter, as part of its efforts to enhance the field of IR and its practices as well as improve the transparency of communications with prospective and current local and international investors and other stakeholders.



June 22

Winning two awards at The European Global Sustainability & ESG Awards 2024

Boursa Kuwait's focus on Environmental, Social, and Governance (ESG) and sustainability was recognized with two prestigious awards - Best Sustainable Corporate Governance and Best ESG Development Strategy - differentiating Boursa Kuwait as a standout company driving the industry forward through strong governance, innovation, expertise and exceptional service quality.



September 23

Promoting the latest sustainability disclosure standards with the United Nations' Sustainable Stock Exchanges Initiative

Boursa Kuwait held a Continuous Professional Development (CPD) certified training workshop on the latest sustainability disclosure standards by the International Financial Reporting Standards, allowing participants to gain critical knowledge and interact with experts on the topic.



October 7

Joining stock exchanges around the world to commemorate the eighth edition of World Investor Week

Boursa Kuwait launched its financial literacy program, "The Bell", in collaboration with Kuwait Financial Center (Markaz), the CFA Society, Kuwait University and Kuwait Credit Information Network (CINET) to raise awareness of financial literacy. By fostering a financially empowered population, Boursa Kuwait solidifies its position as a leading regional and international exchange.

In addition, the Company rang the bell for financial literacy for the fourth consecutive year, joining over 100 stock exchanges around the world to raise awareness of financial literacy as part of World Investor Week (WIW).



October 20

Sponsoring CODED Academy's UniCODE Program

Boursa Kuwait entered a strategic partnership with CODED Academy, the first coding boot camp in the Middle East. As part of this partnership, Boursa Kuwait sponsored and hosted the academy's UniCODE coding program for college students and recent graduates.



November 25-26

Hosting Corporate Day with Jefferies Financial Group in Dubai

Boursa Kuwait, in collaboration with JEF held its 14th Corporate Day in Dubai. This provided a platform for seven listed companies to showcase their financial figures, strategies and outlooks by connecting them with institutional investors from around the world.



October 14

Organizing awareness session on the fundamentals of wellness

As part of its breast cancer awareness campaign for Pink October, Boursa Kuwait organized an awareness session for female patrons in its building. The session, titled "Fundamentals of Wellness: Healthy Habits for a Sustainable Life," focused on healthy nutritional habits that women can adopt to lead healthier and more sustainable lives.



November 20

Organizing panel discussion with the United Nations Development Programme (UNDP) to combat the challenges of climate change

Boursa Kuwait joined the "Ring the Bell for Climate" initiative, highlighting the financial sector's role in addressing climate challenges ahead of COP29. Boursa Kuwait hosted a workshop on the SDG Impact Measurement and Management Cycle to support the initiative, emphasizing the private sector's contribution to sustainability.



Theme of The Year

A Year of Progress. A Legacy of Trust.

Boursa Kuwait celebrated its 10th anniversary in 2024, marking a decade of transformation, innovation and commitment to building trust in Kuwait's financial ecosystem.

Throughout this journey, the exchange has been firmly established as a cornerstone of the nation's financial landscape, empowering investors with a secure, transparent and forward-thinking market platform while building a robust foundation for future generations to thrive.

Through its strategic partnerships and transformative cross-border collaborations, Boursa Kuwait amplifies Kuwait's global influence, attracting international investments and building a lasting legacy of shared prosperity that solidifies the nation's status as a vibrant and forward-thinking financial powerhouse.

The exchange fuels confidence by fostering an inclusive, innovative and resilient financial environment that has become synonymous with operational excellence, sustainability

and governance as well as offering a gateway to opportunity and cementing its role as a leader committed to the prosperity of all its stakeholders.

Boursa Kuwait's achievements reflect its enduring legacy of progress and trust. Since its inception in 2014, it has blossomed into a vibrant marketplace where innovation meets stability, sustainability drives purpose and global standards ignite confidence. The Company stands as a beacon of inspiration, empowering growth and shaping a brighter future for generations to come.

As it looks to the future, Boursa Kuwait remains focused on its mission to deliver sustainable value, champion innovation and empower investors. Guided by its forward-looking strategy and a dedication to empowering investors, the exchange continues to drive growth and foster a trusted environment where opportunity thrives, and its legacy prevails.



Investor Relations and Shareholders' Statistics

Enhancing Transparency and Trust through Best-Practice Investor Relations

Boursa Kuwait views effective IR as essential to fostering a dynamic, transparent and globally competitive capital market. By encouraging listed companies to adopt best practices, Boursa Kuwait enables consistent and open communication with investors, ensuring timely and accurate disclosure of financial and corporate information. These efforts aim to empower investors with the insights needed for informed decision-making, enhancing market liquidity, strengthening trust and attracting regional and international investment.

It has implemented a range of initiatives designed to cultivate strong relationships between listed companies and the investment community. These efforts align with its mission to promote transparency, build trust and contribute to the sustainable development of Kuwait's

capital market. To learn more about how Boursa Kuwait engages with its investor community, please refer to our Corporate Sustainability chapter under the Strategic Review section on page 48.

32 Meetings

3 Workshops

4 Conferences

10 Calls



Investor Relations Events Calendar 2024

21 February 2024 FY-2023 Financial Results	27 February 2024 Q4-2023 Analyst Conference	28 March 2024 Ordinary General Assembly	24 April 2024 Dividend Distribution
5 May 2024 Q1-2024 Financial Results	9 May 2024 Q1-2024 Analyst Conference	20 May 2024 The 12 th Corporate Day (held in London in collaboration with JEF)	28 May 2024 Boursa Kuwait Instinctif Partners IR Workshop
5 June 2024 Boursa Kuwait MEIRA IR Workshop	12-13 June 2024 Corporate Day and GCC Exchanges Conference (held in London in collaboration with HSBC)	30 July 2024 H1-2024 Financial Results	1 August 2024 H1-2024 Analyst Conference
9 September 2024 Boursa Kuwait MEIRA IR Workshop	30 October 2024 Q3-2024 Financial Results	5 November 2024 Q3-2024 Analyst Conference	25-26 November 2024 The 14 th Corporate Day (held in Dubai in collaboration with JEF)



Investor Relations Department

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Website: <https://www.boursakuwait.com.kw/en/overview>

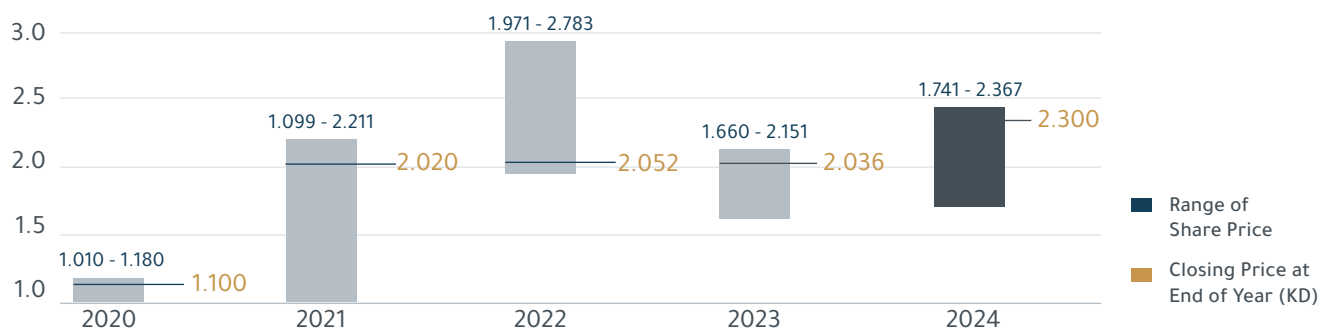


Investor Relations and Shareholders' Statistics (continued)

Share Information

Legal Name	Boursa Kuwait Securities Company K.P.S.C.
Date of Incorporation	21 April 2014
License Date	5 October 2016
Listing Date	14 September 2020
Exchange Ticker	BOURSA
Code	827
Bloomberg Ticker	BOURSA KK
Thomson Reuters Ticker	BOURSA.KW
ISIN	KW0EQ0607022
Sector	Financial Services
Paid-Up Share Capital	KD 20,077,575
Outstanding Number of Shares	200,775,750
Par-value per Share	KD 0.100
Fiscal Year	1 January - 31 December
Registrar	Kuwait Clearing Company

Share Performance



Share Statistics (as of 31 December 2024)

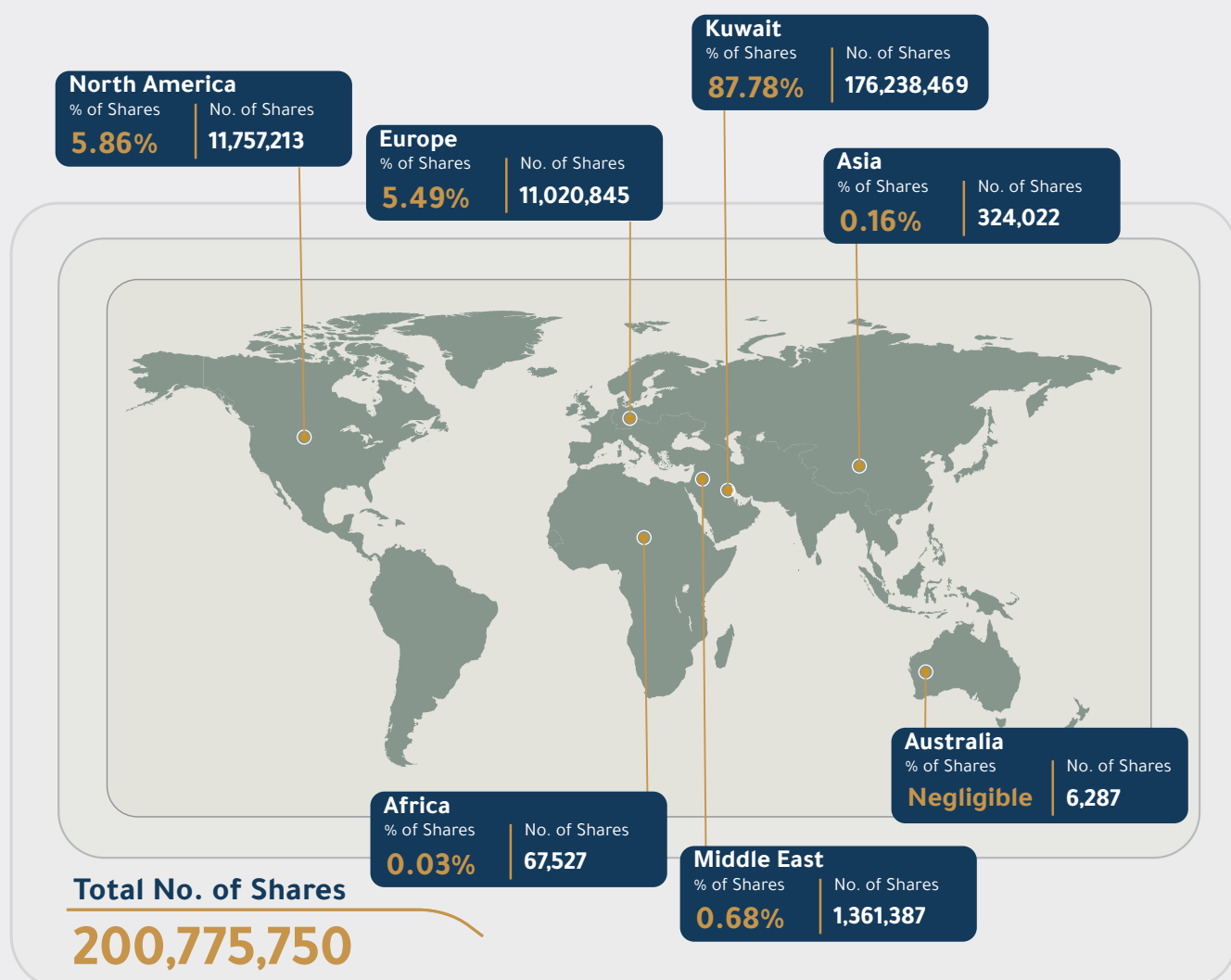
	Price (KD)	Market Cap (KD)	Day	Volume (shares)	Traded Value (KD)	Day
Low	1.741	349,550,580.75	02/01/2024	21,247	45,082.52	12/09/2024
Average	2.063	414,365,526.50	N/A	198,096	409,735.41	N/A
High	2.367	475,236,200.25	23/12/2024	788,556	1,593,967.90	29/02/2024

Share Performance Since the IPO

Share Price (KD)				All-Share Index Price Return	Dividend Distributions to Shareholders	Total Return (%) (incl. dividends)	
Year	Start	End	Price Return (%)			Annual	Cumulative
2020*	1.055	1.100	4.27%	3.43%*	40 fils	8.06%	8.06%
2021	1.100	2.020	83.64%	26.99%	65 fils	89.55%	104.82%
2022	2.020	2.052	1.58%	3.53%	85 fils	5.79%	116.68%
2023	2.052	1.724	-15.98%	-6.51%	74 fils	-12.38%	89.86%
2024	1.724	2.300	33.41%	8.00%	82 fils	38.17%	162.32%

*Listing date: 14 September 2020

Shareholders by Geography (as of 31 December 2024)



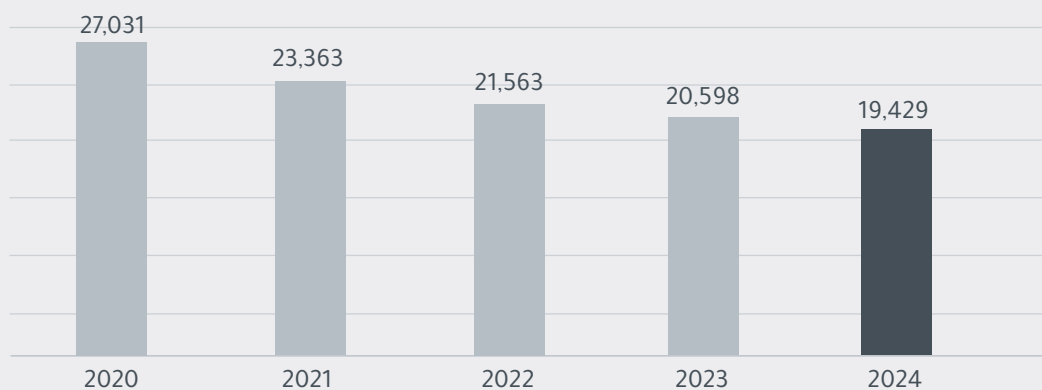
Investor Relations and Shareholders' Statistics (continued)

Shareholder Structure by Investor Type (as of 31 December 2024)

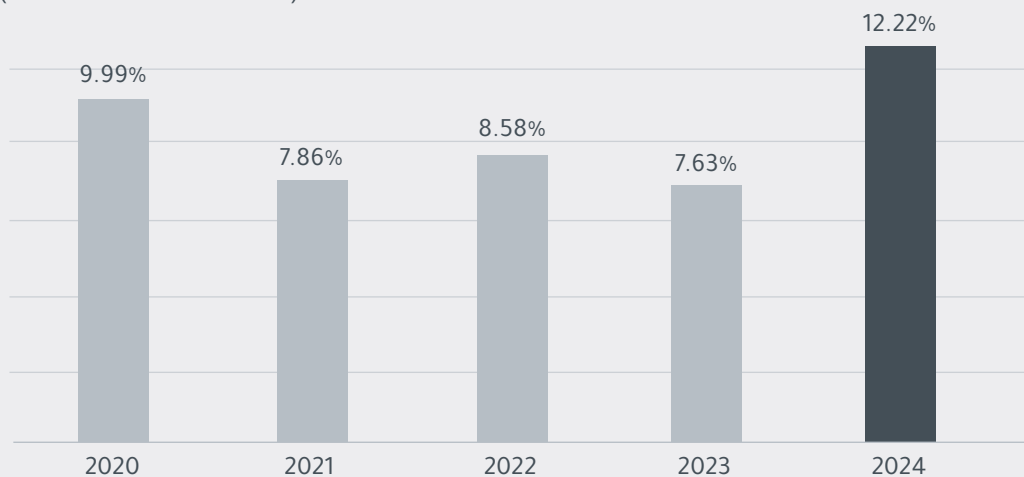
Analysis of Shareholdings								
Date	31 December 2024							
No. of Shareholders	19,429							
Total Shares	200,775,750							
5% of Total Shares	10,038,788							
	No. of Shareholders				No. of Shares Held			
	Kuwaiti		Foreigner		Kuwaiti		Foreigner	
Number of Shareholders	No.	%	No.	%	No.	%	No.	%
Count of Shares <= 100	3,301	16.99%	13	0.07%	217,688	0.11%	431	0.00%
Count of Shares 101 - 1,000	11,813	60.80%	25	0.13%	3,719,618	1.85%	9,639	0.00%
Count of Shares 1,001 - 10,000	3,608	18.57%	44	0.23%	8,533,704	4.25%	202,240	0.10%
Count of Shares 10,001 - 100,000	430	2.21%	61	0.31%	10,000,580	4.98%	2,361,161	1.18%
Count of Shares 100,001 - less than 5% of issued shares	89	0.46%	40	0.21%	66,366,941	33.06%	21,963,810	10.94%
Count of Shares 10,038,788 (5% of issued shares and above)	5*	0.03%	0	0.00%	87,399,938	43.53%	0	0.00%
Total	19,246	99.06%	183	0.94%	176,238,469	87.78%	24,537,281	12.22%
Grand Total	19,429				200,775,750			

* Includes accounts of portfolio management companies comprising multiple clients. Each account is considered as a shareholder.

Number of Shareholders (as of 31 December)

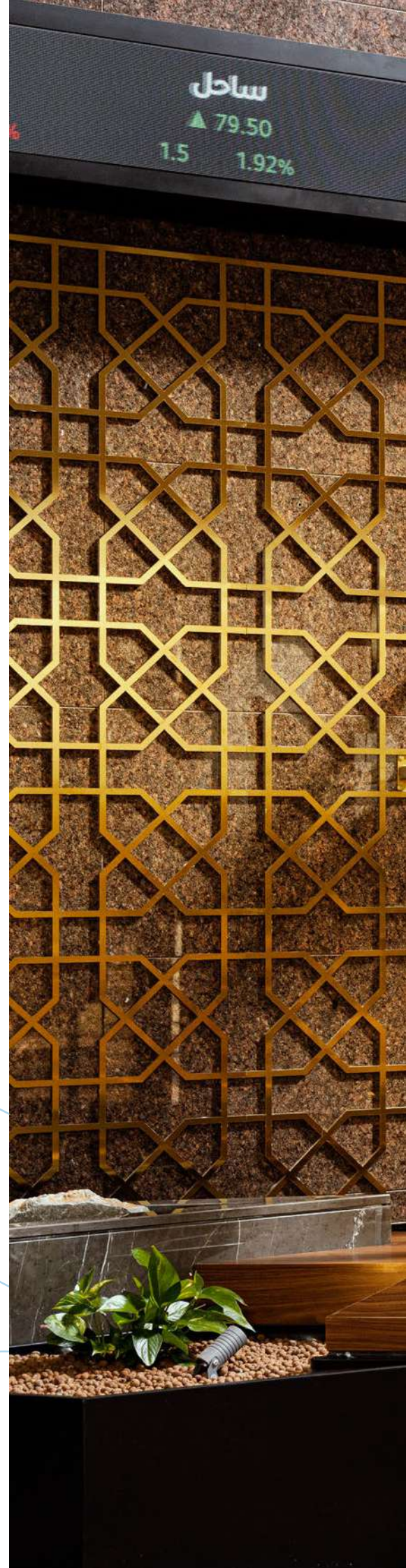


Participation of International Investors in BOURSA - % of Share Capital (as of 31 December)



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مشاريع

▼ 133.00

-2 -1.48%

استثمارات

▼ 231.00

-7 -4%

ايضا

▲ 90.50

0.6 0.67%

تسهيلات

▲ 172.00

2 1.18%

كويتية

▼ 129.00

-4 -3.01%

ويبان

▼ 765

-6 -0.6%



Statement from the Chairman



Fostering a dynamic and attractive investment environment.

Mr. Hamad Mishari Al-Humaidhi
Chairman

Dear Esteemed Boursa Kuwait Shareholders,

On behalf of myself and the members of the Board of Directors and Executive Management, I am pleased to present the Annual Report for Boursa Kuwait Securities Company (K.P.S.C.), detailing the Company's most important developments during 2024, as well as the consolidated financial statements for the year ended 31 December 2024.

This year marked a pivotal milestone in Boursa Kuwait's journey, as the Company celebrated its 10th anniversary - a decade of transformative growth and remarkable achievements that have strengthened Kuwait's financial market as a cornerstone of the national economy.

Since its inception, Boursa Kuwait has been steadfast in its commitment to transparency, efficiency, and sustainability, fostering a dynamic and attractive investment environment that meets the highest global standards. This first decade stands as a testament to our dedication to developing the capital markets sector and reinforcing its role as a key driver of economic growth.

Guided by a clear vision and an ambitious strategy, Boursa Kuwait continues to strengthen its position as a leading regional exchange by enhancing market attractiveness for local and international investors, developing a robust infrastructure, and fostering a business environment aligned with global best practices.

Strong Financial Performance

Despite the geopolitical tensions and economic challenges of 2024, Boursa Kuwait remained resilient and adaptable, delivering a strong recovery that highlights its financial strength and the effectiveness of its strategy. The Company recorded a net profit of KD 18.18 million for the fiscal year ended 31 December 2024, a significant increase of 15.08% from the 2023 net profit of KD 15.80 million and its highest on record*.

Operating profit rose to KD 22.40 million, reflecting an increase of approximately 22.59% from KD 18.27 million. Total assets also grew to approximately KD 126.15 million, up 6.11% from KD 118.89 million in 2023. Shareholders' equity attributable to Boursa Kuwait's shareholders increased from KD 64.23 million to

* After adjusting for the one-off gain on business combination of KD 13.22 million in 2020.

KD 67.55 million, marking a rise of 5.17%. Additionally, operating revenue saw a significant uptick, climbing from KD 30.68 million to KD 36.31 million, an increase of approximately 18.36%. Additionally, earnings per share increased by 15.08% from 78.68 fils in 2023 to 90.55 fils in the year ended 31 December 2024.

Given these results, Boursa Kuwait's Board of Directors proposed the distribution of cash dividends of 82 fils per share, which is approximately 90.56% of the Company's net profit. The proposed distribution of cash dividends is subject to approval at the Annual General Assembly and by the relevant regulatory authorities.

Corporate Governance and Sustainability

Corporate governance implementation at Boursa Kuwait has been consistent with its strategic vision to develop the Kuwaiti capital market and protect the interests of its various stakeholders, including investors, shareholders and listed and licensed companies.

Boursa Kuwait believes that compliance with the highest standards of corporate governance is essential to sustain business at any establishment, a belief that has been deeply rooted since the Company was founded to ensure fair, objective, and transparent implementation of works to protect the interests of shareholders and investors.

Sustainability remains a cornerstone of Boursa Kuwait's long-term success, as the Company continues to advance initiatives aligned with its corporate sustainability strategy. Anchored in the pillars of Community and the Environment, closely aligned with the United Nations' Sustainable Development Goals (SDGs) and our ESG reporting frameworks, our efforts reflected our commitment to driving meaningful impact.

Over the past year, the Company forged strategic partnerships to address pressing social issues, sponsored initiatives aimed at environmental protection and natural resource conservation in Kuwait and organized educational programs to promote financial literacy within the Kuwaiti community. The Company also continued to garner awards and accolades for its corporate sustainability efforts and ESG implementation and reporting.

These efforts underscore Boursa Kuwait's unwavering commitment to sustainability, social responsibility, and good governance. By fostering meaningful partnerships, driving environmental initiatives, and promoting financial literacy, we continue to create a positive and lasting impact on the community.

Boursa Kuwait's corporate sustainability program is the foundation of its lasting success, thoughtfully designed and implemented to achieve business goals, support stakeholders, and contribute to the growth of the Kuwaiti economy as well as embodying Boursa Kuwait's commitment to building a prosperous and sustainable future.

A Promising Future

As it celebrates a decade of achievements, Boursa Kuwait remains committed to its ambitious vision of developing an advanced financial market defined by efficiency, liquidity and credibility, positioning itself among the region's leading exchanges. The Company continues to build investor confidence - both locally and within the international investment community - through a strategic approach centered on collaboration, the adoption of cutting-edge technologies and a strong commitment to governance, transparency and disclosure, reinforcing its position as a trusted, leading and sustainable investment destination.

Building on this solid foundation and guided by a long-term, well-defined strategy, Boursa Kuwait continues to drive market development, enhance sustainability and strengthen its role as a key pillar of Kuwait's economic landscape - actively contributing to the country's broader economic vision and serving as a gateway to Kuwait's economy and the vast opportunities it offers.

Statement from the Chairman (continued)

The Bedrock of Boursa Kuwait

On behalf of myself and my fellow Board members, I want to express profound gratitude and appreciation to His Highness the Amir of the State of Kuwait, Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah for his unwavering efforts to ensure the stability and prosperity of the State of Kuwait and the national economy.

I want to also extend my gratitude to my fellow members of the Board of Directors and Executive Management for their invaluable contributions which have been integral to the implementation of our company strategy, mission and vision.

I would also like to thank each and every one of Boursa Kuwait's dedicated employees for their commitment, work ethic and diligent efforts to help the Company accomplish its goals and deliver on its promise to develop a strong and efficient financial market with liquidity and transparency, that can effectively put issuers and investors in touch with one another for investment opportunities and high returns on investment to create a developed capital market that is a pioneer in the region.

I also extend my heartfelt appreciation to our partners in the Kuwaiti capital market, including the Capital Markets Authority (CMA), Kuwait Clearing Company (KCC), issuers, investors, brokers and all market participants, for their invaluable contributions to the growth and advancement of the Kuwaiti capital market.

Finally, I want to thank you, the esteemed shareholders of Boursa Kuwait Securities Company, for your trust and your unwavering support of the Company and its goals to establish Boursa Kuwait as a prominent stock exchange in the Middle East and beyond, blazing a path towards growth and prosperity, playing an integral role in the diversification and development of the national economy and becoming a vital contributor to the State of Kuwait's vision to transform into a leading financial, cultural and investment hub in the region.

Final Reflections and Gratitude

This is my final letter as Chairman of the Board of Directors of Boursa Kuwait. It has been an extraordinary honor to chair this company's Board of Directors over the past six years, witnessing its evolution into a cornerstone of the Kuwaiti economy and a true success story in its financial sector.

As the first Chairman following the Company's privatization, I had the privilege of working alongside a dedicated team to navigate some of its key milestones. Among the most notable was its highly successful IPO, which saw an 850% oversubscription, followed by Boursa Kuwait's listing on the "Premier" Market.

Another landmark achievement was Kuwait's reclassification as an emerging market in the MSCI Index, a collective effort that attracted unprecedented foreign investments and solidified the Kuwaiti capital market's position on the global stage.

Beyond financial success, I am particularly proud of the Company's leadership in corporate governance, sustainability and ESG practices - setting benchmarks both locally and regionally and reflecting the bourse's unwavering commitment to responsible business practices and long-term economic growth.

As this chapter of our journey comes to a close, I take immense pride in what we have built together. I extend my deepest gratitude to the Board of Directors, Executive Management and every Boursa Kuwait employee for their trust, dedication and commitment. I also sincerely thank our shareholders and stakeholders for their steadfast support.

As my tenure comes to an end, I am confident that Boursa Kuwait will continue to grow, innovate and lead, driven by its strong foundation, visionary leadership and talented team, ensuring that its legacy of excellence endures for years to come.

Thank you all for this remarkable journey.



Statement from the Chief Executive Officer



**Reinforcing
confidence
among local and
international
investors.**

Mr. Mohammad Saud Al-Osaimi
Chief Executive Officer

2024: A Historic Milestone with Ongoing Achievements

As Boursa Kuwait celebrates its 10th anniversary in 2024, we reflect on a decade of transformation, innovation and trust. Over the past ten years, the Company has evolved into a regional benchmark for operational excellence, strengthening confidence in Kuwait's capital market. This journey has laid a solid foundation for sustainable growth, driven by a vision rooted in integrity, transparency and inclusivity.

The achievements of the past decade underscore Boursa Kuwait's steadfast commitment to empowering stakeholders and enhancing Kuwait's position as a global investment hub. The Company continues to strengthen its infrastructure, refine its products and services to align with the highest international standards and attract foreign investments, boosting market liquidity and investor confidence. Additionally, Boursa Kuwait remains dedicated to adopting global best practices, further cementing its status as a leading financial market in the region.

In 2024, the Kuwaiti capital market emerged as a standout performer, with key indices delivering strong returns driven by robust trading momentum and rising market capitalization. The market was also able to

secure a leading position among its counterparts in the Gulf Cooperation Council in terms of index growth and percentage increase in trading values, benefiting from a favorable macroeconomic environment thanks to the Central Bank of Kuwait's adoption of the monetary easing policy pursued by the United States Federal Reserve, leading the Central Bank to lower discount and interest rates, which provided a stable fiscal backdrop and spurred increased market participation.

Meanwhile, robust trading activity was further amplified by Boursa Kuwait's continued reform efforts to enhance market infrastructure and attract foreign investment in collaboration with the Capital Markets Authority (CMA) and Kuwait Clearing Company (KCC) - initiatives that align with Kuwait's broader economic diversification goals and its leadership within the GCC.

Boursa Kuwait successfully navigated the global economic challenges of 2024, including inflationary pressures and geopolitical tensions, through strategic foresight and adaptability. By implementing a proactive strategy and maintaining an operational model aligned with internationally recognized best practices, the Company strengthened the Kuwaiti capital market's reputation as a trusted hub for global investment and fostered a dynamic market ecosystem driven by innovation and sustainability.

Boursa Kuwait continued its collaboration with KCC in 2024 to enhance market infrastructure, building on the stress tests initiated the previous year to ensure compliance with the Central Counterparty (CCP) system. As part of these efforts, the Company worked to verify brokerage firms' ability to manage settlement operations in coordination with the Central Bank and local banks, paving the way for their qualification under the CCP. Additionally, Boursa Kuwait plans to introduce exchange-traded funds (ETFs) and a corporate fixed-income trading platform - including bonds and sukuk - in alignment with the CCP framework.

Building on this momentum, Boursa Kuwait remains committed to developing the market and enhancing its infrastructure as part of its progressive vision of creating a more competitive and sustainable financial market that supports Kuwait's economic growth and reinforces long-term confidence among local and international investors.

Strengthening Market Foundations

In 2024, the Kuwaiti capital market demonstrated remarkable growth, with traded volume surging by approximately 73.08%, from 39.57 billion shares in 2023 to 68.48 billion shares, and the value traded rising by 42.85%, from KD 10.38 billion to KD 14.83 billion. Additionally, market capitalization reached KD 43.58 billion, marking an 8.24% increase from the 2023 total of KD 40.26 billion.

Foreign turnover activity in the Kuwaiti capital market increased to 15.50% of total turnover activity during 2024, a 27.50% increase from 2023's 12.00% of turnover activity. Meanwhile, institutional investors continued to be key contributors, making up 61.00% of the total turnover in 2024.

Boursa Kuwait also listed Beyout Investment Group Holding Company in the "Premier" Market as part of its continuous efforts to increase the issuer base in the market. This listing, in addition to the upgrade of two companies from the "Main" Market, brought the total number of companies listed on Boursa Kuwait's flagship market from 31 in 2023 to 34 in 2024 and increased its market capitalization by 11.02% from KD 31.82 billion to KD 35.33 billion.

The "Premier" Market was a key driver of market activity, with approximately 29.31 billion shares traded at a total value of KD 9.78 billion across 1.96 million transactions. This accounted for 65.93% of the total traded value and 42.79% of the total traded volume on Boursa Kuwait, reinforcing its status as a primary market driver and a preferred destination for investors. Additionally, foreign ownership stood at KD 5.30 billion, accounting for approximately 14.93% of the "Premier" Market's market capitalization.

Meanwhile, the "Main" Market played a significant role in enhancing overall market liquidity, with a market capitalization of KD 8.25 billion and 109 listed companies. It traded over 39.13 billion shares, valued at approximately KD 5.05 billion across 1.95 million transactions. This accounted for 34.05% of the total traded value and 57.14% of the total traded volume in the Kuwaiti capital market, highlighting its crucial role in expanding investment opportunities and strengthening market depth. Additionally, the "Main" Market index increased by 24.01% in 2024, while the "Main 50" index rose by 24.04%.

Boursa Kuwait also facilitated capital increases valued at KD 54.33 million for Arabi Group Holding Company and International Financial Advisers Holding Company through Tradable Rights Issues, as part of its commitment to support listed companies, expand financing options, enhance market efficiency and broaden its investment opportunities.

These achievements underscore Boursa Kuwait's success in fostering a dynamic and resilient investment environment and reinforcing confidence among both local and international investors. By implementing a clear strategy focused on sustainability and innovation, the market has maintained a sustained upward trajectory over the past decade and solidified its position as a leading investment destination.

This progress supports market growth and strengthens Kuwait's standing as one of the region's premier financial hubs, paving the way for further regional and global expansion.

Statement from the Chief Executive Officer (continued)

Bridging Opportunities: Kuwait's Market on the Global Stage

Boursa Kuwait continued its series of corporate days and roadshows in 2024 as part of its strategy to enhance engagement with international investors and strengthen Kuwait's position on the global investment map. These initiatives reflect Boursa Kuwait's commitment to fostering investor confidence through transparency and adherence to global best practices, reinforcing its status as a leading regional investment hub. By prioritizing its mission's core pillars of governance, innovation and sustainability, the exchange is actively shaping a dynamic, globally integrated capital market that aligns with the State of Kuwait's broader economic expansion and foreign investment objectives.

Bolstering Innovation and Enhancing Efficiency

Since its inception, Boursa Kuwait has established itself as a leading financial institution, driven by a commitment to innovation, adaptability and sustainable development. In response to accelerating economic and financial advancements, the exchange continues to invest in modern infrastructure and enhance market efficiency, focusing on attracting initial public offerings (IPOs), expanding asset classes and accelerating digital transformation. Simultaneously, it remains dedicated to governance, corporate social responsibility and institutional sustainability, aligning with global best practices to foster long-term growth and resilience.

These efforts align with the Company's ambitious strategy to deliver advanced products and services, adopt cutting-edge technologies and strengthen Boursa Kuwait's position as a resilient financial market capable of adapting to global changes and meeting the expectations of investors and stakeholders.

In conclusion, I would like to extend my sincere gratitude and appreciation to the Chairman and members of the Board of Directors for their strategic vision and continuous support, which have played a pivotal role in guiding Boursa Kuwait toward achieving its ambitious goals. I also express my heartfelt thanks to our dedicated team, whose commitment and perseverance serve as the driving force behind our continued success.

Furthermore, I deeply value our strong partnership with the Capital Markets Authority, Kuwait Clearing Company, issuers and accredited brokerage firms, whose expertise and contributions have been instrumental in advancing the market's development and enhancing its operational framework.

I would also like to thank our shareholders and investors for their trust, which inspires us to continuously innovate and explore new opportunities that enhance the market's competitiveness on both regional and global levels.

Finally, I would like to reassure them that Boursa Kuwait remains committed to expanding its product offerings, enhancing market efficiency and improving accessibility, with a steadfast focus on transparency, governance and liquidity. These core pillars are at the heart of our strategy, aimed at strengthening investor confidence, highlighting leading listed companies and positioning Kuwait's capital market as a hub for innovation, sustainable growth and regional leadership.



Our Business Model

Boursa Kuwait receives fees from issuers, information vendors and other market users in exchange for providing a fair, secure and reliable market infrastructure and data commodity. Our main revenue streams are from trading-related services, subscriptions, Central depository services and Shareholders register services.

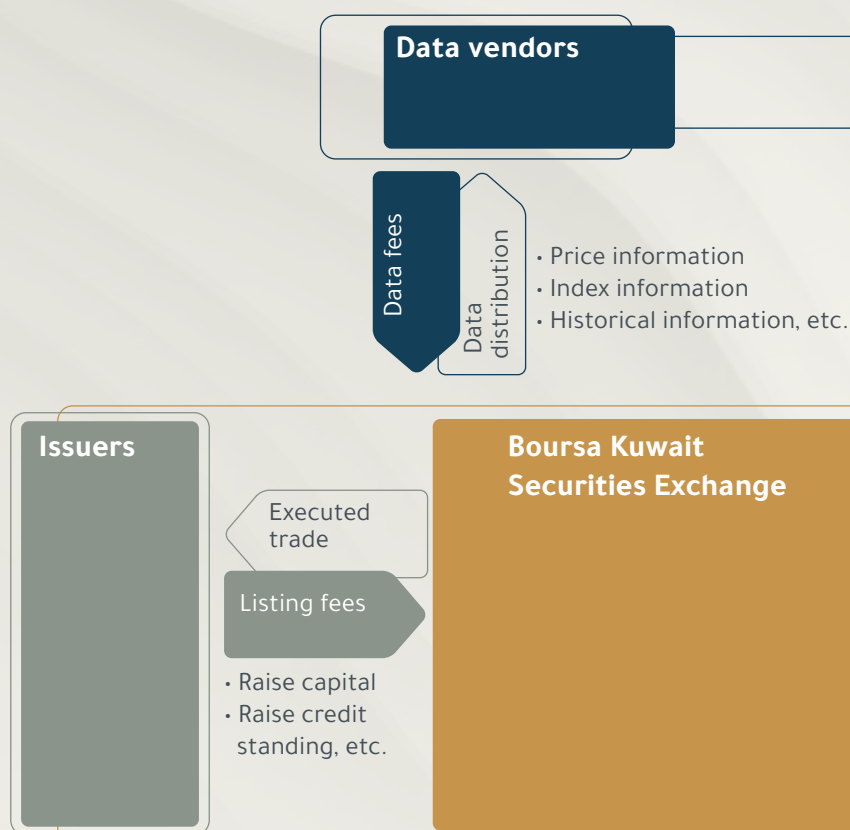
Inputs

- Financial capital
- Human capital
- Intellectual capital
- Social capital

Identified Trends and Needs

01 Macroeconomic environment and changing fiscal policy

02 Developments in global financial markets



Strategic Priorities

01 Equities market and asset class diversification

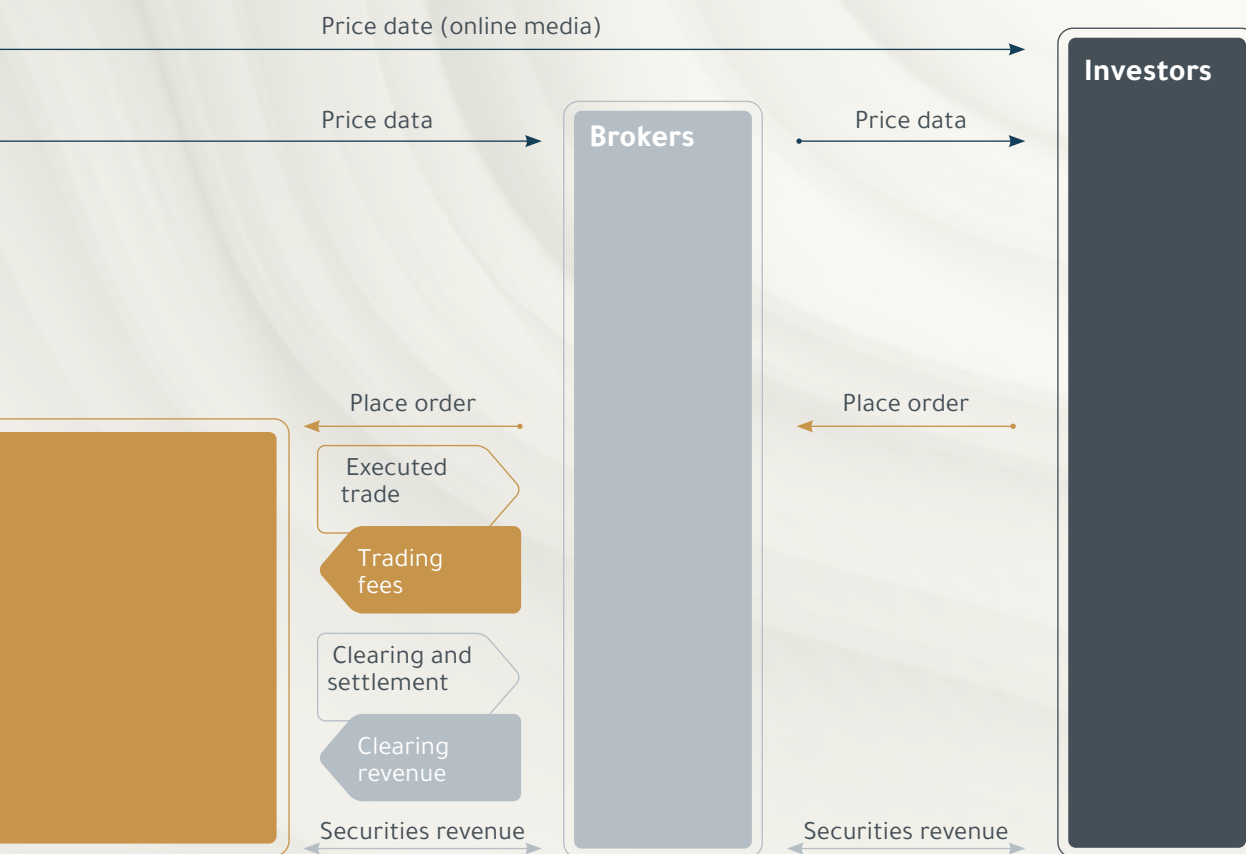
02 Issuer services and corporate access

03 Regional competition

04 Technological developments

Outcomes for Stakeholders

- Attractive issuer base
- Broaden investor base
- Increase depth and breadth of products
- Upgrade infrastructure and business environment



03 Data services and market access

04 Education and knowledge

- Key**
- Trading services revenue
 - Listing services revenue
 - Clearing services revenue (from subsidiary)
 - Date services revenue

Our Strategy

Boursa Kuwait's corporate strategy continues to evolve to align with Kuwait's National Development Plan, the vision of our company and the needs of our diverse stakeholder community given the rapidly shifting technological and economic landscapes.

What We Do

Trading Venues

- Regulated market
- OTC platform
- Off-market trades
- Stock swaps

Data Services

- Live data
- Indices and benchmarking
- Historical data

Education

- Boursa Academy

Issuer Services

- Roadshows
- Investor Relations



Enabling Our Success

Create an Attractive Issuer Base

We have achieved this through market segmentation and new listing rules to help increase liquidity and attract companies to list on the stock exchange, as well as creating alternative investment opportunities, such as the Over the Counter (OTC) platform.

Increase Depth and Breadth of Products

We have achieved this through the implementation and enhancement of products and their regulations, offering investors more opportunities to make a profit.

Broaden the Investor Base

We have achieved this through the adoption of international best-in-class practices and standards, as well as launching campaigns and creating new investment opportunities by sponsoring conferences and organizing roadshows and corporate days all over the world.

Upgrade Infrastructure and Business Environment to International Standards

We have achieved this by implementing new listing procedures and streamlining the relationships with the CMA and other market participants, as well as creating increased transparency by developing the disclosure procedures and making quarterly analyst conferences mandatory for “Premier” Market companies.

Our People

At Boursa Kuwait, we are deeply committed to fostering a work environment that empowers our people and enhances their overall experience. Through strategic initiatives focused on innovation, development, and wellbeing, we strive to create a culture where every employee feels valued, supported, and equipped to succeed. This dedication is central to our mission of building a dynamic, future-ready workforce that not only drives our organizational goals but also contributes meaningfully to the broader vision for Kuwait's financial marketplace.

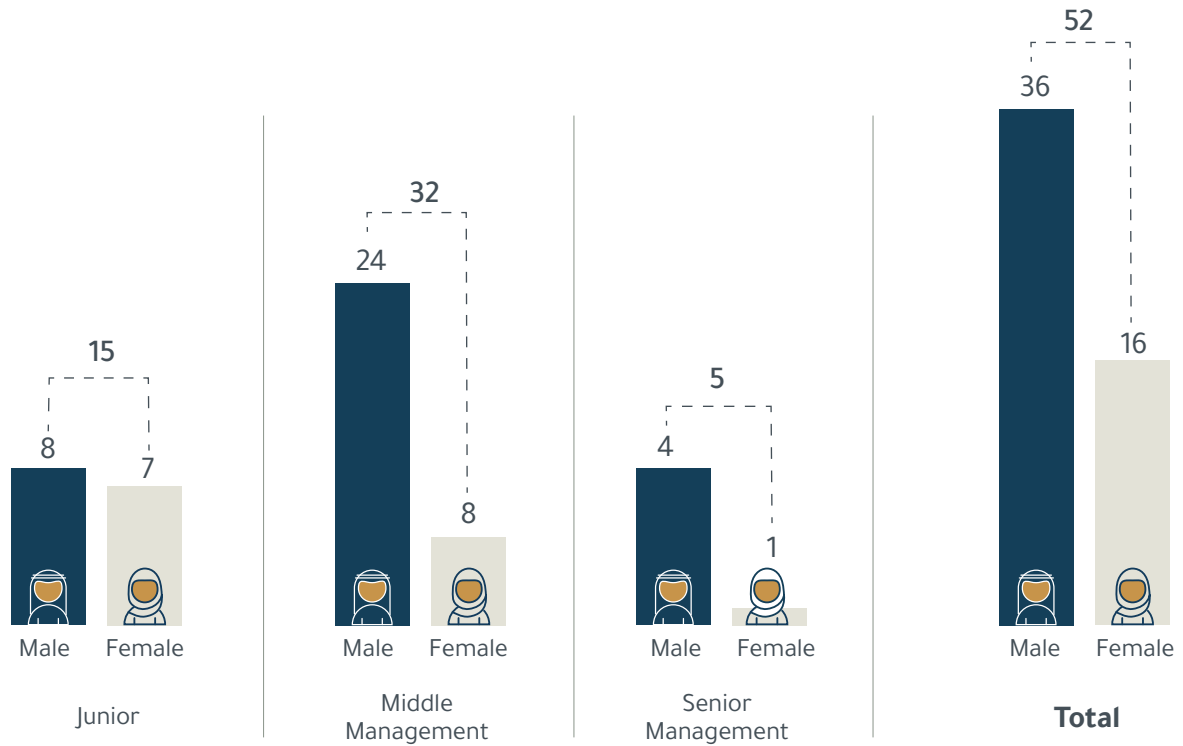
2024 was a year of purpose-driven progress for our people. Building on the successful launch of our Enterprise Resource Planning system in 2023, we focused on automation within Human Resources (HR) to improve efficiency and support our employees' evolving needs.

By automating essential workflows, we have streamlined processes, reduced administrative

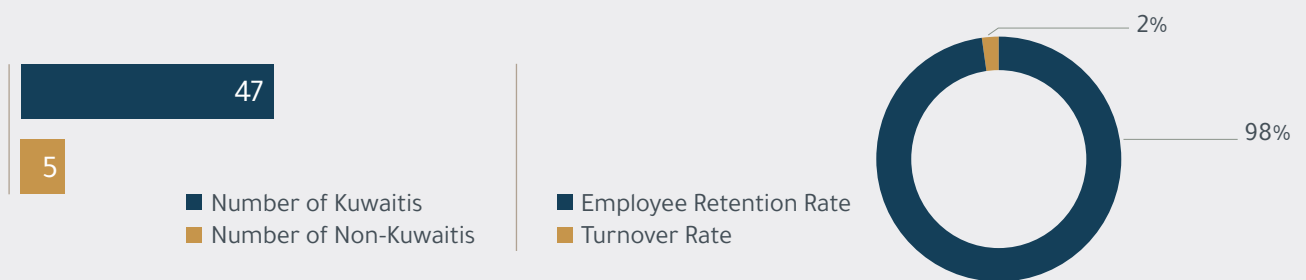
burdens, and enhanced data accuracy, all to provide a seamless and reliable experience for managing HR-related requests. These improvements reflect our commitment to ensuring an efficient, responsive, and supportive HR function that allows employees to focus on meaningful work. By embracing automation and process optimization, we are creating a more agile and responsive workplace.



Employee Distribution in 2024



Employee Composition and Retention in 2024



Age Diversity for 2024



Our People (continued)

Investing in the Development of our People

We remain fully committed to aligning talent development with our ambition of creating the Marketplace of the Future. Through a variety of external training programs and leadership development initiatives, we are fostering a culture of continuous learning and upskilling, empowering our employees to grow alongside the organization. These development opportunities help build the expertise and capabilities needed to thrive in a rapidly evolving industry, ensuring that our people are well-prepared to lead in the marketplace of tomorrow.

At Boursa Kuwait, we are dedicated to developing our talent in alignment with our vision. Since the pandemic, we have gradually reintroduced in-person training sessions, both locally and internationally, providing valuable, hands-on engagement that promotes immediate feedback and collaborative learning. These face-to-face sessions are instrumental in strengthening skill retention, offering employees the opportunity to connect directly with peers and trainers, and fostering a dynamic learning environment that supports both personal and professional growth. By incorporating external training programs, we also expose employees to diverse industry perspectives and best practices, enriching their development and broadening their

prospects. These efforts strengthened skills, fostered collaboration, and introduced employees to global best practices.

To assess the success of our Learning and Development activities, we employ a comprehensive, multi-layered approach that captures both immediate and lasting impacts. Post-training feedback from participants allows us to measure the relevance, quality, and effectiveness of our programs, providing essential insights that guide continuous improvement. Employee engagement surveys offer a broader perspective on how these learning opportunities impact motivation and satisfaction with personal development, helping us to better understand their role within the organization.

We advanced employee growth through leadership development programs and technical training programs throughout the year. In total 4 employees attended 4 leadership programs locally and internationally in 2024, while 29 employees benefited from 30 technical training opportunities.

To ensure impact, we assess Learning and Development initiatives through post-training feedback, engagement surveys, and training completion rates, addressing barriers to participation where needed. These initiatives emphasize our commitment to empowering employees to excel professionally and support organizational success.

Learning and Development 2024

Total Training Hours

892.5

Number of Employees

34

Number of Training Topics

40

Amount Invested in Training (KD)

50,639.078

Average Training Hours

26.25

Number of Males

22

Number of Females

12

Measuring and Enhancing Engagement

We measure the success of our employee engagement and wellbeing initiatives through a combination of historical data analysis, satisfaction metrics, and proactive employee feedback. By tracking historical data on participation, engagement levels, and outcomes, we can identify trends, assess the impact of our initiatives, and shape current and future plans to continuously improve our approach.

In 2024, our Employee Engagement Survey (EES) showed a 2% increase in participation, reaching 90%, and a nearly 4% rise in satisfaction to 82.28%. These results highlight the effectiveness of our initiatives in aligning employee needs with organizational goals and fostering a positive workplace environment.

Pillars	2022 EES	2023 Pulse Check	2024 EES
Performance Management	83.90%	86.25%	88.18%
Training and Development	85.50%	86.25%	86.56%
Culture	82.10%	82.10%	86.78%
Compensation and Benefits	40.70%	51.25%	49.06%

Our multifaceted approach to measuring and continuously improving employee engagement has contributed to a remarkably low turnover rate of just 2% throughout 2024, underscoring the effectiveness of our efforts to create a positive and supportive work environment.

We have established an approved Succession Plan, identifying nine key positions to be included as part of this strategic initiative. This plan is actively monitored, with regular follow-ups to ensure steady progress, providing a clear pathway for leadership continuity and development across Boursa Kuwait. Through this focused approach, we are committed to cultivating a resilient leadership pipeline that supports our long-term success and stability.

A key initiative that began as a pilot program in 2022 and has since become a core part of our retention and development strategy is our junior employees' promotion plan. This program is designed to empower our junior team members, ensuring they are equipped with the essential knowledge, skills, and abilities to

confidently perform their responsibilities. By fostering their growth and readiness, we enable them to take on tasks, duties, and projects independently, reinforcing our commitment to their long-term success and contribution to Boursa Kuwait.

Our annual performance management cycle follows a structured approach to elevating employee performance. This process combines annually-set Key Performance Indicators (KPIs) with behavioral competencies, ensuring that employees achieve their objectives in a way that aligns with our organizational values.

By balancing goal attainment with the encouragement of positive behaviors, this system provides a holistic framework for performance appraisal, supporting both individual advancement and broader organizational growth. Additionally, employees are given an appeal period after the cycle concludes, reinforcing a fair and transparent process that values their input and supports continuous development.

Our People (continued)

Promoting Health and Wellbeing

The well-being of our employees is a cornerstone of Boursa Kuwait's policies, which are designed to foster a balanced and fulfilling work experience through a variety of thoughtful initiatives. We offer progressive annual leave entitlements that grow with career progression, providing more time for rest and renewal than required by local labor laws. At the start of each year, we encourage employees to plan their time off, helping them fully recharge and return to work re-energized and ready to thrive.

We actively promote a culture of health and wellness. Through continuous support and regular reminders, we motivate employees to move, stretch, and incorporate exercise into their daily routines. These efforts contribute to a supportive and engaging work environment, which we continuously evaluate and refine to align with our employees' needs.

Our commitment to work-life balance extends to flexible work arrangements, supported by our Trust-Based Attendance System, monthly permissions, and parking subscriptions, which add convenience to our employees' daily routines. In alignment with our commitment to employee support, we offer a comprehensive suite of leave benefits that go beyond local regulations, including Marriage Leave, Maternity and Paternity Leave, Hospitalization Leave that is separate from Sick Leave, and Study Leave for those pursuing further education or professional qualifications. These benefits reflect our dedication to supporting employees through every stage of life.

To further support our employees' health, we provide annual Life and Medical Insurance, eliminating potential financial burdens related to medical care and enhancing our employees' overall wellbeing. Our commitment to a safe and supportive workplace extends to awareness sessions with health and safety organizations, ensuring our team is protected and empowered every day.

One key area we monitor is employees' satisfaction towards the offered benefit of the Private Medical

Insurance - each year, we survey employees to ensure the medical benefits provided not only meet but exceed their expectations and needs. This feedback allows us to make adjustments to maintain high levels of satisfaction.

Additionally, we have expanded the range of promotions and discounts offered to our employees as part of our commitment to enhancing their overall wellbeing and quality of life. These benefits are designed to provide significant savings across various activities, supporting a balanced and fulfilling lifestyle. By investing in the personal and financial wellness of our people, we strive to create a workplace that values each individual's wellbeing, making Boursa Kuwait a supportive environment where employees feel empowered both professionally and personally.

We also foster a positive work culture through team-building activities, celebrations, and recognition programs. Traditions like our Greish gathering ahead of the holy month of Ramadan bring employees together, building camaraderie and a sense of belonging.

Through these initiatives, Boursa Kuwait demonstrates its dedication to nurturing a workplace that values and invests in our employees' wellbeing and personal growth. By creating a supportive and dynamic environment, we enable our people to thrive both personally and professionally.

Annual Leave Days Utilized

499 days

Paid Sick Leave Days

97 days



Championing Diversity and Driving Kuwaitization

At Boursa Kuwait, our HR policies states clearly anti-discrimination values and practices across all levels within the Company starting from sourcing, selecting, offering, hiring, developing, evaluating performance, and promoting employees, irrespective of gender, race, color, language, religion, political opinions or other status and in line with the local laws and regulations.

We continue to exceed regulatory Kuwaitization requirements, with Kuwaiti nationals representing 90.40% of our workforce and 66.70% of senior management, fostering a workforce that is both local in its roots and global in its reach. This focus on Kuwaitization not only supports national objectives but strengthens our organization with exceptional local talent.



Our People in 2025

Looking forward, we will renew our focus to empowering, developing, and supporting our people in 2025 through a series of initiatives designed to enhance satisfaction, loyalty, and career growth.

Future-proofing our talent will be a top priority. We will enhance our Career Development Framework, offering clear pathways for advancement across roles and

departments. Through regular career planning sessions, personalized development plans, and access to essential resources, we will encourage our people to take an active role in their professional journeys, providing them with the skills and support needed to grow with us.

Finally, we will refine our performance management process to better align with Boursa Kuwait's strategic goals, adopting a forward-looking and growth-oriented approach.

Corporate Sustainability

Driving Sustainable Progress

At Boursa Kuwait, we maintained our focus and proactive approach to driving strategic sustainability progress in line with the United Nations' (UN) Sustainable Development Goals (SDGs) and our corporate sustainability pillars - Community and Environment - while leveraging our resources, reputation and relationships to support all our valued stakeholders throughout the year.

Corporate sustainability is engrained in our corporate culture and the foundation of Boursa Kuwait's long-term success. Our corporate sustainability program is designed and faithfully implemented to achieve our business objectives, support our stakeholders and contribute to the development of the Kuwaiti economy. Aligned with the UN SDGs, the 2030 Agenda for Sustainable Development and the "New Kuwait 2035" vision's goals to elevate Kuwait's global positioning, creative human capital, effective civil service and sustainable diversified economy, our commitment to corporate sustainability ensures that we continue to make important contributions across our two core pillars of Community and Environment to position our business and our nation for strong and sustainable growth.

At every level of our organization - from our Board of Directors and the Executive Management to each of our dedicated employees - we remain committed to fulfilling our promises by building momentum across our diverse efforts and achievements in order to fulfill our corporate sustainability objectives and achieve our shared vision.

Boursa Kuwait made a formal commitment to drive corporate sustainability in financial markets by becoming a member of the United Nations-led Sustainable Stock Exchanges Initiative (SSEI), which is a platform for the exchanging of experience and knowledge that helps broaden the collaborations between exchanges and all market participants. This step helped increase transparency among companies and improve performance in ESG endeavors, as well as encourage sustainable investments.

Corporate Sustainability Vision

"To be responsible and committed to the sustainable development of Boursa Kuwait and the communities in which we operate, by ensuring a positive contribution in the areas of Community and Environment, and to promote the adoption of socially impactful and accountable practices throughout our stakeholder community."



Corporate Sustainability Objectives

- Raise the profile of Boursa Kuwait as a socially responsible organization that works to create sustainable operations and support the surrounding community
- Strengthen Boursa Kuwait's presence and position on local and regional fronts through strategic collaborations that support sustainability
- Generate positive media exposure across local, regional and international media



Our Corporate Sustainability Strategy

To ensure that all our corporate sustainability initiatives and actions are designed and delivered in alignment with the exchange's business and sustainability objectives, we have a three-phased "Align, Create and Integrate" approach to corporate sustainability that is measured and tracked to allow for continuous improvement and measurable Return on Investment (ROI) for our company and stakeholders.



• **Align** our corporate sustainability efforts and initiatives with our business strategy and purpose, ensuring coordination with corporate governance, industry best practices and investors' expectations, to support sustainable success on all levels.

• **Create** strong and sustainable partnerships that allow us to leverage the valuable capabilities, strengths and experience of other companies and organizations to help deliver long-term impact.

• **Integrate** our corporate sustainability programs and activities with our corporate culture to create sustained engagement with our workforce and instill a sustainability focus across our day-to-day operations.



Corporate Sustainability (continued)

Our Strategic Pillars

The two core pillars of Boursa Kuwait's corporate sustainability strategy - Community and Environment - focus on our initiatives and activities to have a short-term impact while seeking to ensure long-term value creation for our diverse stakeholder community.

Community

Supporting and serving the communities and people across Kuwait is a responsibility that Boursa Kuwait takes very seriously. We seek to be a force for good for all our stakeholders, both external and internal, by actively giving back and driving positive impact through an ongoing and diverse range of community and social impact initiatives.

Many of these initiatives will be in the field of education and financial literacy, which play an essential role in delivering economic and social prosperity and development. As such, they have been a key focus of Boursa Kuwait's journey since establishment, and catalysts to elevate the overall status and positioning of the exchange on the local, regional and international stage.

The Company aims to ensure that all our stakeholders are fully equipped with the knowledge and skills to contribute to and benefit from the nation's exchange, and is committed to enhancing financial literacy, promoting best practices and driving positive behavioral change through a diverse range of in-person and virtual training and knowledge development programs and initiatives.

Additionally, Boursa Kuwait works to deeply engage our stakeholders by championing initiatives and campaigns through the "Boursa Kuwait Cares" program which helps foster a true sense of belonging and care. The Company also supports long-term community initiatives through strategic partnerships, promoting employee volunteering and applying our resources in support of worthy causes.

Environment

Safeguarding our natural environment is a priority for Boursa Kuwait and our employees. Although we do not operate in an environmentally sensitive business, we recognize that our operations have an impact on the environment and acknowledge that addressing environmental issues is a collective responsibility shared by every member of the community.

We are committed to minimizing our environmental footprint and continually improving our environmental management practices to reduce our consumption of energy and other resources, while also promoting recycling across our operations and encouraging our employees to adopt environmentally responsible behaviors.

Engaging with Stakeholders

Engagement with stakeholders is one of the key factors that contributes to achieving sustainable organizational success, as this interaction is considered the cornerstone of building strong relationships based on transparency and mutual trust. In this regard, Boursa Kuwait seeks to enhance its effective communication with a wide range of stakeholders, including investors, listed companies, local and international financial institutions as well as government entities and civil society.

Through this ongoing engagement, Boursa Kuwait aims to achieve its strategic objectives and provide an investment environment based on transparency and efficiency, thereby contributing to the development of the Kuwaiti financial market and enhancing Boursa Kuwait's position at the local, regional and international levels.

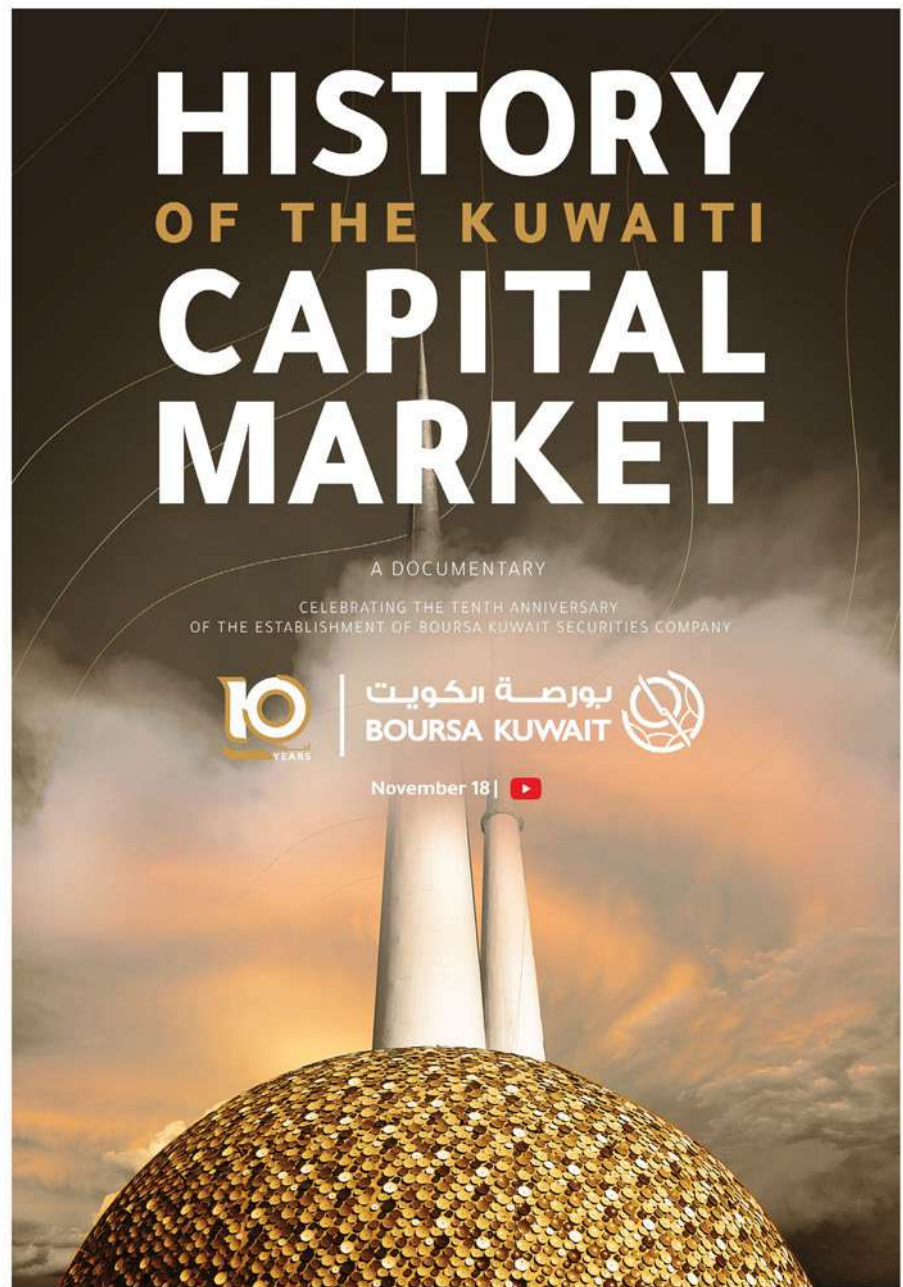
The Kuwaiti Capital Market: An Everlasting Legacy and a Promising Future

Boursa Kuwait celebrated its 10th anniversary in 2024, a momentous occasion that embodies its achievements as a primary driver of the growth and innovation of the Kuwaiti capital market aligned with the State of Kuwait's ambitious vision to transform into a leading financial, investment and cultural hub in the region. The Company's establishment in 2014 was a pivotal step in privatizing the national stock market as Boursa Kuwait assumed the responsibility of managing and developing market operations in line with the best-in-class international standards and practices.

To commemorate this milestone, the Company produced a documentary titled "The History of the Kuwaiti Capital Market," which highlights the key milestones that have shaped the market since its inception.

The documentary explores Kuwait's deep-rooted heritage in trade and financial markets and delves into the significant developments of the early 1950s, a period when the formation of joint-stock companies and securities trading gained considerable momentum.

The documentary also explores key milestones in the history of Kuwait's financial market, such as the opening of the first headquarters of the Kuwait Stock Exchange in 1977, the oldest in the region. The film also touches on the relocation of the stock exchange to its current headquarters, officially inaugurated 40 years ago on September 29, 1984.



The History of the Kuwaiti Capital Market also highlights the key milestones in the transformation of Boursa Kuwait since its establishment in April 2014 as part of a comprehensive strategic plan to privatize and modernize the capital market in line with international best standards and practices.

The documentary also explores the Company's transition from a fully state-owned institution to a private company, with 94% of its ownership transferred to private investors, which significantly enhanced the Company's performance by improving operational efficiency and transparency. This shift bolstered investor and shareholder confidence while attracting a surge of foreign investments into the Kuwaiti capital market.

Corporate Sustainability (continued)

Boursa Kuwait has made significant contributions to advancing the market and elevating its position within the global investment community, as it has pursued comprehensive strategies to modernize the market, aligning its operations with the highest international standards and best practices. These efforts have driven continuous growth, innovation and connectivity in Kuwait's capital market while supporting regulators, issuers, investors and other stakeholders.

These initiatives culminated in remarkable milestones, leading to Kuwait's reclassification to "Emerging Market" status in some of the world's leading index providers. In 2017, Kuwait was added to the FTSE Russell Emerging Markets Index, followed by its inclusion in the S&P Dow Jones Emerging Markets Index in 2018 and its elevation to the MSCI Emerging Markets Index in 2019. These advancements were a testament to Kuwait's ability to meet global market challenges, paving the way for increased foreign investment inflows, enhanced market efficiency and further economic diversification, aligning seamlessly with Kuwait's long-term developmental vision.

Boursa Kuwait Gains Recognition for its Stellar Efforts

Boursa Kuwait has continued its impressive track record of accolades and recognition for its outstanding achievements in corporate sustainability and Environmental, Social and Governance endeavors, earning six prestigious awards from globally renowned publications, including the "Best for Sustainability Transparency" Award by Global Finance, the "Best Sustainable Corporate Governance" and "Best ESG Development Strategy" Awards from The European as well as the "Outstanding Contribution to Women's Empowerment in the MENA Region 2023", "Best Capital Market ESG Strategy - GCC 2023" and the "Outstanding Contribution to Financial Inclusion - GCC 2023" Awards from Capital Finance International (CFI).

In addition, Boursa Kuwait's 2023 Sustainability Report has been awarded the Best Sustainability and ESG Report by MEIRA, reaffirming its position as a leading institution in corporate sustainability.

These accolades underscore Boursa Kuwait's commitment to advancing sustainability initiatives and raising awareness about the importance of their disclosure. The Company continues its efforts in corporate sustainability, striving to embed governance, social and environmental responsibility into its operations, Kuwait's capital market and regional markets. Recognizing its pivotal role, Boursa Kuwait aims to serve as a model for listed companies and private sector organizations in Kuwait.

Engaging with the Investor Community

Engaging with the investor community is a cornerstone of Boursa Kuwait's corporate sustainability strategy, helping it maintain continuous communication with the global investment community to ensure that the Kuwaiti capital market meets its needs while keeping investors updated on the latest market developments and the performance of listed companies.

The Company emphasizes adopting international standards and practices in the market, focusing on transparency and accessibility for investors. This is particularly evident in the "Premier" Market, the bourse's flagship market comprising many of the region's leading companies.

Listed companies in the "Premier" Market are required to hold quarterly analyst conferences and publish the transcripts in both Arabic and English. Additionally, these companies must issue all disclosures in both languages and establish a dedicated investor relations unit or department to ensure effective and continuous engagement with current and prospective investors to enhance their appeal.



Boursa Kuwait constantly seeks to strengthen its relationship with the investor community through consistent and effective communication, believing that success depends on building mutual trust and commitment. The exchange actively promotes the Kuwaiti capital market, highlighting its unique investment opportunities and showcasing its listed companies through its series of corporate days and roadshows, which allow Boursa Kuwait to facilitate connections between listed companies and leading investment firms and financial institutions, enabling these companies to showcase their financial strength and business strategy.

In 2024, Boursa Kuwait organized its 12th Corporate Day in London in collaboration with Jefferies Financial Group, bringing together six listed companies with globally recognized asset management firms, investment banks, sovereign wealth funds, pension funds and other financial entities, giving them an opportunity to gain in-depth knowledge about several standout “Premier” Market entities.

Additionally, and in collaboration with HSBC, the Company held its 13th Corporate Day in London, which coincided with the GCC Exchanges Conference. The event brought together six “Premier” Market companies with prominent global entities, including investment banks, asset managers, sovereign wealth funds and pension funds, in over 50 direct meetings.

Boursa Kuwait also hosted its 14th Corporate Day in Dubai in collaboration with Jefferies Financial Group, a leading global financial services firm specializing in capital markets, asset management and direct investment. Seven listed companies participated, meeting with more than 39 representatives from global banks in over 65 meetings.

These initiatives underscore Boursa Kuwait’s commitment to shaping a dynamic and attractive capital market. By collaborating with investment

institutions worldwide, the exchange aims to develop the Kuwaiti capital market, highlight its unique investment opportunities, foster international cooperation, attract foreign investments and contribute to Kuwait’s economic growth through the exchange of expertise and knowledge.

As an integral part of Boursa Kuwait’s corporate sustainability strategy, these initiatives are designed to create a lasting positive impact on the communities it serves while effectively addressing the needs of investors. They also align with Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.

Empowering Listed Companies to Adopt Best Practices

Boursa Kuwait is dedicated to ensuring that all its stakeholders possess the knowledge and skills required to actively contribute to and benefit from the Kuwaiti capital market. The exchange is also committed to promoting financial literacy, raising awareness of the best standards and practices adopted worldwide and encouraging positive behavioral changes through targeted personal training programs and initiatives.

During 2024, Boursa Kuwait hosted workshops on investor relations targeting listed companies in collaboration with Instinctif Partners, a reputation management consultancy, which focused on enhancing awareness and understanding of the latest and best practices in investor relations, a critical area for effective communication with investors.

The discussions delved into the latest advancements and pressing challenges shaping the industry, with a particular focus on the transformative influence of artificial intelligence, evolving standards of corporate governance, and the growing significance of ESG considerations. The sessions explored innovative



Corporate Sustainability (continued)

strategies for crafting comprehensive investor relations programs, emphasizing the importance of enhancing corporate websites, aligning investor presentations with globally recognized best practices and harnessing the power of data-driven insights to facilitate decision making.

The sessions also delved into preparing annual reports that can effectively articulate a company's unique value proposition and strategic vision and showcase its financial and operational achievements, positioning these reports as strong contenders for prestigious global accolades.

Additionally, Boursa Kuwait organized a virtual workshop on the latest sustainability reporting standards in collaboration with the United Nations SSEI, the International Financial Reporting Standards (IFRS) Foundation and the International Finance Corporation (IFC) of the World Bank Group. The workshop aimed to educate the Kuwaiti capital market participants and interested stakeholders on the latest standards for sustainability disclosures, allowing participants to engage in a training session, accredited by the Continuing Professional Development (CPD) Committee, that explored the newest sustainability disclosure standards issued by the IFRS, and interact with leading experts in the field.

Boursa Kuwait also hosted the "Investment-Ready Impact Data - A Practical Approach to Sustainability in Finance" workshop, which was organized by Verityv and their local partners Meras Consulting. The engaging session provided practical insights and solutions to the most prominent capital market challenges of the Energy Transition age and was part of the bourse's efforts, in pursuit of a more resilient and informed capital market ecosystem and as a reflection of its dedication to promoting and raising awareness of sustainable financial literacy in the Kuwaiti capital market.



The workshops formed part of Boursa Kuwait's efforts to create a lasting meaningful impact on the community where it operates as part of its corporate sustainability strategy and ongoing efforts to equip all market participants with an in-depth understanding of the functioning of capital markets and various tools and techniques required to make informed investment decisions and effectively meet investors' needs. They are also aligned with Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.

Raising Awareness of Financial Literacy



Boursa Kuwait joined over 118 stock exchanges around the world to raise awareness of financial literacy as part of World Investor Week (WIW) 2024, a week-long global campaign by the International Organization of Securities Commissions (IOSCO) and the World Federation of Exchanges (WFE).

To commemorate the campaign, Boursa Kuwait launched the "The Bell" initiative in collaboration with the Union of Investment Companies, Kuwait Financial Center (Markaz), the CFA Society, Kuwait University and Kuwait Credit Information Network (CINET). This initiative reflects Boursa Kuwait's longstanding commitment to educational programs that empower individuals and strengthen the community, ultimately contributing to Kuwait's economic development. By fostering financial awareness and literacy, Boursa Kuwait aims to solidify its position as a leading regional and international exchange.

The initiative's title carries deep and symbolic meaning on multiple levels. It reflects Boursa Kuwait's pivotal role in signaling market shifts and unveiling investment opportunities, much like a bell heralds significant events. It also draws a parallel to the ringing of the trading session bell, underscoring the importance of being informed and prepared when making investment

decisions. The initiative featured a variety of training courses, workshops, awareness sessions and discussion panels led by a distinguished group of experts in capital markets and the financial sector. Additionally, the initiative included four podcast episodes delving into the transformative impact of artificial intelligence on the world of finance and investment as well as educational material that aimed to raise the skills and awareness of financial literacy in the Kuwaiti capital market, produced in collaboration with the Union of Investment Companies.

These initiatives form part of Boursa Kuwait's efforts to develop and educate market participants as well as create a lasting meaningful impact on the communities where it operates. As part of the Company's corporate sustainability strategy, they are in line with Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.

Commemorating Global Initiatives



Reaffirming its strong commitment to sustainability, Boursa Kuwait joined over 30 stock exchanges worldwide in the second edition of the World Federation of Exchanges' "Ring the Bell for Climate" initiative. Held in the lead-up to the 2024 United Nations Climate Change Conference (COP29), this global campaign highlights the critical importance of sustainability and climate issues in the financial sector while showcasing the vital role stock exchanges play in addressing these challenges.

To support the initiative, Boursa Kuwait organized a workshop in collaboration with the United Nations Development Programme (UNDP), which focused on the SDG Impact Measurement and Management (IMM) Cycle and featured an insightful presentation emphasizing the vital role of the private sector in addressing climate change. The workshop brought together senior executives, sustainability officers, compliance managers, and investor relations professionals from listed companies. Participants were introduced to UNDP's SDG IMM Cycle, rooted in the SDG Impact Standards,

which advocates for a structured, SDGs-aligned approach to measuring, managing and communicating impact. The session emphasized moving beyond traditional ESG reporting by applying IMM principles to drive measurable progress toward net-zero targets and sustainable development goals.

The initiative forms part of Boursa Kuwait's efforts to create a lasting meaningful impact on the community where it operates as part of its corporate sustainability strategy and ongoing efforts to equip all market participants with an in-depth understanding of the functioning of capital markets and various tools and techniques required to make informed investment decisions and effectively meet investors' needs. It is also in line with Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.

Supporting National Initiatives



Boursa Kuwait continues to make a positive impact on society by strengthening its role in corporate social responsibility, adopting sustainable practices, and investing in community development. The bourse is committed to supporting impactful initiatives, development and awareness programs, and charitable projects that contribute to the well-being of the community.

As a responsible corporate entity, Boursa Kuwait recognizes its role in supporting both local and international organizations in their efforts related to health care, social welfare, and other areas that directly affect various segments of society.

In 2024, Boursa Kuwait lit its building in blue to celebrate the inauguration of the Al-Zour Refinery Project, held under the patronage of His Highness the Amir of the State of Kuwait, Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah. This gesture reflects the bourse's commitment to supporting national projects that highlight Kuwait as a leading nation in sustainability and in addressing the challenges of climate change.

Corporate Sustainability (continued)

Women Empowerment

At Boursa Kuwait, empowering women is seen as a vital step toward fostering inclusivity and promoting diversity in the workplace, making a significant contribution to economic and social sustainability. By creating opportunities for women to assume leadership roles and actively participate in financial decision-making, the Company can make a positive impact toward driving innovation and cultivating diverse perspectives that propel economic growth.

Additionally, the inclusion of women in the financial sector helps build a more balanced and stable society, enabling companies to leverage a wide range of talents and achieve long-term sustainability, enhancing companies' resilience, and their ability to adapt to future economic challenges and evolving market dynamics.

Boursa Kuwait is committed to maintaining its discrimination-free environment and supporting equal opportunities for women. We act to empower women through our ongoing support of the Women's Empowerment Principles (WEPs) and follow a strict

anti-harassment and/or non-discrimination policy, with all employees enjoying equal work freedom and career-development opportunities.

Reaffirming this commitment to women's empowerment, Boursa Kuwait joined over 100 stock exchanges worldwide to ring the bell for women's empowerment for the seventh consecutive year for International Women's Day 2024. This initiative, organized by UN Women in partnership with the WFE, underscores the pivotal role stock exchanges can play in advancing the UN SDGs.

Boursa Kuwait is proud to be the first stock exchange in the Gulf and the second in the Middle East to join the global initiative of ringing the bell for women's empowerment. This year's event, held under the theme "Investing in Women: Accelerating Progress," focused on amplifying women's voices and celebrating their contributions, paving the way for a more inclusive and prosperous future. The initiative also aims to raise awareness about the WEPs - a set of seven global guidelines that provide practical strategies for businesses to promote gender equality across the workplace, marketplace, and broader community.





In addition to ringing the bell, Boursa Kuwait hosted a fireside chat on women's economic empowerment by Ms. Hewdige Nuyens, the Managing Director of the International Banking Federation and the Chair of the European Women on Boards, a non-profit organization that supports women's empowerment and gender diversity on corporate boards. Her Excellency Ms. Anne Koistinen, the Ambassador of the European Union, also participated, giving a keynote speech to the crowd which included employees from Boursa Kuwait and Kuwait Clearing Company, as well as representatives from several listed companies. The fireside chat came as part of Boursa Kuwait's initiatives aimed at economically empowering women and integrating them into leadership roles. The chat was also held as part of the European Union's and Boursa Kuwait's commitment to economically empowering women through a series of engagements aimed at exchanging best practices for increasing women's participation in senior leadership roles, including at C-Suite and Board of Directors levels.

As part of its commitment to empowering women and enhancing their leadership role in the financial sector, Boursa Kuwait sponsored and hosted the "Women and Prosperity" event, which was organized by Playbook, the region's leading e-learning platform for women in leadership positions. The initiative brought together some of the standout female leaders from Kuwait and across the GCC to highlight the growing role women are playing in shaping the future of the financial services industry and celebrate the achievements of women across this region in the financial services industry.

A key moment of the event was the ceremonial Ring the Bell for Financial Prosperity. In a powerful demonstration of collective leadership, 150 women from diverse industries took to the trading floor, ringing the closing bell at Boursa Kuwait. This act was more than symbolic - it marked a turning point in the financial future of the region and served as a beacon to women everywhere that they have the power, influence, and capability to shape the broader economic landscape.

These initiatives underscore Boursa Kuwait's steadfast commitment to advancing the role of women in society and the economy, emphasizing their vital contribution as partners in building a more inclusive and diverse future. By promoting awareness of the principles of women's empowerment, Boursa Kuwait aims to transform the UN SDGs into tangible outcomes through the adoption of policies and practices that foster women's empowerment. The Company actively hosts a series of events and discussions to raise awareness and drive meaningful progress toward gender equality in the region, a dedication that highlights Boursa Kuwait's position as a leading advocate for women's empowerment, which are reflected in its wide-ranging initiatives and its enduring commitment to fostering an environment rooted in equality and inclusion.

Continuing Collaboration with the Middle East Investor Relations Association (MEIRA)



In line with its mandate to promote IR best practices and international standards in corporate governance in our markets, Boursa Kuwait continued to create value through ongoing partnership with the Middle East Investor Relations Association (MEIRA) - an independent organization that seeks to enhance the reputation, efficiency, and attractiveness of the Middle East's capital markets. This continued collaboration is a part of the Company's corporate sustainability strategy and an example of its endeavors to raise financial literacy and capital market awareness among current and prospective investors.

In 2024, the two entities partnered to host a pair of workshops designed for listed companies. The first focused on the transformative potential of artificial intelligence in advancing IR and creating added value for companies, and the second examined the influence of

Corporate Sustainability (continued)

digital innovation and technological advancements on the evolution of IR practices. The workshops were part of an ongoing collaboration between the stock exchange and the association, aimed at raising awareness about the essential role of IR and sought to equip practitioners with insights into global best practices and highlight the pivotal role of emerging technologies in driving the transformation.

Forging a Strategic Partnership with the Chartered Financial Analyst (CFA) Society

Boursa Kuwait sponsored and hosted the CFA Institute's Research Challenge, organized in collaboration with the CFA Society Kuwait, making it the first-ever strategic partner for this competition in Kuwait.

The CFA Institute's Research Challenge provides a unique opportunity for students from participating colleges to embark on a journey into the world of finance. Through comprehensive training and mentorship, they gain valuable skills in financial analysis and professional conduct. This competition is also considered a unique platform for university students to apply their academic knowledge to real-world scenarios. Participants will conduct in-depth analysis of companies listed in the Kuwaiti capital market and present their recommendations to a panel of seasoned professionals. It allows participants to gather and analyze data, source and manage financial resources, and enhance their problem-solving skills to address the challenges faced by these companies.

Boursa Kuwait's strategic partnership with the CFA Society Kuwait and the CFA Institute is a cornerstone of its commitment to making a meaningful impact on the communities it serves. This collaboration is integral

to Boursa Kuwait's corporate sustainability strategy, which aims to build an educated, informed, and qualified generation ready to face future challenges. By raising knowledge levels and developing expertise within the Kuwaiti community, Boursa Kuwait is investing in the future of the financial sector. Additionally, this initiative aligns with the UN SDGs, specifically Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals.

Educational Tours of the Kuwaiti Capital Market

In 2024, Boursa Kuwait hosted several schools, universities, and companies for educational tours at its iconic building, reaffirming its commitment to fostering a well-versed generation of investment and capital market professionals.

The tours introduced visitors to the history of Kuwait's capital market, including its most significant milestones and key historical events. They were also briefed on the latest developments and upgrades in the market, as well as the extensive efforts undertaken to achieve global reclassification and how these advancements have played a crucial role in attracting foreign capital and investments to Kuwait.

In addition, visitors enjoyed a detailed presentation on the remarkable journey of Boursa Kuwait, which stands as a cornerstone in the development of the Kuwaiti capital market and a driving force behind its reclassification as an "Emerging Market" by the world's leading index providers.

Among the institutions that participated in these educational tours were Kuwait Investment Authority, National Investments Company, German Business Council, Kuwait University, the American University of the Middle East, the American United School and Fahaheel Al-Wataniyah Indian Private School.



Promoting Public Health

Public health forms the foundation of strong and sustainable communities, as Boursa Kuwait firmly believes that investing in the health of individuals lays the groundwork for a better and more stable future. A healthy society becomes more resilient, offering future generations the chance to thrive in a vibrant and wholesome environment. Good health is about living a life full of energy and achievement, empowering individuals to contribute meaningfully to building a prosperous and progressive community.

In line with this vision, Boursa Kuwait is committed to raising awareness about the importance of physical and mental well-being through a variety of initiatives, awareness campaigns, and sessions aimed at fostering individual wellness and cultivating a healthier and more conscious society.

To that end, and in celebration of World Blood Donor Day, Boursa Kuwait organized its fourth annual blood donation campaign in collaboration with KCC and in partnership with the Central Blood Bank, reflecting the Company's belief in the importance of supporting social causes and increasing awareness around them.

The 2024 campaign coincided with the 20th anniversary of the official launch of World Blood Donor Day in 2004. Under the theme "Celebrating 20 Years of Giving: Thank You, Blood Donors!" the campaign expressed gratitude and appreciation to everyone who has dedicated their time and effort to donate blood, highlighting the profound impact of blood donations on the lives of both patients and donors.

This campaign is part of Boursa Kuwait's ongoing efforts to leverage its sustainable partnerships to promote important social causes and is aligned with Goal 3 - Good Health and Well-being and Goal 17 - Partnerships for the Goals of the UN SDGs.

Raising Awareness of Diseases and Health Issues

Boursa Kuwait is deeply committed to supporting and serving the community, striving to benefit its internal and external stakeholders. The Company works to amplify its positive impact through various community-focused initiatives, including health-related programs in collaboration with organizations dedicated to physical and mental well-being.

In 2024, the Company organized an informative session for the female employees of Boursa Kuwait, KCC and brokerage firms operating within the Boursa Kuwait building as part of its wider campaign for breast cancer awareness.

The session, entitled "Foundations of Wellness: Healthy Habits for a Sustainable Life," was delivered by Dr. Dana

Khaled Al-Salem, Assistant Professor in the field of Nutrition Science at the College of Health Sciences at the Public Authority for Applied Education and Training and highlighted some of the healthy habits women can adopt in their diets to lead healthier and more sustainable lives.

The Company's month-long campaign during October also included a series of informative posts about the disease and the benefits of early detection and downstaging on its social media platforms. Additionally, like many buildings across Kuwait and the world, the Boursa Kuwait building was lit up in pink, the color associated with breast cancer since 1992, to commemorate this month.

The bourse also marked Men's Health Awareness Month by lighting its building in blue, demonstrating its support for the annual "Movember" campaign, which aims to promote physical and mental well-being among men, addressing issues such as prostate cancer and mental health challenges. The campaign provides a platform for open discussions on men's health, fostering support and encouraging proactive steps towards a healthier life.

To commemorate the occasion, Boursa Kuwait hosted an awareness session titled "Your Health is a Priority" for its employees and visitors to its iconic building. Conducted by Dr. Wael Al-Asaq, Director of the Active Care Center for Physiotherapy, the session focused on promoting health and well-being among participants.

Supporting and serving the communities and people across Kuwait is a responsibility that Boursa Kuwait takes very seriously. The Company seeks to be a force for good for both external and internal stakeholders, actively giving back and driving positive impact through an ongoing and diverse range of community and social impact endeavors.

Boursa Kuwait's participation in this annual event underscores the Company's commitment to the well-being of the community in which it operates and is part of its corporate social responsibility mandate as well as Goal 3 - Health and Well-Being and Goal 17 - Partnerships for the Goals of the UN SDGs.



Corporate Sustainability (continued)

Strategic Partnerships

Boursa Kuwait continues to make a positive impact on society by strengthening its role in social responsibility, embracing sustainable practices, and investing in the community. The Company consistently seeks to support impactful initiatives, developmental and awareness programs, and charitable projects aimed at enhancing the well-being of the society in which it operates.

Recognizing its role as a leading socially responsible institution, Boursa Kuwait actively supports local and international organizations in their efforts to improve and promote health care, social welfare, and other areas that have a direct influence on all segments of society.

Kuwait Red Crescent Society



As part of its commitment to corporate social responsibility, Boursa Kuwait has strengthened its strategic partnership with the Kuwait Red Crescent Society (KRCS) as a Silver Humanitarian Partner, continuing its collaboration for the fourth consecutive year. The Company will support KRCS's Basic Education program for low-income families and those facing financial hardship in Kuwait, helping to alleviate their burdens, as well as KRCS's University Education program, which seeks to empower financially struggling students to complete their higher education.

This support reflects Boursa Kuwait's belief in the transformative power of education as a cornerstone for building an informed and capable generation ready to face future challenges.

The Kuwait Red Crescent Society is a volunteer-based organization dedicated to assisting the most vulnerable groups, whether their hardship arises from social circumstances, wars or natural disasters. It operates as an auxiliary body to official authorities in humanitarian efforts.

Boursa Kuwait's partnership with the Kuwait Red Crescent Society forms a part of its broader efforts to create a meaningful impact in the communities it serves, aligning with its corporate sustainability strategy as well as Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.

The United Nations High Commissioner for Refugees (UNHCR)



Boursa Kuwait reaffirmed its commitment to humanitarian causes by continuing its strategic partnership with the United Nations High Commissioner for Refugees (UNHCR) for the fourth consecutive year, coinciding with World Refugee Day 2024. This year's theme, "Hope Away from Home: A World Where Refugees Are Always Included," underscored the importance of fostering solidarity and inclusion for those forced to flee their homes due to conflict or persecution.

Through its partnership with the UNHCR, Boursa Kuwait has played a vital role in providing essential aid - ranging from shelter and health care to clean water - for over 1,600 vulnerable families across the Middle East. Over the past four years, the bourse has supported the UNHCR's emergency response efforts in Sudan, Syria and Lebanon, while consistently contributing to the organization's annual winter assistance program. In 2024, its contributions expanded to address the escalating humanitarian needs in Lebanon, a country grappling with mounting instability caused by geopolitical tensions and recent hostilities in the region.

This enduring collaboration highlights Boursa Kuwait's unwavering commitment to raising awareness about the plight of refugees and displaced individuals, while actively working to offer them opportunities to rebuild their lives and secure a brighter future. The collaboration is also aligned with multiple UN SDGs, including Goal 1 - No Poverty, Goal 2 - Zero Hunger, Goal 3 - Good Health and Well-Being, Goal 4 - Quality Education, Goal 6 - Clean Water and Sanitation, Goal 10 - Reduced Inequalities and Goal 17 - Partnerships for the Goals.

Kuwait Association for the Care of Children in Hospital (KACCH) and Bayt Abdullah Children's Hospice (BAACH)



As part of its prominent role in supporting humanitarian and societal initiatives, Boursa Kuwait has renewed its longstanding collaboration with the Kuwait Association for the Care of Children in Hospital (KACCH) and Bayt Abdullah Children's Hospice (BAACH) for the seventh year in a row, contributing over 34,000 services to ailing children and their families in nine hospitals all around Kuwait. The Company also sponsored the redesign of uniforms for Child's Play specialists across affiliated hospitals, which were inspired by children's drawings and artwork and aimed to support the mental well-being and provide support to the specialists with the treatment of children in hospitals.

Boursa Kuwait is committed to offering a safe and engaging environment that serves the emotional and psychological needs of young patients and their families. Previously, the Company contributed to the renovation of the pediatric complex care ward at Al-Sabah Hospital, which provides joy and comfort to over 100 children annually. Additionally, Boursa Kuwait has taken a proactive role in acquiring vital medical equipment designed to alleviate the distress often associated with procedures like intravenous injections. These actions underscore Boursa Kuwait's dedication to improving the overall patient experience and ensuring young patients receive the highest quality of care during their treatment journey.

Boursa Kuwait's continuous support for KACCH & BACCH and its mission in hospitals comes in line with the objectives of the Community pillar of its corporate sustainability strategy and is in line with Goal 10 - Reduced Inequalities and Goal 17 - Partnerships for the Goals of the UN SDGs.

CODED Academy and UniCODE

Boursa Kuwait entered a strategic partnership with CODED Academy, the first coding boot camp in the Middle East. As part of this partnership, the bourse sponsored and hosted the academy's UniCODE coding program for college students and recent graduates, providing comprehensive training to 250 university students. Kuwait Financial Center (Markaz) also participated in the program as a co-sponsor.

CODED Academy's UniCODE program empowers college students and recent graduates with the coding and programming skills needed to thrive in today's competitive job market. Through training in cybersecurity, mobile, and web development, participants gain valuable expertise and enhance their career prospects. The fourth edition of the program commenced on 19 October and ran until 14 December 2024. The program is composed of three tracks and will help students master key cybersecurity topics including Linux, web security, cryptography, and digital forensics to help them effectively secure digital environments.

The strategic partnership with CODED Academy and sponsorship of its UniCODE program form part of Boursa Kuwait's efforts to develop and educate the Kuwaiti society and create a lasting meaningful impact on the communities where it operates. As part of the Company's corporate sustainability strategy, the initiative is also in line with Goal 4 - Quality Education and Goal 17 - Partnerships for the Goals of the UN SDGs.



Corporate Sustainability (continued)

The Environment

The environment forms a fundamental component of Boursa Kuwait's corporate sustainability strategy, as the Company is firmly committed to minimizing its environmental footprint and improving its practices continuously. This commitment is demonstrated by the efforts to optimize resource consumption, promote a culture of recycling, and encourage environmentally responsible behavior among its employees.

Boursa Kuwait also strives to enhance its reputation as a responsible organization by reflecting sustainable values through strategic partnerships that support green initiatives in Kuwait, working with prominent organizations, such as the United Nations Environment Program (UNEP), the UNDP, the Kuwait Dive Team and the Environmental Voluntary Foundation, Omniya Plastic Collection Company and LOYAC.

The Company recognizes that small contributions to environmental conservation can create a significant impact when driven by collective action as it remains steadfast in its commitment to environmental stewardship. Aware of its resource consumption in day-to-day operations and the potential impact of its infrastructure, technology and resources used to facilitate stock trading, Boursa Kuwait acknowledges its responsibility toward the planet's well-being.

As a result, the Company integrates environmental sustainability into its culture, ensuring that reducing its ecological footprint remains a key driver of operational decisions and long-term strategies.

Environmental Voluntary Foundation

Boursa Kuwait has reaffirmed its commitment to environmental sustainability through its continued collaboration with the Environmental Voluntary Foundation (EVF) and the Kuwait Dive Team, in

partnership with the UNEP. This longstanding partnership reflects the Company's dedication to supporting the Kuwait Dive Team's initiatives, which focus on protecting and preserving Kuwait's marine environment. Since 2009, they have successfully removed over 2,000 tons of hazardous waste, including 300 tons of plastic, from Kuwait's waters - a testament to the team's impactful efforts.

Founded in 1986, the Kuwait Dive Team operates under the EVF and has built a 36-year legacy of environmental conservation. Comprised of passionate and dedicated volunteers, the team has achieved significant milestones in safeguarding Kuwait's marine ecosystems and natural resources, earning recognition for its unwavering commitment to environmental stewardship.

In 2024, Boursa Kuwait continued its sponsorship of the Kuwait Dive Team's initiative to preserve the Kuwait Bay, an essential economic and ecological resource for the country. The team's focused efforts led to the removal of more than 100 tons of waste over 60 missions, including 60 tons of hazardous materials from 45 missions, nine tons of abandoned fishing nets, and five ships and boats weighing a total of 31 tons.

The Kuwait Bay holds immense importance as a critical economic and ecological source, supporting desalination plants, drinking water resources, and diverse coastal and marine ecosystems. As the second-largest fishpond in the world, it serves as a vital meeting point for terrestrial and marine life, playing a pivotal role in the region's biodiversity.

Boursa Kuwait's support for these preservation efforts reflects its commitment to corporate social responsibility and sustainability, underscoring its dedication to protecting Kuwait's natural heritage for future generations.



Plastic Awareness and Recycling

Boursa Kuwait has reinforced its strategic partnership with Omniya Plastic Collection Company (Omniya), actively contributing to the non-profit organization's mission to advance plastic recycling and promote responsible plastic waste management initiatives.

Omniya Plastic Collection Company is a non-profit organization based in Kuwait dedicated to raising environmental awareness and combating plastic pollution. It encourages the segregation of plastic waste at its source and works to prevent its disposal in landfills or the marine environment, promoting sustainable waste management practices.

In 2024, Omniya's efforts led to the recycling of over 420 tons of plastic waste - equivalent to approximately 21 million plastic bottles - representing a remarkable 42% increase from the 295 tons recycled in 2023. This achievement highlights the expanding impact of the organization's initiatives in combating plastic pollution and promoting sustainable waste management practices.

The partnership reflects Boursa Kuwait's steadfast commitment to sustainable practices and its dedication to fostering a socially responsible workplace. The Company remains focused on developing innovative and ethical solutions to protect the environment while fulfilling its corporate social responsibility. By supporting organizations like Omniya and striving to minimize its environmental footprint, Boursa Kuwait actively contributes to shaping a more sustainable and environmentally conscious future for Kuwait.

The Green Darb Program for Practical Training in Agriculture

Reaffirming its commitment to environmental preservation, Boursa Kuwait continued its strategic

partnership with LOYAC for the second consecutive year, sponsoring the third edition of the "Green Darb" program. Running from 22 December 2024 to 8 January 2025, the program offered youth aged between 16 to 25 intensive hands-on training in soil rehabilitation, agriculture, and nursery management.

The "Green Darb" program offers participants intensive hands-on training in sustainable agriculture, with four-hour sessions conducted daily from Sunday to Wednesday. It also includes theoretical lectures preceding the practical fieldwork, during which participants learn key scientific facts about agriculture, its various types, and its critical role in addressing climate change. Additionally, the program equips trainees with advanced field skills, empowering them to contribute to building a sustainable environment.

The third edition of this program graduated 23 students with practical knowledge of sustainable agriculture through immersive experiences and a comprehensive training curriculum. During the program, students planted 100 trees, which contributed to the improvement of local green spaces and promoted ecological resilience, helping to reduce the carbon footprint and establish a more diverse ecosystem in Kuwait.

The program also addressed key environmental challenges, such as habitat restoration and carbon sequestration, emphasized the importance of collective responsibility in mitigating environmental degradation and inspired participants to take proactive steps toward adopting sustainable practices in their communities.

The program's objectives align with the UN SDG Goal 15 - Life on Land, which focuses on protecting, restoring, and promoting the sustainable use of terrestrial ecosystems, managing forests sustainably, combating desertification, halting and reversing land degradation, and preventing biodiversity loss.



Stakeholder Engagement

Boursa Kuwait acknowledges the significance of maintaining continuous engagement throughout the year as it adopts an inclusive approach that takes into account the needs and interests of the Company’s stakeholders. This dynamic approach reflects Boursa Kuwait’s commitment to serving the Company’s best interests, as it recognizes that transparent engagement with stakeholders fosters trust and enables the Company to align with their expectations for its operational trajectory.

The Company employs various platforms and channels to actively involve its stakeholders and seek their feedback in order to ensure that their insights are carefully considered and that the Company’s decisions ultimately serve their best interests.

Boursa Kuwait identified specific stakeholders who play integral roles in its business within the broader ecosystem. Boursa Kuwait naturally interacts with each of these stakeholders, and the table below outlines how the exchange has engaged with them and worked to understand their perspectives:

Employees



Key Stakeholders

Boursa Kuwait bases its approach to employee engagement on key objectives that cater to the diverse needs of its workforce, aiming to safeguard their well-being and satisfaction.

- Aligning the internal culture with the Company’s core values
- Promoting transparent and open communication

- Fostering social connectivity and a feeling of belonging
- Fostering a culture of recognition
- Creating a competitive working environment
- Providing attractive benefits and unique career opportunities



Engagement Methods

- One-on-one and group meetings
- Focus group discussions
- Employee surveys
- Employee recognition program
- Workshops, training and seminars
- Corporate events

- Review meetings
- Performance management system
- Boursa Kuwait’s intranet platform
- Engagement through emails, phone calls or other means



Interests and Concerns

- Establishing channels to actively involve Boursa Kuwait staff, ensuring they are well-informed about the latest advancements

within the organization, the subsidiaries and the Kuwaiti capital market

Regulatory Bodies



Key Stakeholders

Boursa Kuwait adheres to the laws, regulations and directives established by the CMA, the Ministry of Commerce and Industry and other pertinent regulatory entities.

It is committed to fostering and sustaining positive relationships with all regulatory authorities and collaborates with the CMA and other regulatory bodies during inspection processes, underscoring the Company's dedication to transparency and cooperation in regulatory matters.



Engagement Methods

- Briefings, engagements and consultative sessions
- Meetings and discussions
- Jointly organized events and working groups
- Reports on capital market developments and compliance with statutory obligations
- Involvement in government-related committees and working groups, such as the Market Development (MD) Tri-Lateral Taskforce
- Engagement through emails, phone calls or other means



Interests and Concerns

- Market developments
- Corporate governance
- Regulatory policies and practices
- Response to crises as per regulatory instructions

Stakeholder Engagement (continued)

Issuers



Key Stakeholders

Boursa Kuwait is dedicated to delivering superior services and products to its issuers while actively engaging with their feedback and concerns, as they play a pivotal role in our market. Issuers include listed companies, investment funds and Real Estate Investment Trusts (REITs).

The issuers may offer, potential offerings like Exchange Traded Funds (ETFs) and government debt instruments (Sukuk and bonds). They adhere to the regulatory requirements set forth by Boursa Kuwait and the CMA to secure listing approval.



Engagement Methods

- Exchange rules
- Corporate days and seminars
- Relationship managers
- Meetings
- Public/industry consultations
- Focus group sessions/dialogues
- Engagement with Boursa Kuwait through the CIP disclosure system
- Engagement through emails, phone calls surveys or other means
- Circulars/directives
- Training programs and workshops
- Enquiries via Listing Advisory
- Site visits
- Boursa Kuwait's website



Interests and Concerns

- Listing policies and practices
- Enhancing liquidity and market capitalization
- Facilitating access through disclosure and announcement system
- Suggesting policies to increase operational efficiency
- Publishing a guide that addresses sustainability matters

Intermediaries



Key Stakeholders

(Including brokers, clearing participants, authorized direct members and authorized depository agents)

Ensuring investor protection, market orderliness and strengthening the resilience of our business depend significantly on the responsible conduct of intermediaries.

Additionally, Boursa Kuwait collaborates closely with KCC to develop the Kuwaiti capital market.



Engagement Methods

- Direct engagement through automated systems
- Direct engagement to provide updates
- Invitations to provide feedback on initiatives
- Non-deal roadshows with KCC
- Collaboration to upgrade infrastructure and systems to accommodate Boursa Kuwait's products and services
- Testing protocols on current and upcoming products and services
- Training programs and workshops
- Site visits
- Networking and related events
- Engagement through emails, phone calls and surveys
- Circulars/directives
- Boursa Kuwait's website
- Brokerage portal



Interests and Concerns

- Initiatives for the development of the market, including suggesting amendments to regulatory policies and the rulebook
- Product development and offerings from Boursa Kuwait
- Clear explanations of obligations or the application of business rules
- Proposal to amend regulatory policies as needed
- Operational concerns, including participant conduct, trading, supervision and market surveillance
- Facilitating access to the market
- Programs focused on education, training and awareness
- Improvements to risk management practices within clearing houses
- Industry-wide testing for business continuity to assess the readiness of both Boursa Kuwait and market participants to resume operations
- Drill exercises to simulate defaults and test the effectiveness of default management procedures and brokers' readiness
- Addressing complaints and feedback
- Promoting new products/services

Stakeholder Engagement (continued)

Investors



Key Stakeholders

Boursa Kuwait's investor base comprises investment banks, institutional investors, retail investors, and traders. Investors in the Kuwaiti capital market engage in buying and selling securities. Confidence in the market is crucial for promoting investment, and Boursa Kuwait

plays a vital role in fostering this confidence. The exchange facilitates this by providing comprehensive information and ensuring fair, ethical, transparent, and efficient market operations.



Engagement Methods

- Meetings and direct engagements to provide updates
- Public consultations
- Focus group sessions/dialogues
- Engagement through emails, phone calls, surveys or other means
- Local and overseas conferences
- Advocacy programs and workshops
- Promotional corporate days/roadshows
- Seminars, workshops and webinars
- Boursa Kuwait's various digital touchpoints (websites, mobile apps)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



Interests and Concerns

- Boursa Kuwait's market development strategies, plans and challenges
- Overview of Boursa Kuwait's diverse range of products and services
- Assessment of the performance of publicly listed companies, both financially and non-financially
- Providing companies' material information in a timely and accurate manner
- Analysis of the level of interest in and demand for Boursa Kuwait's upcoming market initiatives and product offerings
- Insights into Kuwait's economic landscape and the capital market regulatory policies and recent rule changes shaping the market
- Focus on sustainable investing
- Consideration of other important matters, including customer service standards and complaint resolutions
- Facilitating access to the market

Shareholders and Analysts



Key Stakeholders

Boursa Kuwait is committed to consistently communicating with its shareholders, who are an essential part of its success and strategic goals. The Company places effective communication with them as a high priority, striving to keep them informed and engaged throughout the year in an effort to maintain their trust in its operations and performance.

The Company consistently seeks feedback from its shareholders regarding its performance, and strategies - an approach that extends to its IR Department, which plays a pivotal role

in maintaining continuous, and personalized communication with both current and prospective investors. The department serves as a dedicated point of contact, addressing inquiries, providing information, and ensuring that investors' needs are met in a timely and comprehensive manner. In addition, as part of Boursa Kuwait's corporate governance framework, a shareholder protection policy has been developed in accordance with the relevant laws and regulations, in order to ensure effective communication with shareholders to identify their views on various matters pertaining to Boursa Kuwait.



Engagement Methods

- Annual Reports
- Sustainability Reports
- Annual General Meetings
- Quarterly analyst conferences and transcripts
- Investor presentations
- Corporate days/roadshows
- Media briefings
- Meetings and direct engagements to provide updates
- Engagement through emails, phone calls, surveys or other means with the IR Department
- Disclosures
- Boursa Kuwait's various digital touchpoints (websites, mobile apps)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



Interests and Concerns

- The right to vote
- Providing information about organizational performance, including financial performance, corporate strategy and growth initiatives
- Management and distribution of capital
- Operating landscape assessment
- Right to voice concerns to the Board of Directors regarding their duties
- Strategy for sustainability
- Strong and robust corporate governance framework

Stakeholder Engagement (continued)

Community Groups

(including non-profit organizations (NGOs) that are beneficiaries of our community initiatives)



Key Stakeholders

The community where Boursa Kuwait operates stands as the primary beneficiary of its endeavors.

The economic impact stemming from stock market activities eventually extends its benefits to the community. This commitment to the

well-being of the community underscores the bourse's dedication to corporate social responsibility (CSR), ensuring that the positive outcomes of the economic activities contribute to broader societal welfare.



Engagement Methods

- University and school tours and visits
- Engagement through emails and phone calls
- Seminars, workshops and webinars
- Media coverage
- Conferences and speaking engagements
- Boursa Kuwait's various digital touchpoints (websites, mobile apps including Boursa Academy)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



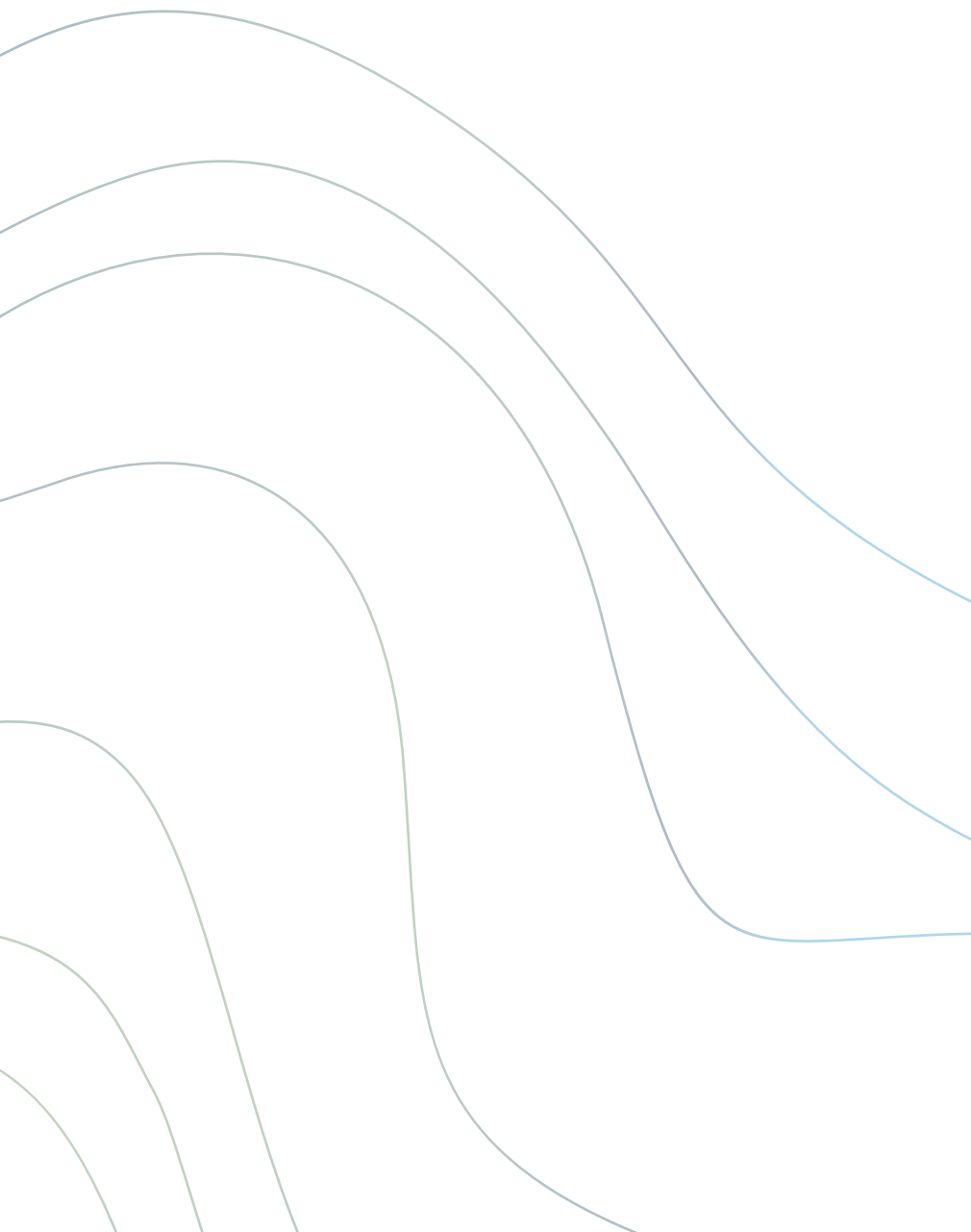
Interests and Concerns

- Educational opportunities via Boursa Academy (Boursa Kuwait financial literacy website and market simulator)
- Engagement in CSR initiatives
- Partnerships in events and collaborative initiatives
- Progress and impact of community programs



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Financial Overview

Boursa Kuwait concluded the year on a high note, recording a total value traded of KD 14.83 billion, which marks a 42.85% Year-on-Year (YoY) increase compared to KD 10.38 billion in 2023. The “Premier” and “Main” Markets both recorded higher value traded, totaling KD 9.78 billion and KD 5.05 billion, respectively, representing YoY increases of 19.00% and 133.36%. Furthermore, the total shares traded saw a commendable YoY increase of 73.08%, totaling 68.48 billion shares, up from 39.57 billion shares in 2023.

Since its privatization, Boursa Kuwait has demonstrated a continued commitment to refining its strategic approach. It has achieved even greater cohesiveness across its integrated operations, including those of its key subsidiary, KCC, while enhancing its business agility to tackle unexpected challenges. This strategic direction has played an imperative role in driving improvements across various core activities, with positive results reflected in the operating revenue components.

Despite the challenges experienced during parts of the year, Boursa Kuwait and its subsidiary companies (the Group) delivered robust growth in several operating revenue streams, including Settlement operations, Share in trading commission, and Clearing operations. Additionally, the Group’s continuous initiatives to optimize its operating cost structure have further contributed to a positive financial performance for the year.

Trading Performance

Total Value Traded* (KD)

14.83 billion

↑ 42.85%

Total Shares Traded*

68.48 billion shares

↑ 73.08%

Total Trades*

3,910,433

↑ 63.68%

Market Capitalization (KD)

43.58 billion

↑ 8.24%

Traded Value (KD), % Breakdown

5,048,196,880
34.05%

4,174,529
0.03%

9,775,573,379
65.93%

■ “Premier”
■ “Main”
■ Tradable Rights Issues

* Includes Tradable Rights Issues.

The marked improvement in trading performance during 2024 has driven notably stronger overall financial results. Trading-related revenue streams remained the largest contributors to operating revenues. Collectively, Share in trading commission, Clearing operations, and Settlement operations accounted for approximately 51.36% (2023: 42.97%) of operating revenues. This was followed by Subscription fees at 19.40% (2023: 23.10%), Central depository services at 12.10% (2023: 13.85%) and Shareholders register services at 9.28% (2023: 11.23%).

Miscellaneous fees and Reversal of provision for expected credit loss made up the remaining components of the operating revenues at 7.86% (2023: 8.85%).

Underpinned by improved trading sentiment and the Group's continuous efforts to enhance operational efficiency, Boursa Kuwait reported a net profit of KD 18.18 million for the year, marking a 15.08% increase YoY. This represents a record net profit recorded since the Company's privatization (after adjusting for the one-off gain on business combination of KD 13.22 million in 2020).

Performance Highlights

Operating Revenues (KD)

36.31 million

↑ 18.36%

Operating Profit (KD)

22.40 million

↑ 22.59%

Net Profit (KD)

18.18 million

↑ 15.08%

Earnings Per Share

90.55 fils

↑ 15.08%

The value traded by the market maker also continued to improve, reaching approximately KD 2.85 billion in 2024 (2023: KD 1.74 billion), an increase of 63.62% YoY.

Financial Performance

Operating Revenues (KD)

36.31 million

↑ 18.36%

Operating Expenses (KD)

13.91 million

↑ 12.12%

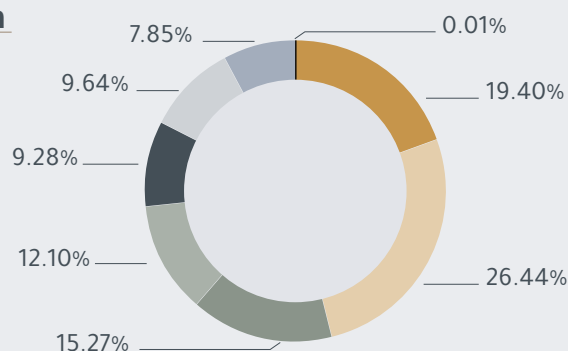
Cost to Income Ratio

38.31%

(2023: 40.44%)

Total Operating Revenues (KD), % Breakdown

7,046,454	Subscription Fees
9,602,520	Share in Trading Commission
5,545,950	Clearing Operations
4,393,456	Central Depository Services
3,371,240	Shareholders Register Services
3,501,946	Settlement Operations
2,850,113	Miscellaneous Fees
3,002	Reversal of Provision for Expected Credit Losses
36,314,681	Total Operating Revenues



Financial Overview (continued)

Operating revenues increased by 18.36% YoY to KD 36.31 million in 2024 (2023: KD 30.68 million), the highest level recorded since privatization. This significant increase was largely attributed to higher trading activities during the year, which positively impacted the Group's overall performance. As a sub-set of the value traded, the Average Daily Traded Value increased by 39.40% to KD 59.79 million (2023: KD 42.89 million).

The improvement in the trading-related operating revenues of 41.48% YoY was mainly correlated with the improvement in the trading activities that occurred during 2024, which was propped by the marked improvement in the "Main" Market's value traded. The value traded recorded in 2024 surpassed the watermark recorded in 2022, making it the highest since privatization.

This category of operating revenues recorded a significant increase, reaching KD 18.65 million (2023: KD 13.18 million). Settlement operations reached KD 3.50 million (2023: KD 2.15 million), corresponding to an increase of 63.68% in the number of trades. Share in trading commission reached KD 9.60 million, an increase of 41.47% YoY (2023: KD 6.79 million). Furthermore, Clearing operations revenue increased by 30.58%, reaching KD 5.55 million (2023: KD 4.25 million). The number of trade confirmations for foreign investors recorded an improvement of 30.83% YoY, recording 1.07 million trade confirmations (2023: 0.82 million).

The impacts from the decrease in the number of listed companies and market capitalization YoY, both of which are key parameters used to determine the Subscription fees, contributed to the lower fees earned in 2024. Subscription fees decreased marginally by 0.59% YoY to KD 7.05 million (2023: 7.09 million). As of 31 December 2024, the number of listed companies stood at 143 (31 December 2023: 149). Market capitalization stood at KD 43.58 billion (2023: KD 40.26 billion). In 2024, the "Premier" Market witnessed one Initial Public Offering (IPO).

Central depository services recorded a marginal increase to KD 4.40 million (2023: KD 4.25 million) or 3.40%. The increase was attributed to the higher average value of securities custodized by KCC throughout 2024 on behalf of mutual funds, investment companies, and global custodians. As for Miscellaneous fees, an improvement of 7.09% YoY was recorded, reaching KD 2.85 million (2023: KD 2.66 million).

Shareholders register services saw a marginal drop of 2.19% to KD 3.37 million (2023: KD 3.45 million). The drop was partially neutralized by the increases in Corporate Actions Services and Shares Transfer Services. A number of corporate exercises were undertaken throughout the year, including one IPO in the "Premier" Market that contributed to the sustainability of these services despite the challenging economic backdrop. A total of two companies increased their respective capitals in 2024 and successfully raised

a total of KD 63.33 million (2023: Six companies and a REIT and KD 300.47 million).

Meanwhile, the Group's non-operating incomes, comprising Investment income, Rental income and Other income, dropped by 8.23% to KD 4.07 million (2023: KD 4.43 million). The decrease was primarily due to lower Other income at 89.94% to KD 0.07 million (2023: KD 0.69 million).

Rental income improved by 15.31% YoY to KD 0.96 million (2023: KD 0.83 million), as available spaces were leased to either new tenants or existing tenants seeking to expand their respective floor space. Over the last few years, Boursa Kuwait's headquarters underwent various types of renovation and improvement to provide greater quality of infrastructure, and facilities to its tenants. These include renovations to its trading floor and public amenities, such as lavatories, training rooms, auditorium, elevators, and trading screens (indoor and outdoor). Additionally, the security of the building was further enhanced, with the installation of biometric access controls for entry and vertical traffic movement and state-of-the-art recognition technology to monitor the movement of vehicles within the building perimeter. In December 2023, the building was awarded the GOLD certification by the Green Building Council and its Leadership in Energy and Environmental Design (LEED) program, making it one of the first buildings in Kuwait to be accorded this certification.

Net Investment income improved by 4.52% to KD 3.04 million (2023: KD 2.90 million), as they continued to be optimized by efficient management of liquidity. This was shaped by the ongoing improvement of operations, aimed at further enhancing the overall efficiency of operations.

Cost-to-Income ratio stood at 38.31%, compared to 40.44% recorded a year ago. Operating expenses were higher by 12.12% YoY at KD 13.91 million (2023: KD 12.41 million). Notwithstanding, this points to the fact that the level achieved remains between the guided range as the Group continues to streamline operations and improve the operating-cost structure, both of which augur well for future growth and place the Group on a stronger footing to effectively manage unexpected future challenges.

Staff-related expenses led the constituents of operating expenses at KD 8.30 million (2023: KD 7.63 million), representing 59.67% (2023: 61.51%). This is followed by Maintenance and license expenses at KD 1.63 million (2023: KD 1.48 million) representing 11.70% (2023: 11.96%). This has been partly driven by a combination of various technological improvements made to embrace the new normal without compromising the operations, as the Group continued to leverage technologies in all aspects of its operations to enhance efficiency and optimize operating costs. This also highlights the Group's continuing efforts to operate at an optimum

cost structure, contributing to improving its operational leverage, which in turn enhances its financial resiliency in a challenging environment. Then, Other expenses at KD 1.28 million (2023: KD 0.94 million) representing 9.19% (2023: 7.54%) and Depreciation and amortization expenses at KD 0.86 million (2023: 0.79 million) representing 6.15% (2023: 6.39%).

Building-related expenses were marginally higher at 3.56%, reaching KD 0.30 million (2023: KD 0.29 million), representing 2.12% of the operating expenses (2023: 2.30%). As an aggregate, Professional consultancy fees and the CMA commission increased by 20.09% at KD 0.88 million (2023: KD 0.73 million). They represent 6.32% of the operating expenses, compared to 5.90% in 2023.

Predicated on the above, operating profit saw an improvement of 22.59% to reach KD 22.40 million

(2023: KD 18.27 million). Coupled with discipline in managing and optimizing the cost structure, the impact on the operating profit margin was minimized to achieve 61.69% versus 59.56% recorded in 2023.

As a result, the net profit reached a record level of KD 18.18 million (after adjusting for the one-off gain on business combination of KD 13.22 million in 2020) (2023: KD 15.80 million), representing a commendable increase of 15.08%. This translated into earnings per share of 90.55 fils (2023: 78.68 fils).

Operating Profit Margin

61.69%

(2023: 59.56%)

Net Profit Margin

50.06%

(2023: 51.49%)

Financial Performance Summary

Five-Year Financial Highlights					
KD million	2020	2021	2022	2023	2024
Income Statement					
Operating Revenues	22.21	31.21	35.20	30.68	36.31
Operating Expenses	(10.36)	(12.67)	(12.58)	(12.41)	(13.91)
Operating Profit	11.85	18.53	22.62	18.27	22.40
Net Profit ⁽¹⁾	25.81 ⁽²⁾	15.89	18.00	15.80	18.18
Balance Sheet					
Total Assets	104.16	110.37	119.55	118.89	126.15
Total Liabilities	13.43	10.51	11.44	10.48	11.72
Total Equity ⁽¹⁾	52.80	60.61	65.50	64.23	67.55
Net Dividends per Share (Fils)	40	65	85	74	82
Cash Dividend Pay-out Ratio (%)	63.82	82.13	94.80	94.05	90.56
Market Capitalization	220.85	405.57	411.99	346.14	461.78
Financial Ratios (%)					
Operating Revenues Growth (%)	56.35	40.53	12.80	(12.84)	18.36
Cost-to-Income Ratio	46.65	40.61	35.75	40.44	38.31
Operating Profit Margin	53.35	59.39	64.25	59.56	61.69
Net Profit Margin	56.67 ⁽³⁾	50.92	51.14	51.49	50.06
Earnings Per Share (Fils)	128.54	79.15	89.67	78.68	90.55
Return on Average Assets	36.78	14.81	15.66	13.25	14.84
Return on Average Equity	60.79	28.02	28.55	24.36	27.59

Notes:

1. Attributable to Shareholders of the Parent Company
2. Inclusive of one-off gain on business combination of KD 13.22 million
3. Adjusted for net gain on business combination of KD 13.22 million

Financial Overview (continued)

Cashflow Generative and Stable Balance Sheet

The consolidated net cash flow from operating activities stood at KD 24.33 million (2023: KD 18.60 million), which represents an increase of 30.83% YoY. The business continued to be highly cash-generative and, apart from the business model, this can also be attributed to a number of factors, including active accounts receivable collection and efficient management of accounts payable. This contributed to increasing the income from treasury activities, as the Group continues to put in place greater efficiency in mobilizing its excess liquidity.

Investment in Information Technology (IT) and the building remain Boursa Kuwait's main constituencies in investment activities, and these have all been internally funded. Meanwhile, the Group is building a more robust IT capital expenditure program, which includes replacements and upgrades that take into consideration business requirements, operational efficiencies, and capital requirement. This will contribute further towards improving its liquidity management in the future. Further capability-enhancing investments in IT in the areas of cyber-security, data recovery and management, operations efficiency, and standardization of IT processes were made during the year as part of the overall IT

program to refresh end-of-life infrastructure as well as to further protect the Group's operating environment from cyber-attacks. As a direct result of its data security investment, Boursa Kuwait attained ISO20001-2022 certification in 2024.

Total assets recorded an increase YoY of 6.11% to KD 126.15 million (2023: KD 118.89 million). Following the conversion of KCC to a subsidiary from an associate in 2020, the Group undertook an annual impairment exercise that indicated zero impairment in carrying value of its investment, as KCC continued to support the Group's performance. Term deposits, cash and cash equivalents remain the major component of assets at 55.59% (2023: 54.53%) followed by Intangible assets at 27.26% (2023: 28.36%).

Total liabilities registered an increase of 11.86% YoY to KD 11.72 million (2023: KD 10.48 million). Approximately 80.79% or KD 9.47 million (2023: KD 8.21 million) of that represents Accounts payable and other liabilities followed by Employees' end of services benefits at 14.93% or KD 1.75 million (2023: KD 1.56 million) and Lease liabilities at 4.28% or KD 0.50 million (2023: KD 0.71 million).

Total Shareholders equity attributable to Shareholders of the Parent Company recorded an increase of 5.17% to KD 67.55 million for the year (2023: KD 64.23 million).

Total Assets (KD)

126.15 million

↑ 6.11%

Total Liabilities (KD)

11.72 million

↑ 11.86%

Total Shareholders Equity (KD)

67.55 million

↑ 5.17%



Active Engagement with Stakeholders and Shareholders

During 2024, Boursa Kuwait intensified its stakeholder engagement activities, which included hosting quarterly analyst conferences, participating in corporate days and investor conferences, conducting workshops, training and awareness sessions, and organizing social engagements as part of its corporate sustainability program.

In addition to hosting the quarterly analyst conference, Boursa Kuwait participated in three geographically diverse corporate days, organized in collaboration with HSBC and JEF. These events provided an opportunity to strengthen engagement with stakeholders and share key information to enhance their understanding of the Group.

In collaboration with MEIRA, the Company conducted workshops on the transformative potential of artificial intelligence in advancing IR and creating added value for companies and the influence of digital innovation and technological advancements on the evolution of IR practices. Additionally, in recognizing the importance of IR in the dynamic world of capital markets, a workshop to raise awareness and knowledge of best practices in corporate reporting was hosted in collaboration with Instinctif Partners.

Looking to the Future

Looking ahead to 2025 and beyond, Boursa Kuwait believes it has further enhanced financial and operational strength, as well as the resilience, needed to effectively navigate potential challenges and volatility. By proactively mitigating risks to maintain financial soundness and stable operations, it is poised to move forward with greater confidence, aiming to build further momentum and create inherent value for all its stakeholders.

As the financial markets ecosystem continues to evolve, the Group remains committed to introducing new and diversified products that will further enrich and enhance operating revenue streams. With a stronger financial footing and an efficient operating environment, these efforts will contribute to the strength of Boursa Kuwait in creating value for the Group and its esteemed shareholders.

As in previous years, operational integration, with a focus on support services within the Group and instilling cost management discipline, will continue to be one of the priorities in the coming year. A key emphasis will be placed on further advancing the automation of operational processes. To achieve these objectives, Boursa Kuwait will continue exploring avenues for cost optimization, enhancing its internal reporting and operating systems, strengthening the quality of its team, and developing capabilities and careers at all levels, all while continuing to deliver on its business strategies.



Our Market in 2024

Capitalizing on Tailwinds to Drive Growth

In 2024, Boursa Kuwait maintained strategic focus and delivered an impressive performance for the year, benefiting from tailwinds in its market to post significant increases in value and volume traded. By continuing to strengthen its operations, enhance efficiency and fostering robust engagement with key stakeholders, Boursa Kuwait reinforced its position as a resilient and dynamic market, concluding the year with a total market capitalization of KD 43.58 billion, an increase of 8.24% from the previous year.

Market Trends in 2024

Kuwait's capital market showcased its strength and positive momentum in 2024, achieving one of its strongest years in terms of liquidity and investor participation. This success was supported by a favorable macroeconomic environment, with elevated oil prices boosting government revenues and providing fiscal stability. Strategic enhancements to market infrastructure, regulatory reforms and initiatives to attract foreign investment further strengthened market activity.

Despite regional geopolitical instability and global economic headwinds, including inflationary pressures, Kuwait's focus on economic diversification and leadership within the Gulf Cooperation Council (GCC) sustained investor confidence. Overall, the strength of the market during the year served as a tailwind of positive momentum for Boursa Kuwait, accelerating progress, enhancing trust and confidence and supporting Kuwait's continued focus on developing a globally competitive capital market.

Market Segmentation

Companies listed on Boursa Kuwait are segmented into its "Premier" and "Main" Markets, according to international best-in-class standards that meet the needs of the Kuwaiti market and enhance its transparency.

143 Listed Companies as of the End of 2024:



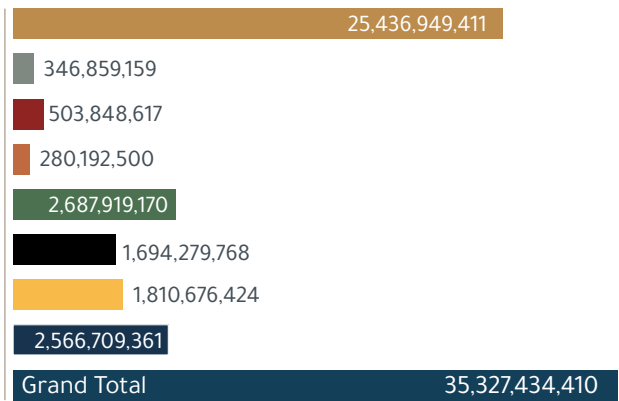
"Premier" Market

Boursa Kuwait's "Premier" Market includes companies with high liquidity and a medium-to-large market capitalization.

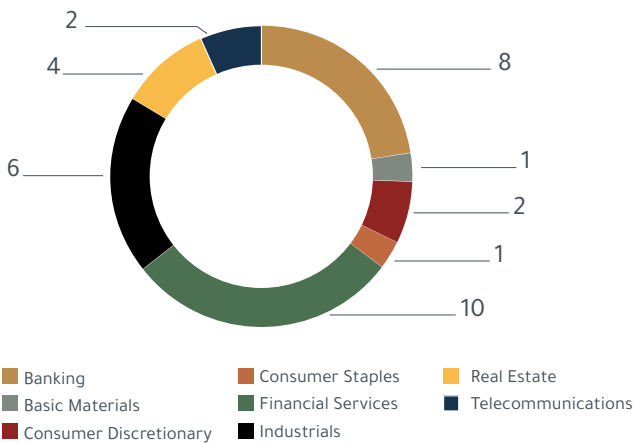
Available on the "Premier" and All-Share Market indices, the 34 companies listed in the "Premier" Market make up about 81% of the market capitalization of companies listed on Boursa Kuwait, split by sector as follows:

Listed Companies by Sector in the "Premier" Market

Market Capitalization (KD)



Number of Companies 34



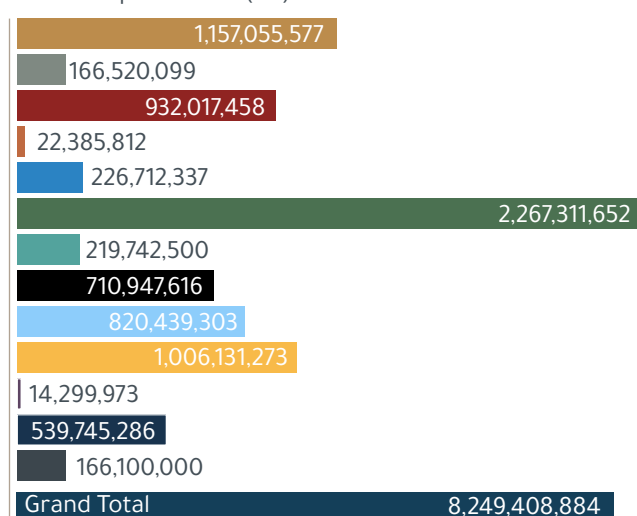
“Main” Market

Boursa Kuwait’s “Main” Market includes listed companies that do not qualify for inclusion in the “Premier” Market but meet all listing requirements. Available on the “Main”

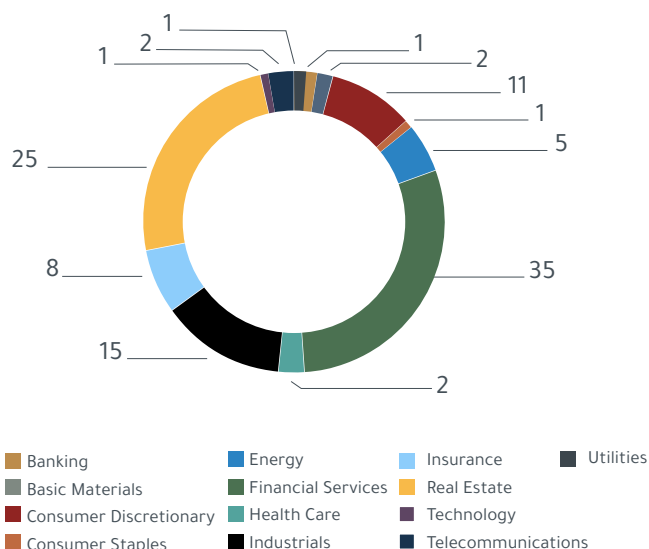
and All-Share Market indices, the 109 companies listed in the “Main” Market make up around 19% of the market capitalization of companies listed on Boursa Kuwait, split by sector as follows:

Listed Companies by Sector in the “Main” Market

Market Capitalization (KD)



Number of Companies 109



Market Performance

The total market capitalization of the Kuwaiti capital market in 2024 was KD 43.58 billion, an increase of 8.24% from 2023.

The “Premier” Market’s capitalization came in at KD 35.33 billion, with almost 29.31 billion shares traded at a value of KD 9.78 billion as a result of around 1.96 million transactions, equivalent to 65.93% of the total value traded and 42.79% of the total volume traded of Boursa Kuwait.

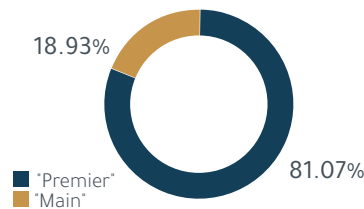
Meanwhile, the “Main” Market’s capitalization came in at KD 8.25 billion, with over 39.13 billion shares traded at a value of approximately KD 5.05 billion as a result of over 1.95 million transactions, equivalent to 34.05% of the total value traded and 57.14% of the total volume traded of Boursa Kuwait.

Market	Market Capitalization (KD)	%	Number of Trades	%	Volume of Securities Traded	%	Value of Securities Traded (KD)	%
“Premier”	35,327,434,410	81.07%	1,960,687	50.14%	29,305,538,116	42.79%	9,775,573,379	65.93%
“Main”	8,249,408,884	18.93%	1,946,822	49.79%	39,133,049,482	57.14%	5,048,196,880	34.05%
Tradable Rights Issues	-	-	2,924	0.07%	43,077,126	0.06%	4,174,529	0.03%
Total 2024	43,576,843,294		3,910,433		68,481,664,724		14,827,944,789	
% Change vs 2023	8.24%		63.68%		73.08%		42.85%	

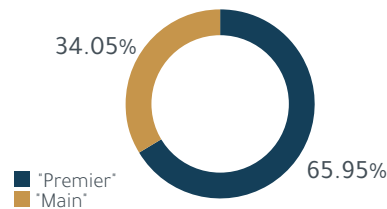
Our Market in 2024 (continued)

Market Performance (continued)

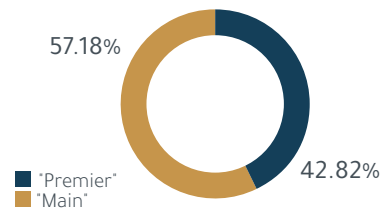
Market Capitalization



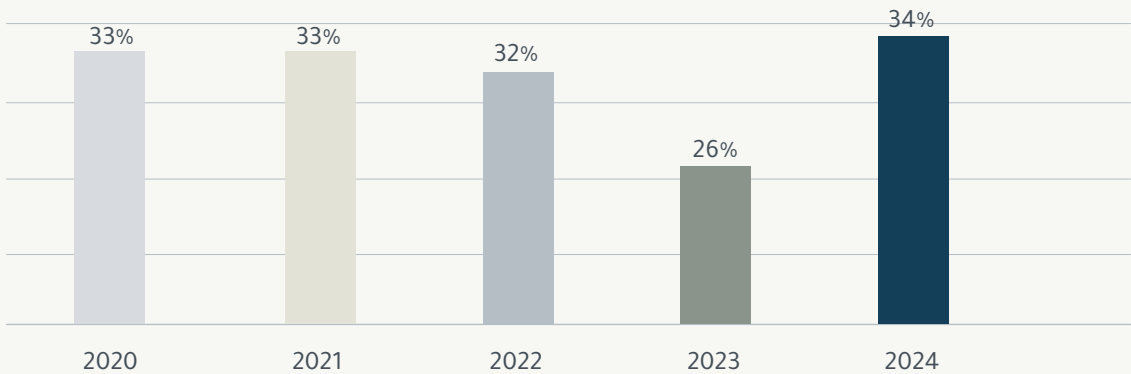
Value Traded



Volume Traded



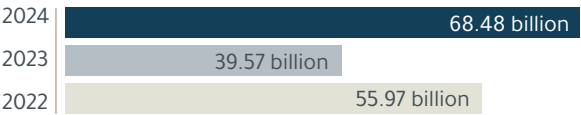
Turnover Velocity (Traded Value/ Market Capitalization %)



Total Volume of Securities Traded

The total number of securities traded during 2024 was almost 68.48 billion shares, a 73.08% increase from around 39.57 billion shares traded in 2023.

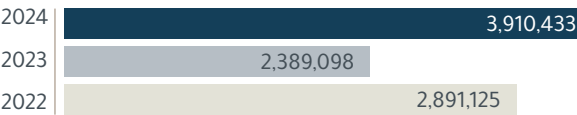
Number of Securities Traded



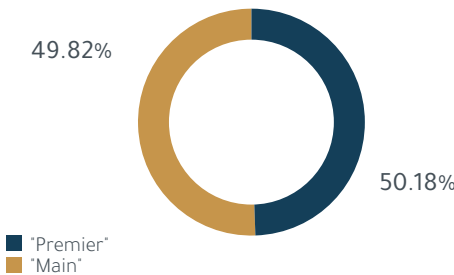
Total Transactions

Boursa Kuwait handled around 3.91 million transactions during 2024, a 63.68% increase in the number compared to 2.39 million in 2023.

Number of Transactions



Transactions % Breakdown



Tradable Rights Issues

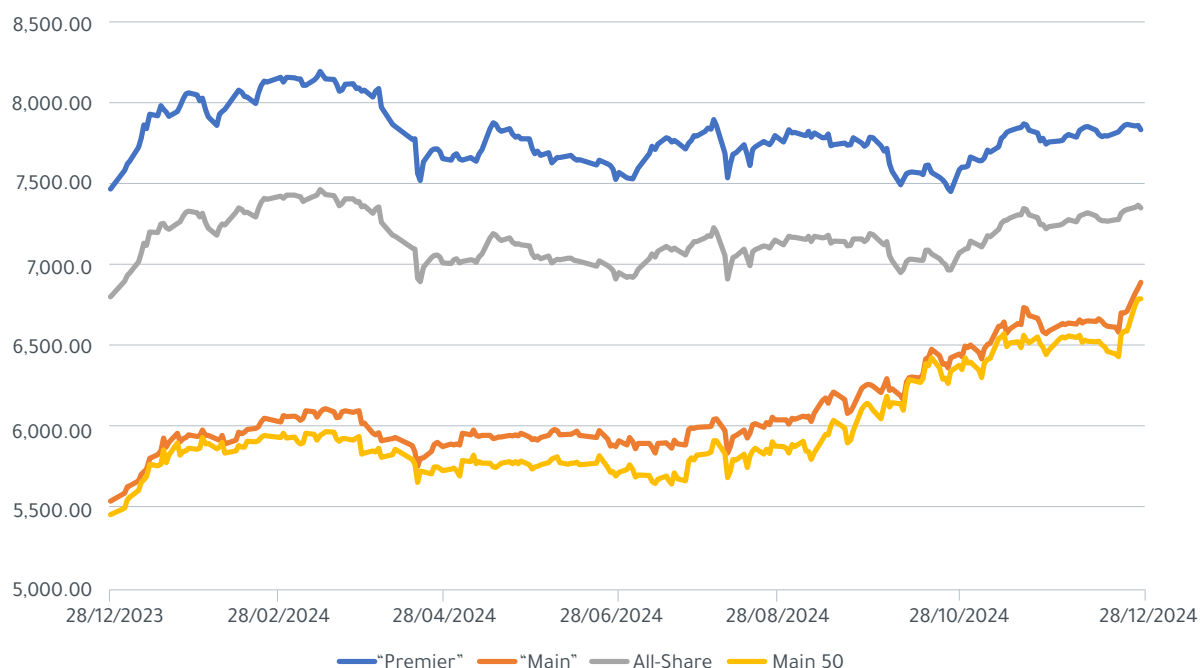
Boursa Kuwait facilitated capital increases valued at KD 54.33 million of the following companies, through the Tradable Rights Issues:

- Arabi Group Holding Co.
- International Financial Advisers Holding Co.

Number of Companies	Total Volume	Total Value (KD)	Number of Trades
2	43,077,126	4,174,529	2,924

Index Performance

As of the end of 2024, the All-Share Index was up by 8.00% for the year to 7,362.54 points; the "Premier" Market index increased by 4.84% to 7,838.76 points; the "Main" Market index increased by 24.01% to 6,907.25 points; and the Main 50 index increased by 24.04% to 6,806.66 points.

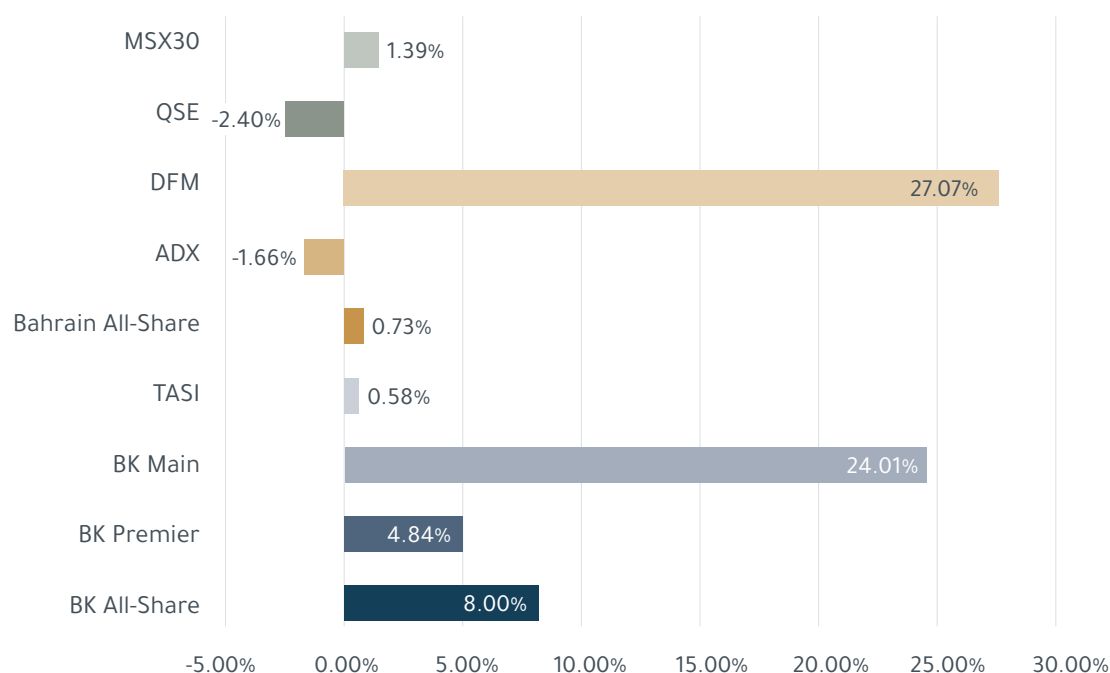


Our Market in 2024 (continued)

Performance of GCC Markets

Index	Last Price 2023*	Last Price 2024*	Points change	% Change
Boursa Kuwait All-Share Index	6,817	7,363	545	8.00%
Boursa Kuwait Premier Index	7,477	7,839	362	4.84%
Boursa Kuwait Main Index	5,570	6,907	1,338	24.01%
Tadawul All-Share Index	11,967	12,037	69	0.58%
Bahrain Bourse All-Share Index	1,971	1,986	14	0.73%
FTSE ADX General Index	9,578	9,419	(159)	-1.66%
Dubai Financial Market General Index	4,060	5,159	1,099	27.07%
Qatar Exchange Index	10,831	10,571	(260)	-2.40%
Muscat Stock Exchange MSX 30 Index	4,514	4,577	63	1.39%

* Performance is in local currencies.



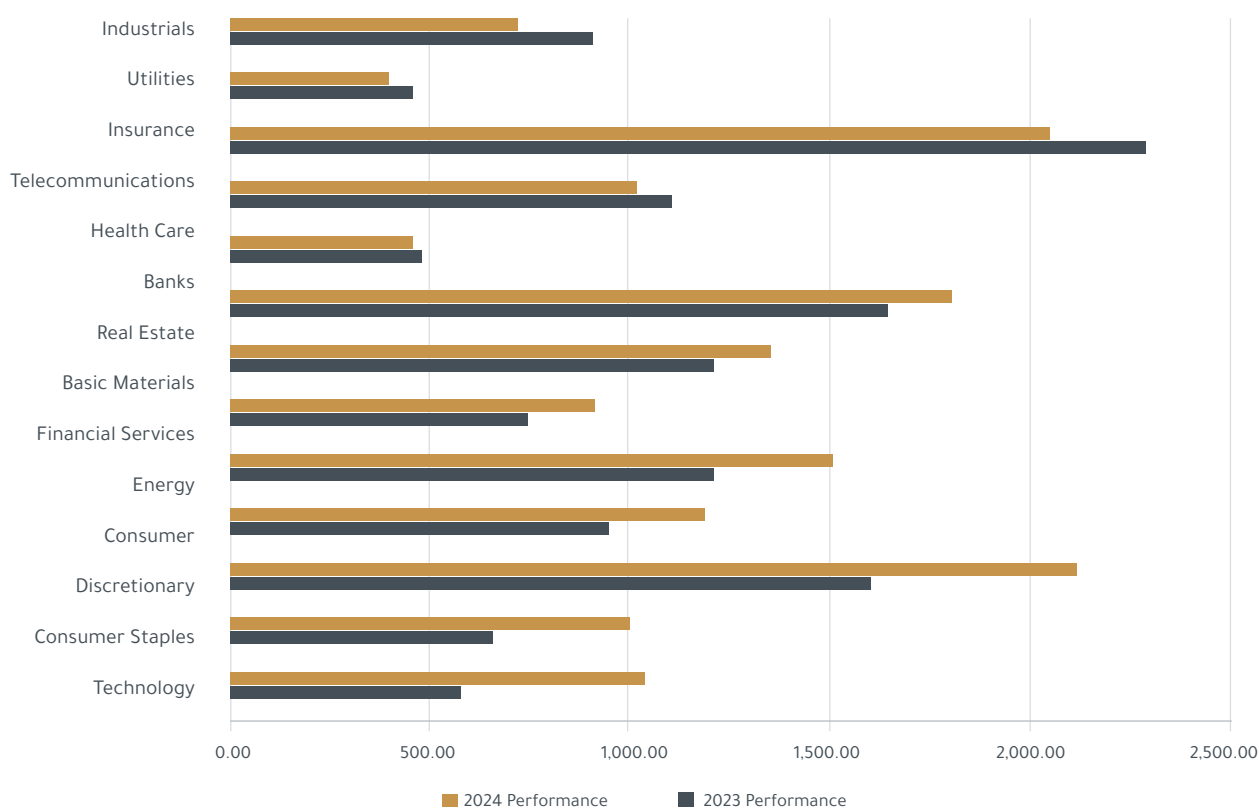
Sector Breakdown

Performance by Sector

Sectorial performance for the year was mostly positive within the 13 sectors represented in Boursa Kuwait. The best performing sector was Technology (+79.87%), followed by Consumer Staples (+51.64%) and Consumer Discretionary (+32.35%). Conversely, Industrials (-20.30%), Utilities (-12.72%) and Insurance (-10.36%) declined the most during 2024.

Sector	2023 Performance	2024 Performance	% Change
Technology	578.36	1,040.32	79.87%
Consumer Staples	658.58	998.68	51.64%
Consumer Discretionary	1,603.91	2,122.80	32.35%
Energy	949.01	1,189.14	25.30%
Financial Services	1,212.22	1,510.57	24.61%
Basic Materials	745.93	911.25	22.16%
Real Estate	1,212.91	1,353.12	11.56%
Banking	1,647.47	1,809.81	9.85%
Health Care	482.15	458.29	-4.95%
Telecommunications	1,105.14	1,017.72	-7.91%
Insurance	2,292.80	2,055.24	-10.36%
Utilities	455.26	397.37	-12.72%
Industrials	907.90	723.64	-20.30%

Sectorial Indices Performance

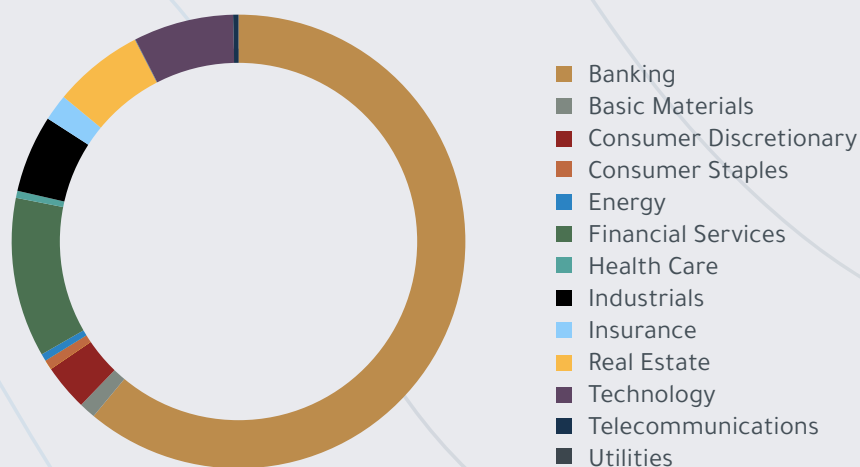


Our Market in 2024 (continued)

Market Capitalization by Sector

Boursa Kuwait's total market capitalization closed at around KD 43.58 billion, an increase of 8.24% from KD 40.26 billion in 2023. The Banking sector made up the largest share of the market capitalization at KD 26.59 billion, followed by the Financial Services sector at KD 4.96 billion and the Telecommunications sector at KD 3.11 billion.

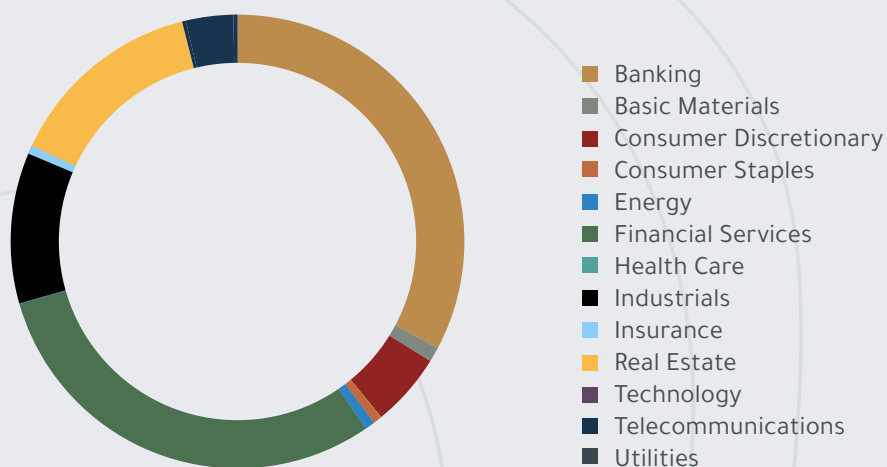
Sector	Market Capitalization 2023 (KD)	Market Capitalization 2024 (KD)	% Change
Banking	24,334,871,064	26,594,004,988	9.28%
Basic Materials	420,243,387	513,379,258	22.16%
Consumer Discretionary	1,085,137,334	1,435,866,075	32.32%
Consumer Staples	198,849,053	302,578,312	52.16%
Energy	192,067,705	226,712,337	18.04%
Financial Services	3,737,834,403	4,955,230,822	32.57%
Health Care	239,040,662	219,742,500	-8.07%
Industrials	3,019,018,997	2,405,227,384	-20.33%
Insurance	913,813,683	820,439,303	-10.22%
Real Estate	2,546,561,754	2,816,807,697	10.61%
Technology	7,949,985	14,299,973	79.87%
Telecommunications	3,373,306,644	3,106,454,647	-7.91%
Utilities	190,300,000	166,100,000	-12.72%
	40,258,994,669	43,576,843,294	



Traded Value by Sector

The total value of securities traded within sectors in 2024 was KD 14.83 billion, an increase of 42.85% from KD 10.38 billion in 2023. The Banking sector saw the highest value of securities traded, making up 32.78% of the total value traded at KD 4.86 billion, followed by the Financial Services sector at 30.13% and the Real Estate sector at 14.13%.

Sector	2024 Traded Value
Banking	4,859,083,762
Basic Materials	155,982,751
Consumer Discretionary	779,075,411
Consumer Staples	94,285,677
Energy	105,349,482
Financial Services	4,466,712,957
Health Care	5,001,300
Industrials	1,592,171,439
Insurance	88,700,802
Real Estate	2,095,085,908
Technology	39,320,238
Telecommunications	500,297,965
Utilities	42,702,566



Our Market in 2024 (continued)

Off-Market Trades

Off-market trades are trades that require a previous agreement between a buyer and a seller to execute the transaction on a listed security at an agreed price and quantity. Off-market trades are considered important to foreign and institutional investors, whose relatively large transactions can impact prices and liquidity. As such, Boursa Kuwait devised a mechanism to automate these transactions.

There were 93 off-market trades made during 2024. The following table shows the value of these trades:

Number of Companies Traded Off-Market	Number of Trades	Volume of Trades	Value of Trades (KD)
13	93	375,083,790	98,967,013

Over-the-Counter (OTC) Transactions

The OTC market is a market created by Boursa Kuwait to facilitate the trading of unlisted and delisted securities through an automated matching mechanism or through privately negotiated deals.

Number of Companies Traded	Number of Trades	Volume of Trades	Value of Trades (KD)
208	4,735	1,666,097,411	124,105,004

Foreign Investors Turnover Split and “Premier” Market Ownership

Foreign turnover activity in the Kuwaiti capital market during 2024 increased to 15% of total turnover activity compared to last year's 12% of turnover activity. On the other hand, institutional investors' activity decreased to 61% versus 65% of last year's turnover activity.

	2023	2024	5-Year Average	10-Year Average
Local	88%	85%	83%	83%
International (inc. GCC)	12%	15%	17%	17%
Retail	35%	39%	39%	41%
Institutional	65%	61%	61%	59%

Active Accounts

During 2024, the market saw an increase of 18.65% in total accounts compared to 2023. Active accounts are defined as the accounts that have performed at least one trade during a six-month period.

Case Study on Market Makers

Driving Market Liquidity with Strategic Market Makers

As the principal stock exchange of Kuwait, Boursa Kuwait has undergone significant transformations over the years, aiming to enhance liquidity, transparency and overall market efficiency. A key milestone in this evolution was the introduction of the Market Maker (MM) model, which has delivered on its promise to boost liquidity across the Kuwaiti capital markets.

Enhancing Market Efficiency through Market Making

Persistent market inefficiencies, such as low liquidity, wide bid-ask spreads and inadequate price discovery, have long posed challenges for investors seeking to execute trades efficiently and at fair value. These challenges have been prominent, especially, in stocks with low trading activity, creating barriers for institutional and retail investors and limiting overall market participation.

To address these issues, Boursa Kuwait, in partnership with the CMA, introduced a set of comprehensive market-making regulations in December 2016. Following extensive collaboration with key stakeholders during 2017 and 2018, including workshops to ensure smooth implementation, the first MM was registered by late 2019.

The MM model is designed to address challenges in the market, such as low liquidity in mid-cap and small-cap securities, and to mitigate price volatility caused by large buy/sell orders. MMs present a valuable service, allowing investors to trade with immediacy and transparency for liquid and illiquid stocks.

In 2022, Boursa Kuwait strengthened its trading infrastructure with the introduction of a feature enabling MMs to place up to five buy and sell orders simultaneously, significantly enhancing market-making activities. Over time, MMs expanded their scope, increasing the number of securities managed and attracting additional participants, cementing their role as a cornerstone of improved liquidity, price stability, and investor confidence in Kuwait's market.

Year	Number of Securities with MMs	Number of MMs
2019	1	1
2020	9	3
2021	21	5
2022	45	7
2023	51	8
2024	53	9

A steady increase in the number of securities covered by MMs since 2019 is shown in the table above, highlighting the consistency of their influence and participation.

Liquidity Enhancement

As of the end of 2024, Boursa Kuwait has 143 listed companies, and MMs have obligations that are split into

four liquidity buckets depending on average daily trading, maximum price spread, presence and a minimum value of orders.

Liquidity Buckets	Number of Listed Securities	Number of Securities with MMs
LB1	11	7
LB2	25	9
LB3	4	2
LB4	103	35
Total	143	53

Out of the 143 listed companies, 53 securities are actively covered by MMs, in which some securities may have more than one MM, indicating their significant presence and role in enhancing liquidity across the market.

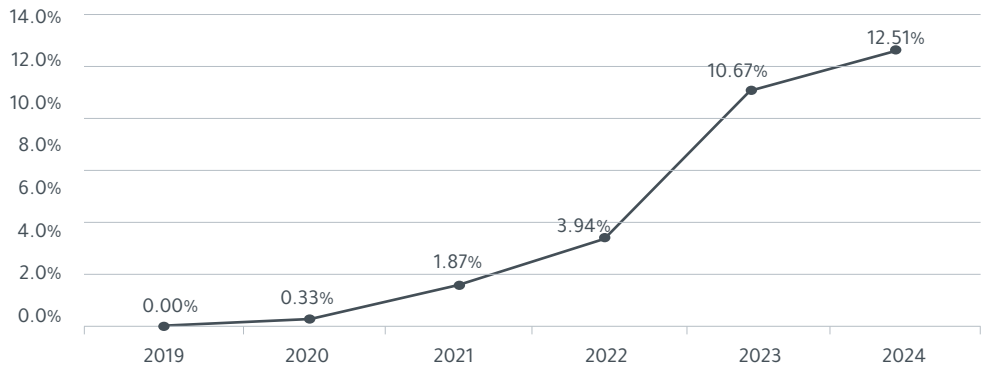
This highlights MMs' strategic efforts to enhance liquidity across various categories, contributing to the overall efficiency of the market.

Our Market in 2024 (continued)

Case Study on Market Makers (continued)

Growth of MMs

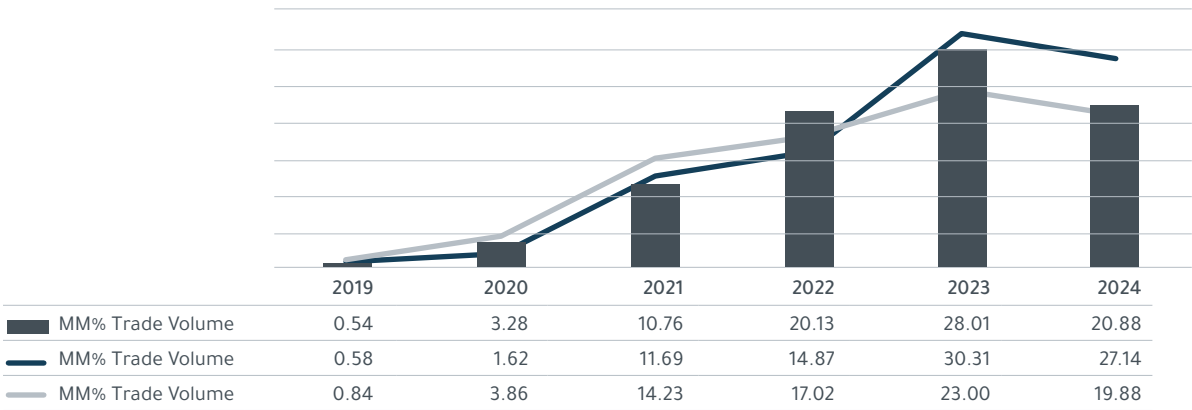
The chart below highlights the rise of MMs' contributions to the total trade value over the years:



MMs have demonstrated significant growth in their contribution to the overall market value traded from 2019 to 2024. Starting with a negligible share of just 0.0003% in 2019, their presence steadily expanded, reaching 0.33% in 2020 and 1.87% in 2021. This upward trend accelerated further in 2022, with MMs contributing 3.94% of the total value traded, reflecting

their increasing role in market activity. By 2023, MMs achieved a substantial leap, accounting for 10.67%, and this momentum continued into 2024, where their share rose to 12.51%. This consistent growth highlights the critical and expanding role of MMs in improving liquidity, stabilizing prices and enhancing the efficiency of the market over the years.

MM Trades Relative to Respective Security Trades



The chart illustrates the percentage contribution of MMs to the overall trades relative to securities in terms of value and volume traded, and number of trades from 2019 to 2024.

- 2019-2021: MM activity was negligible but showed steady growth. Both value and volume traded percentages increased modestly, with a sharper rise in volume traded by 2021.

- 2022-2024: A significant expansion occurred, with MM value and volume traded percentages increasing substantially. By 2023, MM value traded exceeded 30%, while volume traded and trade number percentages also peaked before declining in 2024.

This progression highlights the evolving role of MMs in Boursa Kuwait. Although a decline was observed in 2024, the overall trend reflects the growing influence of MMs in stabilizing the market and facilitating more efficient trading dynamics.

MMs Role in the “Premier” Market

To be promoted from the “Main” Market to the “Premier” Market at Boursa Kuwait, companies must meet specific criteria designed to enhance transparency and attract investment. The key requirements include maintaining an average market capitalization, a minimum Average Daily Traded Value (ADTV), a clean disciplinary record and adhering to higher standards of disclosures.

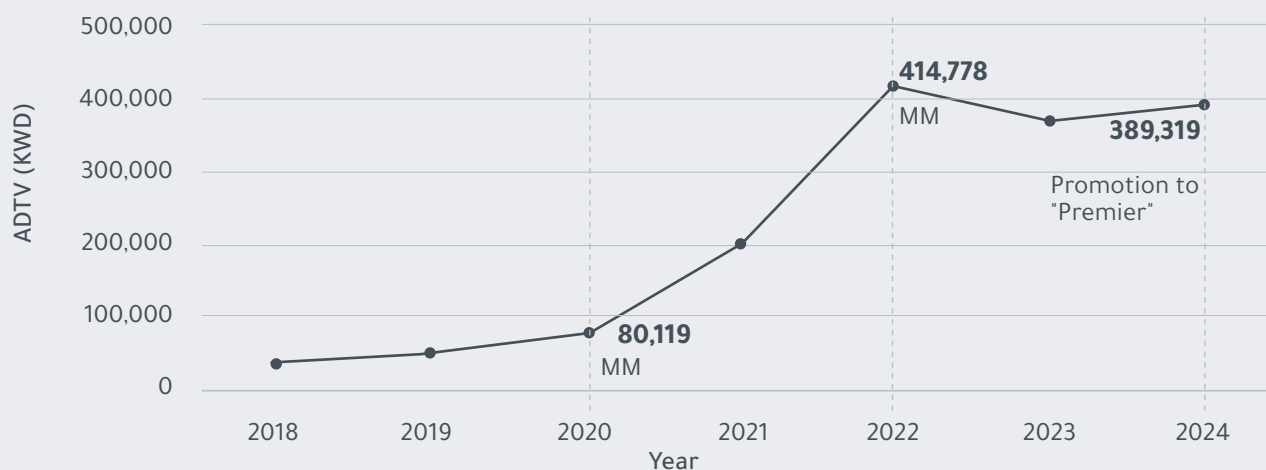
A key milestone achieved with the support of MMs was the successful upgrade of seven companies from the “Main” Market to the “Premier” Market between 2021 and 2024. MMs played a critical role in enhancing liquidity and increasing trading activity, enabling these companies to meet the requirements for “Premier” Market inclusion.

Year of Inclusion	Security	MM % in Total Trades
2022	JAZEERA	36%
2023	KINV	12%
	ARZAN	16%
	ALTIJARIA	58%
	SRE	57%
2024	STC	11%
	ABK	45%
	IFAHR	32%

The percentage of trades attributed to MMs demonstrates their direct impact on enhancing market performance and investor confidence, which were essential for these successful transitions.

MMs Driving “Premier” Market Success

Salhia Real Estate (SRE)



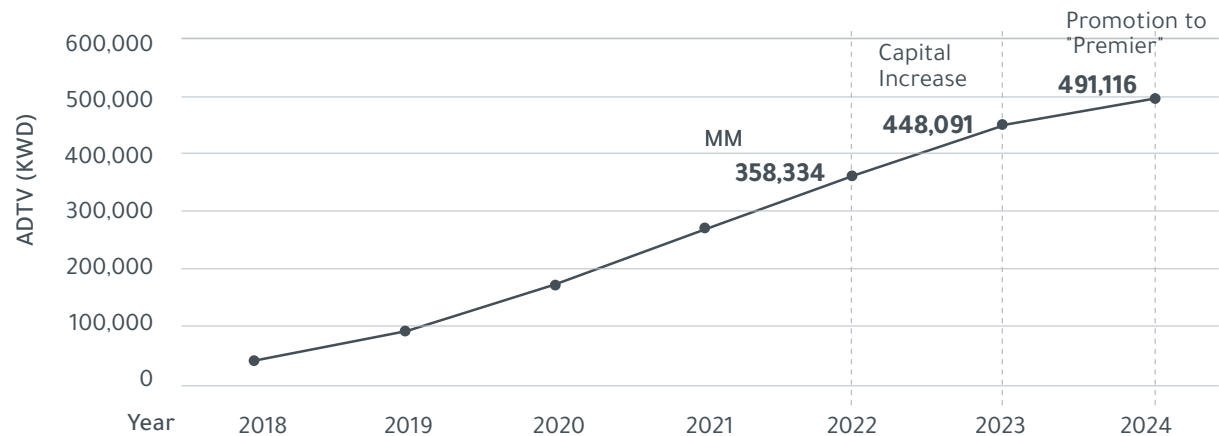
The growth in SRE’s ADTV from 2018 to 2024 highlights key milestones including the inclusion of an MM and its subsequent promotion to the “Premier” Market. Between 2018 and 2021, SRE’s ADTV showed gradual growth. In 2022, with the inclusion of an MM, there was a significant surge, nearly doubling the ADTV. This increase

underscores the critical role of MMs in enhancing liquidity and trading activity. Following its promotion to the “Premier” Market in 2024, SRE’s ADTV stabilized at a higher level, reflecting sustained investor interest and improved market performance driven by the enhanced visibility and trading activity facilitated by the MM.

Our Market in 2024 (continued)

Case Study on Market Makers (continued)

Al Ahli Bank of Kuwait (ABK)



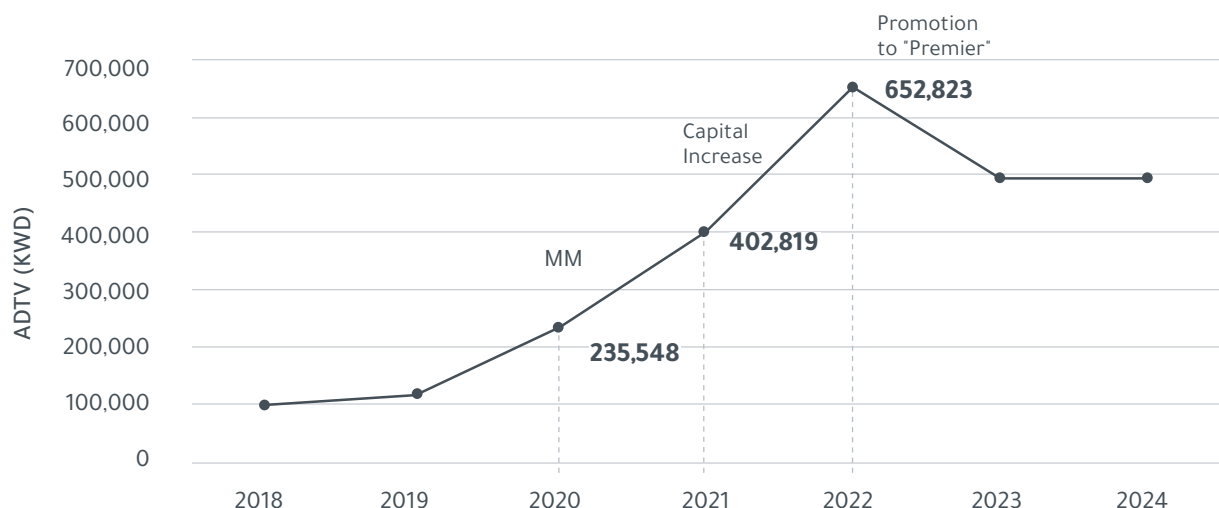
For ABK, the steady growth in their ADTV from 2018 to 2024 underscores the impact of MM inclusion and its promotion to the “Premier” Market. Between 2018 and 2022, ABK’s ADTV experienced consistent increases, with a notable acceleration following the introduction of an MM in 2022. This growth contributed to ABK’s promotion to the “Premier” Market in 2023, showcasing the positive influence of improved liquidity and trading activity on its market performance. Additionally, ABK undertook a

significant capital increase in 2023, raising KD 100 million through the issuance of 500 million shares. This initiative further strengthened the bank’s financial position, aligning with its upward trajectory in trading activity and market prominence.

By 2024, ABK’s ADTV reached its highest level, reflecting sustained investor confidence and robust market dynamics.



Jazeera Airways (Jazeera)



Lastly, Jazeera's ADTV has grown and fluctuated significantly during the period from 2018 to 2024. The ADTV showed steady growth from 2018 to 2021, with a significant increase in 2021, following the inclusion of MM. This improvement in liquidity and trading activity contributed to enhanced market performance. Additionally, in 2021, Jazeera completed a capital

increase, raising its capital by KD 2 million through new shares issuance. This move strengthened its financial position and supported its growth strategy, complementing the improvements brought by MM involvement. In 2022, the company was successfully promoted to the "Premier" Market.

These upgrades emphasize the strategic role of MMs in strengthening market dynamics and fostering the growth of listed companies. By ensuring that liquidity thresholds were met and maintained over time, MMs have been instrumental in supporting companies' transitions to the "Premier" Market, enhancing both market stability and investor confidence.

A Force for Enhanced Liquidity, Stability and Market Evolution

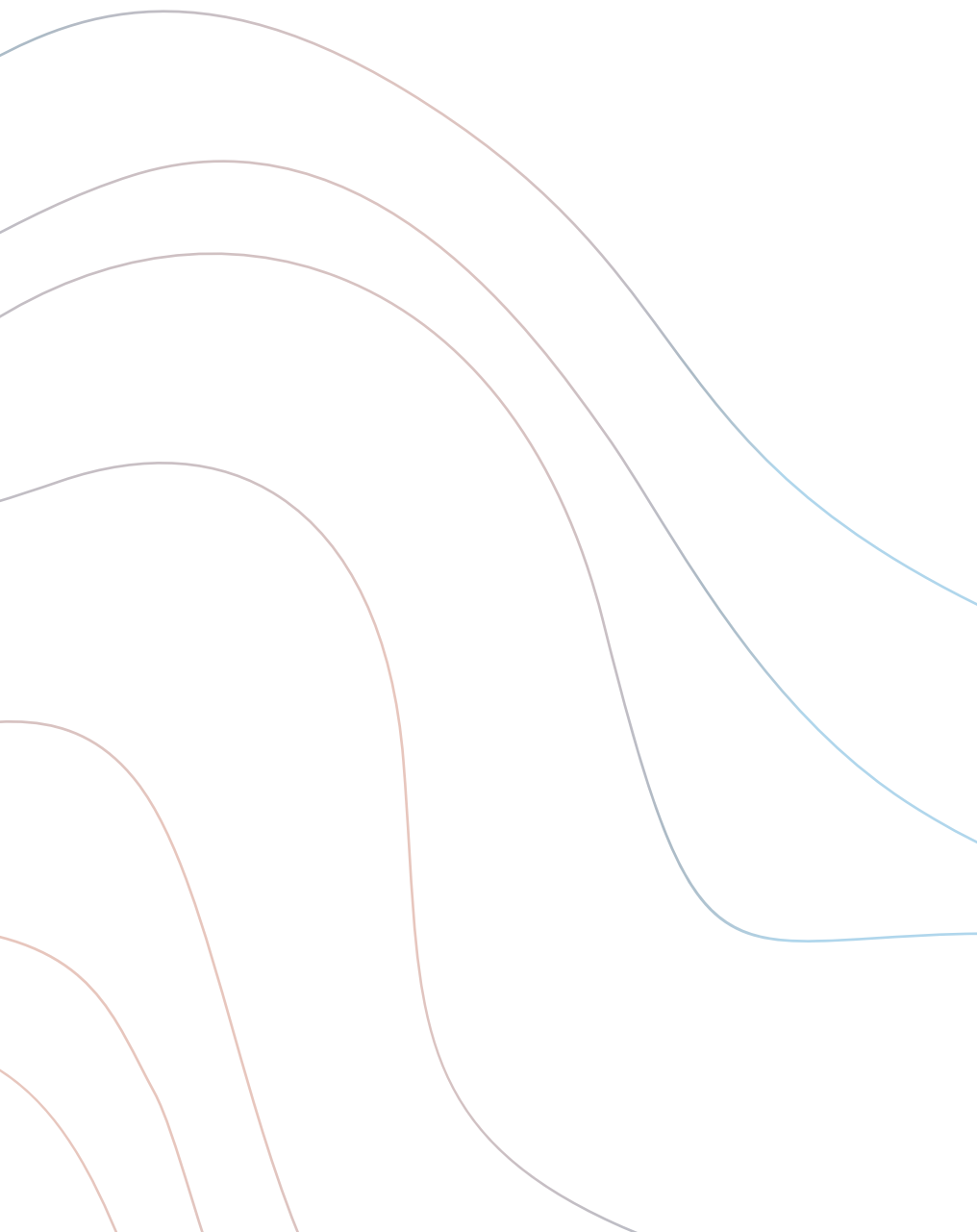
The introduction and expansion of MMs at Boursa Kuwait have been transformative, evolving from their initial presence in 2019 to becoming a critical component of the market by 2024. MMs have played a pivotal role in enhancing liquidity, stabilizing price volatility and facilitating market upgrades, driving increased trading volumes and attracting both local and international investors.

By adhering to international best practices and fostering innovation, Boursa Kuwait continues to strengthen Kuwait's financial ecosystem, creating a reliable, efficient and dynamic marketplace that appeals to global investors. The growing impact of MMs reflects Boursa Kuwait's unwavering commitment to advancing the capital market and solidifying its status as a leading financial hub in the region.

04 Corporate Governance

Board of Directors **96**

Corporate Governance Report **100**





بورصة الكويت
KUWAIT

بورصة الكويت
BOURSA KUWAIT

Board of Directors



Mr. Hamad Mishari Al-Humaidhi

Chairman of the Board

Mr. Hamad Mishari Al-Humaidhi has over 42 years of experience in the legal, administration and financial sectors.

Mr. Al-Humaidhi commenced his career in the Legal Department at the Public Institution for Social Security in Kuwait, and continued his career path at the Institution until he became their General Manager from 2014 until 13 January 2019.

Mr. Al-Humaidhi was a member and the Chairman of the Board of Directors of several financial and banking institutions including Ahli United Bank (Bahrain), Ahli United Bank (UK), Ahli United Bank (UAE) and Wafra investments (NY).

Mr. Al-Humaidhi is the Chairman of the Corporate Governance Committee and a member of the Executive Committee at Boursa Kuwait.

Mr. Al-Humaidhi holds a Bachelor's degree in Law and Sharia from Kuwait University.



Mr. Bader Abdullah Al-Kandari

Vice Chairman of the Board

Mr. Bader Abdullah Al-Kandari has over 18 years of experience in the financial, investment and banking sectors.

He is currently the Chief Investment Officer - Liquid Sector at the Public Institution for Social Security, in addition to holding many other prominent positions at financial and investment institutions, such as Chairman of Kuwait Medical City Company, Vice Chairman of Wafra International Company and Non-Executive Director at the Bank of London and the Middle East.

Mr. Al-Kandari began his career as an Assistant Investment Analyst at the Kuwait Fund for Arabic Economic Development before working at several other financial institutions. He was the Investment Manager for Al-Mal Investment Company as well as the Investment Global Manager at Dimah Capital Investment Company.

He is the Vice Chairman of the Board of Directors at Boursa Kuwait and serves as a member of the Corporate Governance Committee and the Audit Committee.

Mr. Al-Kandari holds an MBA with a concentration in Finance and a Bachelor's degree in Journalism and Mass Communication from California State University in the USA.



Mr. Bader Nasser Al-Kharafi

Non-Executive Board Member

Mr. Bader Nasser Al-Kharafi has over 20 years of experience in the financial, banking, industrial and telecommunications sectors.

Mr. Al-Kharafi began his career with Al-Kharafi Group and held several leadership positions concluding with the position of Director of the Executive Committee in the Industrial Sector of Al-Kharafi Group. He is currently the Vice Chairman and CEO of Mobile Telecommunications Company “Zain Group”, and Chairman of Gulf Bank and Injaz Kuwait.

In addition, Mr. Al-Kharafi is a member of the Board of Directors at several local and international companies operating in the financial and industrial sectors. He is the Vice Chairman of National Investments Company, Gulf Cable & Electrical Industries, as well as a Board member at Foulath Holding (Bahrain), Middle East Advisory of Coutts & Co. (UK), Middle East Advisory Board of the Olayan School of Business (Lebanon), Kuwait-British Friendship Society, and the United Nations High Commission for Refugees (UNHCR) “Sustainability Board.”

Mr. Al-Kharafi is the Chairman of the Executive Committee and a member of the Nominations and Remunerations Committee at Boursa Kuwait.

Mr. Al-Kharafi holds an MBA from the London Business School in the UK and a Bachelor’s degree in Mechanical Engineering from Kuwait University. He is currently pursuing a PhD at IE Business School in Spain.



Mr. Talal Jassim Al-Bahar

Non-Executive Board Member

Mr. Talal Jassim Al-Bahar has over 20 years of experience in the financial and real estate investment and development sectors.

Locally, Mr. Al-Bahar is the Chairman of Arzan Financial Group for Finance and Investment, Vice Chairman of IFA Hotels & Resorts and the Vice Chairman and CEO of Kuwait Real Estate Company. He is also a Board member of Commercial Real Estate Co. (Al-Tijaria).

Internationally, he chairs United Investments (Portugal) and Yotel Limited (UK). He also serves on the Board of Directors of Kingdom-Beirut (Lebanon), Miami International Securities Exchange-MIAX (USA) and Miami International Holding (USA).

Previously, Mr. Al-Bahar served as Chairman of the Board of Directors of International Financial Advisors, Chairman of IFA Hotels & Resorts and Board member of 1st Takaful Insurance Company.

Mr. Al-Bahar is the Chairman of the Nominations and Remunerations Committee and a member of the Executive Committee at Boursa Kuwait.

Mr. Al-Bahar holds a Bachelor’s degree in Business Administration from Loyola Marymount University in the USA.

Board of Directors (continued)



Mr. Khaled Waleed Al-Falah

Non-Executive Board Member

Mr. Khaled Waleed Al-Falah has over 15 years of experience in the financial services and industrial sectors.

Mr. Al-Falah is currently the Business Development Director at M.A. Al Kharafi & Sons as well as the Vice Chairman and CEO of MENA Capital.

Previously, he was part of the Investment Banking Division at Goldman Sachs and the Investment Products Department at NBK Capital.

Mr. Al-Falah is Chairman of National Investments Company and a member of the Board of Directors at Bahrain Steel. He is also a member of the Executive Committee at Foulath.

Mr. Al-Falah is the Chairman of the Risk Committee and a member of the Board Audit Committee at Boursa Kuwait.

Mr. Al-Falah holds a Bachelor of Science in Business Administration from the University of Southern California.



Mr. Raed Jawad Bukhamseen

Independent Board Member

Mr. Raed Jawad Bukhamseen has over 20 years of experience in the banking, real estate and investment sectors.

Mr. Bukhamseen is the Vice Chairman and Chief Executive Officer at Kuwait International Bank and Chairman of Egyptian Gulf Bank (Egypt) and Arab Investment Company.

Mr. Bukhamseen is a Board member at several pioneering companies including Bukhamseen Group Holding Company, Warba Insurance Company, Layan Real Estate Company (Dubai), Souk Al-Salmiyah Real Estate Company and Credit One Kuwait Holding Company.

Mr. Bukhamseen is a member of the Risk Committee and the Nominations and Remunerations Committee at Boursa Kuwait.

Mr. Bukhamseen holds a Bachelor's degree in Business Administration from Boston University in the USA.



Mr. Yousef Faisal Al-Mannai

Non-Executive Board Member

Mr. Yousef Faisal Al-Mannai has extensive experience spanning nearly 22 years in the investment and financial sector.

Mr. Al-Mannai is the General Manager of the Consult Economic Advisors.

Mr. Al-Mannai previously worked in the financial and investment services sector and asset management for securities in the local and international equities market as an Assistant Manager at Global Investment House, after which he moved to the Kuwait Fund for Arab Economic Development as an Investment Analyst. He worked at the National Industries Group Holding, then joined Kuwait Finance and Investment Company (KFIC) as Vice President of the Financial Markets. He also worked at Dimah Capital as Vice President of Asset Management, as well as being an Executive Vice President of The Securities House (SECH).

Currently, Mr. Al-Mannai is an independent member of the Board of Directors of Future Kid Entertainment and Real Estate Company, a member of the Nominations and Remuneration Committee, and a member of the Audit and Risk Committee.

Mr. Al-Mannai is a member of the Board Risk Committee and the Board Corporate Governance Committee at Boursa Kuwait.

Mr. Al-Mannai holds a Bachelor of Arts degree from Southeastern Louisiana University in the USA.



Mrs. Dalal Jafaar Behbehani

Independent Board Member

Mrs. Dalal Jafaar Behbehani has over 16 years of experience in the financial and banking sectors.

Mrs. Behbehani was an Executive in Business Development, Mergers and Acquisitions, at Agility Logistics. She later joined the National Bank of Kuwait and evolved from a Data Analyst to an Executive Manager and then an Assistant General Manager in the Corporate Banking Group. She currently heads the Strategic Planning Unit at the National Bank of Kuwait.

Mrs. Behbehani is the Chairman of the Board Audit Committee and a member of the Board Corporate Governance Committee at Boursa Kuwait.

Mrs. Behbehani holds a Bachelor of Science degree from Pennsylvania State University and an MBA from INSEAD in France. She has also successfully completed the General Management Program at Harvard Business School.

Corporate Governance Report

Preface

The implementation of corporate governance has been consistent with the strategic vision of Boursa Kuwait, which aims to develop the Kuwaiti capital market and protect the interests of relevant parties, particularly investors, shareholders and listed and licensed companies.

Boursa Kuwait believes that compliance with the highest standards of corporate governance is essential to sustain businesses at any establishment. This belief has been deeply rooted since the Company was founded, to ensure the fair, objective and transparent implementation of its work in protecting the interests of shareholders and investors.

This report provides a summary of the Company's corporate governance framework implementation, which is aligned with a package of quantitative and qualitative measurement indicators, as per the requirements of the Capital Markets Authority (CMA). Further, the report also summarizes how the Company adopts the corporate governance, as an institutional culture that is consistent with leading global practices.

Board of Directors

Boursa Kuwait's Board of Directors (Board) is characterized by a solid structure in line with the nature and activities of the Company. The composition of the Board is diverse in expertise and academic qualifications, as the Board members possess in-depth knowledge of capital markets, including legal and legislative knowledge, corporate governance, internal control, risk management, financial and economic management as well as aspects of strategic planning.

Article One

Construct a Balanced Board Composition

Composition of the Board

The following tabulates the academic qualifications and dates of election and appointment of the members and the secretary, respectively:

Name of Board Member	Position	Non-Executive/ Independent Member	Academic Qualification	Date of Election/ Appointment of Secretary
Mr. Hamad Mishari Al-Humaidhi	Chairman	Non-Executive	BSc.	24/03/2022
Mr. Bader Abdullah Al-Kandari	Vice Chairman	Non-Executive	MSc.	24/03/2022
Mr. Bader Nasser Al-Kharafi	Member	Non-Executive	MSc.	24/03/2022
Mr. Talal Jassim Al-Bahar	Member	Non-Executive	BSc.	24/03/2022
Mr. Khaled Waleed Al-Falah	Member	Non-Executive	BSc.	24/03/2022
Mr. Raed Jawad Bukhamseen	Member	Independent	BSc.	24/03/2022
Mr. Yousef Faisal Al-Mannai	Member	Non-Executive	BSc.	24/03/2022
Mrs. Dalal Jafaar Behbehani	Member	Independent	MSc.	13/07/2023
Mr. Daa Saleh Al-Khars	Secretary	N/A	BSc.	14/12/2014

Brief on the Company's Board meetings

The Board held six meetings during FY2024

Name of Board Member	No. 1 21/02/2024	No. 2 05/05/2024	No. 3 30/07/2024	No. 4 30/10/2024	No. 5 05/12/2024	No. 6 30/12/2024	Number of Meetings 6
1. Mr. Hamad Mishari Al-Humaidhi	●	●	●	●	●	●	6/6
2. Mr. Bader Abdullah Al-Kandari	●	●	●	●	●	●	6/6
3. Mr. Bader Nasser Al-Kharafi	●	●	○	●	●	●	5/6
4. Mr. Talal Jassim Al-Bahar	●	●	○	●	●	●	5/6
5. Mr. Khaled Waleed Al-Falah	●	●	●	●	●	●	6/6
6. Mr. Raed Jawad Bukhamseen	●	●	●	●	●	●	6/6
7. Mr. Yousef Faisal Al-Mannai	●	●	●	●	●	●	6/6
8. Mrs. Dalal Jafaar Behbehani	●	●	○	●	●	●	5/6

Capacity of the Board Member

Independent

Non-Executive

○ Absent

● Attended

An overview of how to implement the requirements for the registration, coordination and retention of the minutes of the Company's Board meetings

Boursa Kuwait adopts leading global practices in managing all Board, Board Committees, and Board Secretary affairs via an automated system. The application electronically facilitates the organization of the Board and Board Committees' meetings and agenda, sends notifications three days prior to the scheduled meeting date and immediately for urgent meetings, in addition to presenting, retaining and following up on the meeting minutes.

In addition, the application enables the Board members to readily access all documents relevant to the Board and Board Committees' meetings.

The Secretary of the Board documents all the Board meeting minutes with a specific record bearing consecutive figures for the year in which the meeting was held, records the location, date, the start and end time of the meeting, and ensures they are signed-off by the attending members. Meeting minutes prepared also include discussions, deliberations and voting results. All meeting minutes are classified and filed in an easily accessible manner.

Corporate Governance Report

(continued)

Independent Board Member Acknowledgement

As an independent member in Boursa Kuwait's Board of Directors, I hereby declare the below:

1. I do not hold 5% or more of the Company's shares.
2. I do not have a first-degree relation with any of the members of the Board of Directors or Executive Management in the Company or any other company in its Group or the relevant main parties.
3. I am not a member of the Board of Directors in any company of the Group.
4. I am not an employee in the Company or any company in the Group or for any of the Stakeholders.
5. I am not an employee for corporate entities who own Control shares in the Company.
6. As an independent member, I have the qualifications, experiences and technical skills which are constituent with the Company's activity.
7. I do meet all board member independence requirements (of which the above serve as a non-exhaustive list) and I do not have any matter that contravenes with the independence requirements.
8. I pledge to notify the Company upon non-compliance to any of the above-mentioned independence requirements or any requirement determined by the regulatory entities (Ministry of Commerce and Industry and/or Capital Markets Authority).
9. The Company shall have right to take all required procedures should it be deemed that the above acknowledgement is not true.

Name of Independent Board Member: Raed Jawad Bukhamseen

Signature:



Date: 20/03/2024

Independent Board Member Acknowledgement

As an independent member in Boursa Kuwait's Board of Directors, I hereby declare the below:

1. I do not hold 5% or more of the Company's shares.
2. I do not have a first degree relation with any of the Members of a Board of Directors or executive management members in the Company or any other company in its Group or the relevant main parties.
3. I am not a Member of a Board of Directors in any company of the Group.
4. I am not an employee in the Company or any company in the Group or for any of the Stakeholders.
5. I am not an employee for corporate entities who own Control shares in the Company.
6. As an independent member, I have the qualifications, experiences and technical skills which are constituent with the Company's activity.
7. I do meet all board member independence requirements (of which the above serve as a non-exhaustive list) and I do not have any matter that contravenes with the independence requirements.
8. I pledge to notify the Company upon non-compliance to any of the above mentioned independence requirements or any requirement determined by the regulatory entities (Ministry of Chamber and Commerce and/or Capital Markets Authority).
9. The Company shall have right to take all required procedures should it be deemed that the above acknowledgement is not true.

Name of Independent Board Member: Dalal Jafaar Behbehani

Signature:



Date: 13/ 07 / 2024

Corporate Governance Report

(continued)

Article Two

Proper Determination of Tasks and Responsibilities

A summary of how the Company determines the tasks, responsibilities and duties of each member of the Board and the Executive Management, as well as the authorities delegated to the Executive Management

Boursa Kuwait defined the duties and responsibilities of each member of the Board and the Executive Management, as well as the authorities delegated to them by adopting the following steps:



FY2024 Board responsibilities and achievements

Strategy and Business Planning	<ul style="list-style-type: none"> • Developed the strategy and approved the business plan and the annual budget • Approved the products and services initiatives to be developed in accordance with the approved strategy and/or business plan • Approved the updated Bursa Kuwait Rulebook governing existing services • Approved the three-year budget • Supervised the renovation and improvement of Bursa Kuwait Building based on the Company's approved vision and strategy • Assessed market needs and ensured that the local market standards are aligned with the best international practices • Oversaw the implementation of the Company's plan to reduce the operational costs and diversify and increase the sources of revenue/income • Proposed distribution of profits for the fiscal year
Governance and Internal Controls	<ul style="list-style-type: none"> • Reviewed the Company's financial performance • Approved the Company's interim and annual consolidated financial statements • Monitored the Executive Management team's performance and ensured the execution of all delegated responsibilities • Oversaw the internal control systems via reviewing the supervisory functions' reports (Internal Audit Department, Risk Management & Information Security Department, and the Regulatory Compliance and Corporate Governance Department) • Reviewed the Integrated Report • Oversaw the implementation of the corporate governance framework • Oversaw the duties of and ratified the recommendations raised by the Board Committees • Approved the updated manuals and charters • Approved the updated organizational structure • Approved the draft agenda and the contents of the Ordinary General Assembly Meeting • Approved the Audit Committee's recommendation regarding the appointment of the external auditor prior to presenting it during the General Assembly Meeting for ratification
Appraisal and Remuneration	<ul style="list-style-type: none"> • Reviewed the Board's performance evaluation • Reviewed the Executive Management's general performance report • Approved the Executive Management's and employees' remuneration • Approved the Board of Directors' remuneration recommended by the Nomination and Remuneration Committee prior to presenting it during the General Assembly Meeting for ratification

An overview of the Board's implementation of the required formation of specialized independent committees, taking into consideration the following information on each committee:

- Name of the committee
- Tasks and achievements of the committee during the year
- Date of formation and duration of the committee
- Members of the committee, specifying its Chairman
- The number of meetings held by the committee during the year

Within the framework of the Board's evolving role with respect to supervision, strategic planning, governance, risk management and controls of Bursa Kuwait, the following committees have emanated from the Board of Directors, to support the Board with the functions and responsibilities entrusted thereto.

Corporate Governance Report

(continued)

The following figure illustrates the committees emanating from the Board of Directors and their functions.



1. Audit Committee

On 13 July 2023, the Audit Committee was restructured in accordance with the regulatory and supervisory requirements. The membership is for a period not exceeding three years, similar to the term of the Board.

The Audit Committee's responsibilities and duties have been identified by the Board and documented in the Audit Committee Charter.

Achievements of the Audit Committee during the year 2024

Planning and Supervision of Audit Engagement	<ul style="list-style-type: none"> Supervised the Internal Audit Department's activities to ensure their alignment with the objectives determined by the Board Reviewed and approved the Internal Audit Department's plan, which was developed based on the outcome of the risk assessment Updated the charter Reviewed the Internal Audit Department's Policy manual Ensured the independence of the Internal Audit Department by not entrusting them with any tasks or activities that may affect their independence Approved the appointment of a third-party to support the Internal Audit Department in carrying out its duties Approved the appointment of a third-party to prepare the Internal Control Review report Raised a recommendation to the Board regarding the appointment and fees determination of the external auditor
Internal Control	<ul style="list-style-type: none"> Ensured the Company's compliance with the relevant policies and regulations Reviewed the Internal Audit reports and ensured that appropriate corrective actions are taken to mitigate the identified observations Reviewed the Internal Control Systems report Reviewed the field inspection report issued by the regulatory authorities Reviewed the external auditor's annual letter on the International Ethics Standards Board for Accountants (IESBA) Reviewed the external auditor's report on the Company's compliance with the AML & CFT laws and its executive bylaws Reviewed the organizational structure of the Internal Audit Department and the department head's job descriptions
Financial Statements and their Integrity	<ul style="list-style-type: none"> Supervised the engagement of the external auditor and validated their independence Reviewed the annual and interim consolidated financial statements and raised recommendations on the same to the Board for approval Prepared the annual Audit report

Audit Committee meetings

The Audit Committee held six meetings during FY2024

Name and Capacity of the Committee Member	No. 1 15/02/2024	No. 2 20/03/2024	No. 3 29/04/2024	No. 4 24/07/2024	No. 5 24/10/2024	No. 6 17/12/2024	Number of Meetings 6
Mrs. Dalal Jafaar Behbehani (Chairman of the Committee)	●	●	●	○	●	●	5/6
Mr. Bader Abdullah Al-Kandari	●	●	●	●	●	●	6/6
Mr. Khaled Waleed Al-Falah	●	●	●	●	●	●	6/6

Capacity of the Board Member

Independent Non-Executive

○ Absent ● Attended

Corporate Governance Report

(continued)

2. Risk Committee

On 24 March 2022, the Risk Committee was reformed in accordance with the regulatory and supervisory requirements. The membership period is the same as the term of the Board, a period not exceeding three years.

The Risk Committee's responsibilities and duties have been identified by the Board and documented in the Risk Committee Charter.

Achievements of the Risk Committee during the year 2024

Risk Governance	<ul style="list-style-type: none"> Reviewed the Information Security policies prior to presenting it before the Board of Directors for approval Ensured the independence of the Risk Management Department's activities Reviewed the Business Continuity Policy manual Reviewed the safety controls of the market operating systems and ensured they are not affected by any global technical failure
Risk Strategy	<ul style="list-style-type: none"> Reviewed the risks register Reviewed the risks appetite by assessing the acceptable level of risks and presented it before the Board of Directors for approval Reviewed the liquidity positions and the economic impact on the Company's performance
Follow-up and Supervision	<ul style="list-style-type: none"> Reviewed the Key Risk Indicators (KRI) Reviewed the risks management periodic reports covering the assessment of risks and the risks mitigation plan Reviewed the Risk Management Department's semi-annual reports prior to raising them to the Board of Directors and submitting them to the CMA Evaluated the risks framework covering risks identification, assessment, monitoring and reporting Reviewed transactions conducted with related-parties Reviewed the updated Business Impact Analysis documents pertaining to business continuity Reviewed the Directors and Officers Liability Insurance for members of the Board of Directors Reviewed the interim and annual Capital Adequacy Regulations for Licensed Persons reports

Risk Committee meetings

The Risk Committee held four meetings during FY2024

Name and Capacity of the Committee Member	No. 1 19/02/2024	No. 2 12/05/2024	No. 3 28/07/2024	No. 4 11/11/2024	Number of Meetings 4
Mr. Khaled Waleed Al-Falah (Chairman of the Committee)	⊙	⊙	⊙	⊙	4/4
Mr. Yousef Faisal Al-Mannai	⊙	⊙	⊙	⊙	4/4
Mr. Raed Jawad Bukhamseen	⊙	⊙	⊙	⊙	4/4

Capacity of the Board Member

Independent	Non-Executive	⊙ Absent	⊙ Attended
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3. Nominations and Remunerations Committee

On 24 March 2022, the Nominations and Remunerations Committee was reformed in accordance with the regulatory and supervisory requirements. The membership period is the same as the term of the Board, a period not exceeding three years.

The Nominations and Remunerations Committee's responsibilities and duties have been identified by the Board and documented in the Nominations and Remunerations Committee Charter.

Achievements of the Nominations and Remunerations Committee during the year 2024

Nominations	<ul style="list-style-type: none"> Ensured the Independent Board members maintain their capacity as independent members
Remunerations	<ul style="list-style-type: none"> Prepared the Remuneration report covering the compensations granted to the Board members and the Executive Management, in accordance with the regulations of the CMA Determined the remuneration scheme for the Executive Management that covers the fixed and variable remunerations
Evaluation, Training and Supervision	<ul style="list-style-type: none"> Supervised the Board members' self-assessment and presented the results with their recommendations to the Board of Directors Reviewed the KPIs at sector-wide levels Reviewed the CEO's KPIs Reviewed the recommendations on promotion and increment for employees and the Executive Management Reviewed the HR plan Reviewed the annual training needs for the Board of Directors Approved the training program for the Executive Management Reviewed and updated the Company's organizational structure

Nominations and Remunerations Committee meetings

The Nominations and Remunerations Committee held one meeting during FY2024

Name and Capacity of the Committee Member	No. 1 22/01/2024	Number of Meetings 1
Mr. Talal Jassim Al-Bahar, (Chairman of the Committee)	<input checked="" type="radio"/>	1/1
Mr. Bader Nasser Al-Kharafi	<input checked="" type="radio"/>	1/1
Mr. Raed Jawad Bukhamseen	<input type="radio"/>	0/1

Capacity of the Board Member

Independent

Non-Executive

☐ Absent☒ Attended

Corporate Governance Report

(continued)

4. Executive Committee

On 24 March 2022, the Executive Committee was formed in accordance with leading practices. The membership period is the same as the term of the Board, a period not exceeding three years.

The Executive Committee's responsibilities and duties have been identified by the Board and documented in the Executive Committee Charter.

Achievements of the Executive Committee during the year 2024

Business Strategy	<ul style="list-style-type: none"> Reviewed the Company's strategy, the upcoming three-year budget and initiatives, and raised recommendations on both to the Board for approval Reviewed the annual budget and provided feedback focusing on diversifying revenue channels, increasing revenue, and decreasing operational expenses Assessed the market development initiatives developed by the Executive Management and raised recommendations that directly contributed to the increase in net income, the creation of an attractive issuer base, and wider market depth to the Board for ratification Assessed the market development projects and provided feedback on their technical and administrative requirements
Projects and Contracts	<ul style="list-style-type: none"> Supervised and provided guidance on the implementation of the renovation and improvement of Boursa Kuwait Building Reviewed the commercial proposals and quotations submitted for strategic projects Raised recommendations on the proposed amendments to Boursa Kuwait Rulebook to the Board for approval
Periodic Reporting	<ul style="list-style-type: none"> Discussed the periodic reports covering the detailed plans for market development and the Company's financial performance

Executive Committee meetings

The Executive Committee held four meetings during FY2024

Name and Capacity of the Committee Member	No. 1 09/01/2024	No. 2 01/05/2024	No. 3 15/07/2024	No. 4 03/12/2024	Number of Meetings 4
Mr. Bader Nasser Al-Kharafi (Chairman of the Committee)	⊙	⊙	○	⊙	3/4
Mr. Hamad Mishari Al-Humaidhi	⊙	⊙	⊙	⊙	4/4
Mr. Talal Jassim Al-Bahar	⊙	⊙	⊙	⊙	4/4

Capacity of the Board Member

Independent

Non-Executive

○ Absent

⊙ Attended

5. Corporate Governance Committee

On 13 July 2023, the Corporate Governance Committee was restructured in accordance with leading practices. The membership period is the same as the term of the Board, a period not exceeding three years.

The Corporate Governance Committee's responsibilities and duties have been identified by the Board and documented in the Corporate Governance Committee Charter.

Achievements of the Corporate Governance Committee during 2024

Board of Director's Affairs	<ul style="list-style-type: none"> Reviewed the charters of the Board and its committees and ensured they cover all relevant regulatory requirements
Policies and Regulations	<ul style="list-style-type: none"> Reviewed the Board members' handbook and approved its amendments Reviewed all governance policies and updated the Conflict of Interest Policy manual Reviewed the Board and Board Committees' charters and updated the Corporate Governance Committee charter
Governance Reports	<ul style="list-style-type: none"> Reviewed the Governance report Ensured that the social responsibility initiatives are implemented in accordance with the approved plan Reviewed the Whistleblowing report Reviewed the Complaints report Reviewed the Corporate Governance report submitted to the CMA Reviewed the Related-Parties Transactions report Reviewed the Conflict-of-Interest report

Corporate Governance Committee meetings

The Corporate Governance Committee held one meeting during FY2024

Name and Capacity of the Committee Member	No. 1 24/10/2024	Number of Meetings 1
Mr. Hamad Mishari Al-Humaidhi (Chairman of the Committee)	●	1/1
Mrs. Dalal Jafaar Behbehani	●	1/1
Mr. Bader Abdullah Al-Kandari	●	1/1
Mr. Yousef Faisal Al-Mannai	●	1/1

Capacity of the Board Member

Independent

Non-Executive

☐ Absent

☒ Attended

Corporate Governance Report

(continued)

A summary of how to apply the requirements that allow the Board members to obtain information and data in an accurate and timely manner

The Executive Management team, led by the CEO, ensures accurate information is provided in a timely manner to the Board by:

- Sending meeting agenda ahead of the scheduled meeting date to allow for a timely coordination.
- Thoroughly reviewing reports to ensure accuracy and completeness before dissemination.
- Disseminating the reviewed documents at least three working days prior to the scheduled meeting date to allow sufficient time for recipients to review the documents and facilitate in making informed decisions.
- Providing the Board of Directors with all requested documents in a timely manner.

Article Three

Recruit Highly Qualified Candidates as Members of the Board of Directors and the Executive Management

Brief about the application of the formation requirements of the Nominations and Remunerations Committee

In compliance with the CMA regulations, the Board's Nominations and Remunerations Committee (BNRC) was formed to provide recommendations on the appointment and re-election of the Board members at the General Assembly Meeting, review the competency and integrity requirements necessary for the appointment of the Board members, the Executive Management and candidate to the positions that must be registered with the CMA. This is in addition to supervising the annual self-evaluation process for the Board members. BNRC is also responsible for evaluating the remuneration of the Board members and the Executive Management in accordance with the Company's strategic objectives.

Report on the remunerations for the members of the Board of Directors, the Executive Management and the Managers includes:

1. Summary of the Company's policy on compensations and incentives, specifically related to members of the Board of Directors, the Executive Management and Managers

Boursa Kuwait adopts a comprehensive framework for calculating the remunerations and incentives for members of the Board and the Executive Management. This framework is based on the principle of equal opportunities and transparency and the rewards and incentives are linked to the performance of the Company as a whole and to that of the respective individuals. Boursa Kuwait is also keen to adopt leading practices of linking the rewards and incentives to long-term performance of the Company underpinned by the achievement of strategic objective and management of risk exposure.

2. Remuneration and Incentives

Members of the Board of Directors							
Total Number of Members	through the Parent Company			through Subsidiaries			
	Fixed Remuneration and Incentives (KD)	Variable Remuneration and Incentives (KD)		Fixed Remuneration and Incentives (KD)		Variable Remuneration and Incentives (KD)	
	Health Insurance	Annual Remuneration	Committees' Remuneration	Health Insurance	Monthly Salaries (total of the year)	Annual Remuneration	Committees' Remuneration
8	-	200,000	40,000	-	-	-	-

a. Five Senior Executives who received the highest remunerations, including the Chief Executive Officer and the Financial Manager or their deputy, if not included

Total Executive Positions	through the Parent Company						
	Fixed Remuneration and Incentives (KD)						Variable Remuneration and Incentives (KD)
	Monthly Salaries (total of the year)	Health Insurance	Annual Tickets	Housing Allowance	Transportation Allowance	Children's Education Allowance	Annual Remuneration
5	536,805	11,535	18,681	-	-	34,182	502,608
Total Executive Positions	through the Subsidiaries						
	Fixed Remuneration and Incentives (KD)						Variable Remuneration and Incentives (KD)
	Monthly Salaries (total of the year)	Health Insurance	Annual Tickets	Housing Allowance	Transportation Allowance	Children's Education Allowance	Annual Remuneration
	-	-	-	-	-	-	-

3. Any substantial deviations from the Remuneration Policy approved by the Board of Directors
None.

Article Four

Ensuring the Integrity of Financial Reports

Written commitments from the Board of Directors and the Executive Management to the validity and integrity of financial reports

Boursa Kuwait's Board of Directors seeks to ensure the integrity of the Company's financial reports by seeking from the Executive Management a written pledge that the financial reports have been presented in a sound and equitable manner and contain all financial information of the Company, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) and adopted by the CMA.

In addition, the Annual Report presented to the shareholders by the Board of Directors also ensures the validity and integrity of the financial statements prepared by the Executive Management (represented by the CEO and CFO) for the Board and by the Board for the shareholders.

An overview on the implementation of requirements of the formation of the Audit Committee

In ensuring the independence and objectivity of the external auditor, the Audit Committee established and applied criteria and principles in evaluating its independence and performance, to support recommendations for appointment, reappointment or change of the external auditor.

All the roles and responsibilities of the Audit Committee and the conditions related to its formation, have been determined under the Audit Committee Charter and approved by the Board of Directors.

Corporate Governance Report

(continued)

In the event of a discrepancy between the recommendations of the Audit Committee and the decisions of the Board of Directors, a statement is included detailing and clarifying the recommendations and the reasons behind the decision of the Board of Directors not to comply with them

It is worth noting that there was no discrepancy identified or recorded between the recommendations of the Audit Committee and the Board of Directors' decisions.

Emphasis on independence and objectivity of the external auditor

The Board of Directors is keen to avoid any potential conflicts of interest. The Audit Committee, emanating from the Board, emphasized the independence and objectivity of the external auditor by establishing criteria and principles for evaluating its independence and performance, to support its recommendations to the Board of Directors for the appointment, reappointment or change of the auditor.

Article Five

Developing Sound Risk Management and Internal Control Systems

A brief statement about the implementation of the requirements of forming an independent department/office/unit for risk management

Risk management is fully independent through its direct subordination to the Board Risk Committee. This is evidenced by the organizational structure adopted by the Board of Directors, as well as the job description of the Risk Management Officer, which clearly demonstrates the functions entrusted thereto and ensures that no tasks of the Company's operational activities are assigned to the risk management, to enable them to carry out their duties and responsibilities to the fullest extent.

Risk management has a robust framework aimed to optimize the risk exposure while accepting some degree of risks in the pursuit of the Company's vision, mission and business objectives.

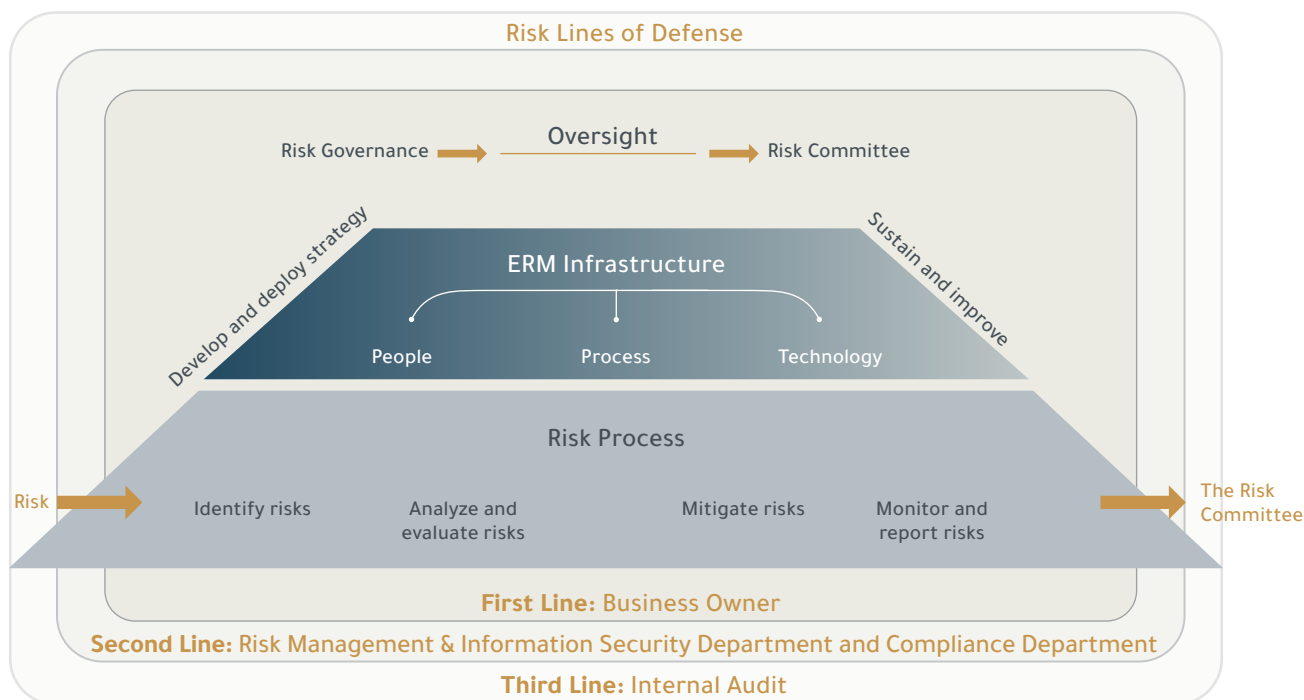
The Company's risk appetite varies according to the undertaken activity and any acceptable risk is always subject to a cost-benefit analysis before approval, coupled with established sensible measures to mitigate risks.

Within the Company's risk management framework, it has developed a systematic process to identify, analyze and evaluate the strategic and operational risks it faces while conducting business. Starting with its employees, a risk-reporting network has been established, and a risk champion has been appointed for each market department/sector.

Once the risk has been identified, it is recorded and tracked through the risk register. The Risk Management Department manages those risks and raises them to the Board Risk Committee and consequently the Board of Directors to ensure informed decisions are made.

The Company continuously develops its risk management framework by providing a series of risk awareness workshops and assigning different roles and responsibilities to risk champions identified in each department.

The following diagram depicts the risk management framework:



Risk Management adopts a comprehensive methodology for managing the various risk categories facing the Company. These risks are monitored and tracked according to the following four categories:



The methodology is applied on basis of the Risk policy adopted by the Board of Directors, which is implemented through a risk assessment matrix that includes quantitative and qualitative indicators, as well as periodically issuing and monitoring the KRIs.

Adding to the above, risk management has a strategy that is aligned with the overall business strategy and focuses on enhancing risk management tools and the methodology to protect the stakeholders.

Corporate Governance Report

(continued)

Below is an illustration of the Company's risk management strategy:



A brief summary on implementing the requirements of forming a Risk Committee

The Board of Directors of the Company has formed a Risk Committee, as it was keen to meet the requirements of the CMA. The functions and responsibilities of the Committee, the term of its members and its operational approach were defined in the Board's approved Risk Committee charter.

The Committee aims at improving the effective supervision of the Board by undertaking functions related to all aspects of risk management, including assisting the Board in identifying and assessing the level of risk permissible in the Company and ensuring that it does not exceed this level of risk.

A summary on monitoring and internal control systems

The Board of Directors endeavors to diligently verify the adequacy and effectiveness of the internal control systems required to protect the Company's operations, as well as to ensure compliance with these systems, in addition to establishing the means of providing the necessary protection to the Company against any risks, whether internal or external. Boursa Kuwait strives to maintain internal control systems covering all activities of the Company, as it has established independent control departments, including Internal Audit and Risk Management that report to the Board of Directors through the Audit and Risk Committees respectively, in addition to the Compliance and Corporate Governance Department that reports to the CEO on compliance related matters and to the Corporate Governance Committee on corporate governance related matters.

The following figure shows the components of Boursa Kuwait's internal control systems:



Confidentiality and Information Security

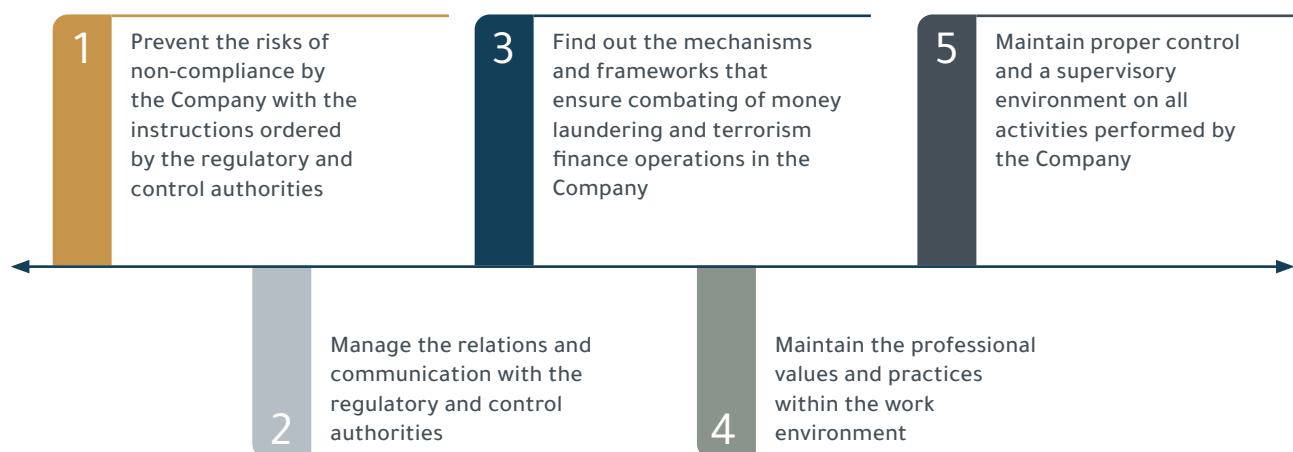
Boursa Kuwait adopts a strict system for information security and confidentiality, which follows the highest standards of monitoring and internal control. Moreover, it periodically conducts penetration testing to identify any control gaps and works to solve them effectively.

During the year, Boursa Kuwait was keen to provide various awareness training and development programs for its employees to implement the highest levels of safety standards related to information security.

The Board of Directors, the Executive Management and employees are committed to maintaining the confidentiality of the information and data related to Boursa Kuwait. Policies and procedures have been established to ensure non-disclosure of internal information that could harm the interest of investors. The policy contains safeguards to prevent access, by the Board members, to the information of Boursa Kuwait's clients and members.

Compliance Department

The role of the Compliance Department of Boursa Kuwait is comprised of the following main tasks:



A brief statement about the implementation of the requirements of forming an independent department/office/unit for the internal audit function

The Internal Audit Department of Boursa Kuwait is independent by virtue of its direct reporting to the Audit Committee emanating from the Board of Directors. Moreover, the Board of Directors has also determined the functions and responsibilities of the Internal Audit Department. The Internal Audit Department is committed to the implementation of the department manual in addition to the approved annual audit plan.

Corporate Governance Report

(continued)

Article Six

Enhancement of Professional Behavior and Ethical Values

A summary of the business charter, which includes standards and determinants of professional behavior and ethical values

Integrity, excellence, accountability and respect are among the fundamental principles enshrined in the Company's action charter. Boursa Kuwait adopted a code of conduct that includes best practices and professional conduct in this field to achieve the interests of the Company and its shareholders and stakeholders, in addition to providing the opportunity for members of the Board of Directors, the Executive Management and employees to achieve the set objectives of the Company.

Boursa Kuwait has prepared a set of policies and procedures to ensure that its assets and resources are not exploited to achieve personal interests as well as limit the exploitation of internal information and promote the principle of avoiding conflict of interests, which are summarized as follows:

Related Parties Transactions

The Related Party Transactions Policy provides guidelines on the conduct and management of transactions with related parties, whether those transactions are between the Company and its Board of Directors or the Executive Management or its employees. A related party register has been prepared and circulated to the concerned departments. Any new business relationship with the Company is only initiated after verifying that it is not related to that list and in the event of any association with those parties, it will be recorded in the transaction log with the related parties, reviewed by the Risk Committee and presented to the Board of Directors for discussion and approval.

Whistleblowing Policy

The Whistleblowing Policy provides a collaborative and transparent working environment for all employees wherein any stakeholder can convey their concerns or suspicions about any violations, malpractices or misconducts to the Board of Directors via an email on the Company's website. Proper procedures shall be carried out within a framework that includes protection of the whistleblowers, commencement of a necessary investigation and supervision of the processes.

A summary of the policies and mechanisms for managing conflict of interest cases

In order to minimize any potential conflict of interest cases, the Company has developed a Conflict of Interest Policy that sets out the guidelines for the identification, notification, reporting, disclosure and minimization of conflict of interest cases. Additionally, appropriate procedures have been established to identify and effectively deal with potential conflict of interest cases, to ensure that the Board of Directors handles the existing and potential conflict of interest cases in a manner that serves the Company's best interests.

In an effort to manage conflict of interest cases and in accordance with the CMA Executive Bylaws, the Company prohibits its employees and their dependents from dealing in securities listed on, or have applied for listing on, Boursa Kuwait. Additionally, all employees upon their recruitment, must disclose the details of all listed securities under their ownership or that of their dependents and sign a form undertaking to not deal in any securities that are listed or have applied to be listed in Boursa Kuwait, unless it is within the cases exempted as per the CMA Executive Bylaws. Further, the Company submits its Annual Report, that includes the securities owned by their employees and their dependents and the details of transactions on these securities throughout the past year, to the CMA.

In line with CMA Resolutions No. 41 and 42 of the year 2020 and in an effort to ensure its independence post listing on Boursa Kuwait, the Company has developed a manual to prevent conflict of interest cases that may arise when operating as a securities exchange and that as a listed company on Boursa Kuwait.

Article Seven

Accurate and Timely Disclosure and Transparency

A summary of the implementation mechanisms for presentation and disclosure that define aspects, areas and characteristics of disclosure

The Company is committed to applying the highest levels of transparency by ensuring accurate and timely disclosure of information to both our shareholders and stakeholders. This is governed by the Disclosure Policy and Procedures that require the Regulatory Compliance and Governance Department to coordinate with all relevant business functions to disclose any qualified information accordingly.

A summary of the implementation requirements for the disclosure records of the Board members, the Executive Management and the Managers

The Company maintains a record of all disclosures related to the members of the Board of Directors, the Executive Management and the Managers. This record includes all information related to benefits, salaries, incentives and other financial-related benefits that were granted directly or indirectly by the Company or its subsidiaries, in accordance with the form approved by the CMA. The records are subject to periodic review and are updated to reflect the latest updates on the related parties. These records are accessible to all shareholders at no costs, during the Company's working hours.

A brief statement about the implementation requirements for the formation of the Investor Relations Department

The Investor Relations Department is responsible for identifying key data to be provided to existing and/or potential shareholders, managing their affairs with the Company and keeping up to date the relevant information published on the Company's website.

A centralized section of the website labelled "Investor Relations" is dedicated for all information deemed relevant to both existing and/or potential shareholders.

On an annual basis, the Company issues Annual Report, as another tool to communicate information regarding the affairs of the Company to its diverse range of stakeholders.

A brief summary of the development of the information technology infrastructure and its reliability in the operation of disclosures

In order to reach out to shareholders, investors and stakeholders, Boursa Kuwait has established a dedicated section on its website for corporate governance, offering the latest information and data to help current and potential shareholders and investors to exercise their rights and evaluate the Company's performance. The Company is also committed to updating the disclosures process regularly.

Corporate Governance Report

(continued)

Article Eight

Shareholders' Rights

A summary on the implementation of the requirements for defining and protecting the general rights of shareholders in order to ensure fairness and equality among all shareholders

One of the most important requirements under the CMA's corporate governance rules and Kuwait's Company Law is to ensure the rights of the shareholders. In accordance with, its Articles of Association, internal policies, regulations and the necessary procedures and controls, the Company has implemented a policy that ensures the protection of the shareholders' rights at the highest standards of transparency and equality, in all current or potential transactions concerning the shareholders.

This enables the shareholders to exercise their rights to achieve justice and equality, in a manner that does not conflict with the applied laws and regulations and issued decisions and instructions. Furthermore, the Company also seeks to treat all the shareholders equally, fairly and without distinction.

A summary of establishing a dedicated register to be kept with the clearing company, as part of the requirements for continuous monitoring of shareholders' data

Boursa Kuwait strives to follow up consistently on all matters related to the shareholders' data by establishing and maintaining a dedicated register to be kept at Kuwait Clearing Company containing the names, nationalities and residencies of the shareholders and the number of shares owned by each one of them. The register shall also include any changes in the data registered therein, in accordance with the data received by the Company or Kuwait Clearing Company. Any interested party may request to receive the data from the register from either Boursa Kuwait or Kuwait Clearing Company.

Mechanism to encourage shareholders to participate and vote in General Assembly Meetings

Boursa Kuwait is keen to facilitate and clarify the role of the shareholders in its General Assembly Meetings. A mechanism of voting and participation in the General Assembly Meetings by the shareholders, who have the rights to vote on decisions, are prescribed in the Articles of Association, Memorandum of Incorporation and Shareholder Protection Policy. It also organizes public meetings of shareholders, to enable shareholders to participate actively in the General Assembly and to discuss the topics on its agenda. The Company is also keen to provide the shareholders with the right to access all the data maintained in the register of the disclosures, regarding the members of the Board of Directors and the Executive Management.

Article Nine

Role of Stakeholders

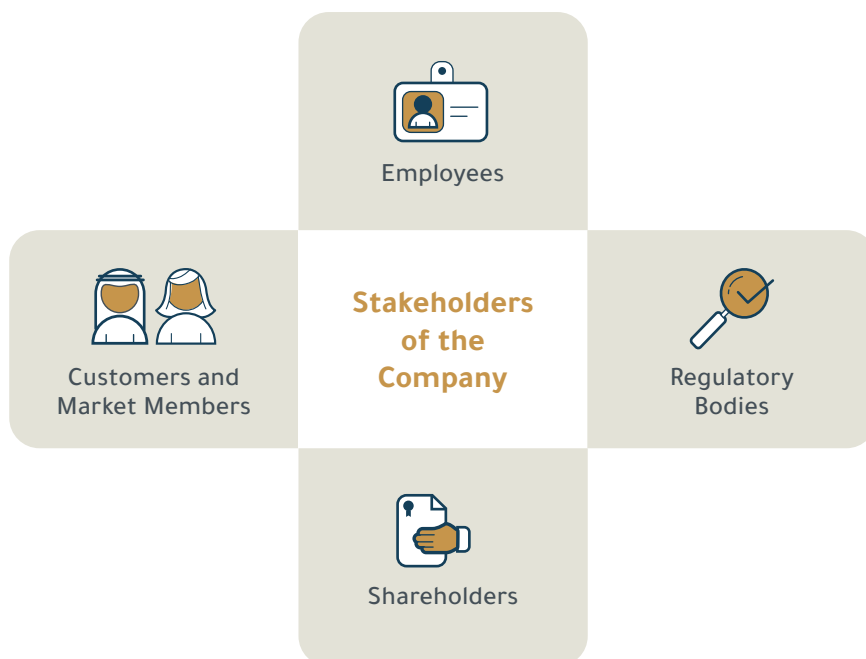
An overview of the systems and policies that ensure protection and recognition of the rights of stakeholders

In recognizing and protecting the rights of stakeholders, the Company has developed a policy, the Stakeholders' Protection Policy, that aims to respect and protect the stakeholders' rights, in accordance with the laws and instructions issued by the relevant regulatory authorities.

Boursa Kuwait also protects the rights of all stakeholders and provides stability and sustainability through its good financial performance. Parties who are considered as the stakeholders are identified based on the policies and guidelines were developed to provide the protection of these rights.

The mechanism for motivating stakeholders to participate in the follow-up of the Company's various activities

In pursuit of its main responsibility to protect the rights of the stakeholders, the Board of Directors has identified the stakeholders of the Company as follows:



Shareholders

The Shareholders' Protection Policy has been developed in accordance with the relevant laws and regulations and is part of Bursa Kuwait's corporate governance framework. The Company also engages in effective communication with the shareholders to understand their views on its various business matters.

Regulatory Bodies

The Company is committed to adhere to the laws, regulations and instructions issued by the CMA, the Ministry of Commerce and Industry and any other relevant regulatory bodies. Additionally, it commits to maintain good relationships with all regulatory authorities and co-operate fully with the CMA and relevant regulatory bodies during inspection processes. Moreover, the Company provides information, data, registers, records and tools required by the representatives of the regulatory bodies, and provides all the data, information and statistics requested by the CMA and the relevant regulatory bodies.

Customers and Market Members

The Company vows to provide the best services and products to its customers, while constantly following up with clients on their suggestions and complaints. Additionally, it strives to improve communication with clients by developing modern means of communication, ensuring easy access to support at any time.

Employees

At Bursa Kuwait, the effort to sign and develop the skills of the best Kuwaiti nationals are key priorities. These are delivered through the provision of professional development opportunities and necessary training programs.

Bursa Kuwait seeks to provide a working environment characterized by co-operation, integrity, honesty, high moral values and compliance with the laws in all dealings of its employees and its dealings with stakeholders. The Company has adopted reporting procedures underpinned by the freedom to report any violations, illegal or unethical practices through direct communication channels, while ensuring adequate protection of the informant until the completion of the investigations concerning these reports.

Corporate Governance Report

(continued)

Article Ten

Performance Enhancement and Improvement

A summary about the implementation requirements for setting the mechanisms that allow the Board of Directors and the Executive Management to obtain continuous training programs and courses

Boursa Kuwait strives to develop the skills of the members of the Board of Directors and the Executive Management through mechanisms of training that enables newly-hired members to develop a proper understanding of the Company's operations through induction programs. Moreover, the Board of Directors has adopted a briefing booklet for the members of the Board.

Boursa Kuwait has reviewed the proposed training needs for the Board members and the Executive Management to develop their skills and experiences and keep abreast of developments.

Brief on how to evaluate the performance of the Board as a whole, and the performance of each member of the Board of Directors and the Executive Management

Boursa Kuwait has developed systems and mechanisms to evaluate the performance of each member of the Board of Directors and the Executive Management regularly. This is achieved by assessing a set of performance indicators related to the achievement of the Company's strategic objectives and the adequacy of the internal control systems.

Under the supervision of the Board of Directors, the Nominations and Remunerations Committee has reviewed the Board of Directors' structure and the role played by its committees by using a self-assessment methodology for each member of the Board to identify the necessary development and training.

The following diagram illustrates the elements on which the evaluation process is based, as included in the self-assessment methodology:



An overview of the Board of Directors' efforts to emphasize the importance of corporate value creation among the Company's employees in achieving the Company's strategic goals and improving key performance indicators

In creating the short-, medium- and long-term value within the Company, the Board has adopted a Code of Conduct that ensures compliance with the highest professional standards and corporate values. Furthermore, the employees' commitment to achieving the strategic objectives, which are aligned with corporate values is assessed based on their performance.

Among the Company's most significant efforts towards enhancing the corporate values was to give employees the opportunity to present new ideas and constructive initiatives to the Executive Management, during sessions, which are held periodically, between the Executive Management and the employees from all levels. Any credible new ideas and constructive initiatives are identified for further development.

Article Eleven

Focusing on Social Responsibility

A summary of policy development to balance between the Company's goals and the goals of the society

Boursa Kuwait has developed a policy that governs its responsibility towards its employees and society. Boursa Kuwait is committed to aligning its values and business strategy with its social and economic need, while providing the community with the support necessary, to achieve business and social benefits in the long-term and to ensure the sustainability of its operations in a manner that minimizes harmful effects on society and the environment.

Boursa Kuwait has developed the foundation for an effective framework for social responsibility and corporate sustainability, encompassing its responsibilities towards society, the environment and various community groups, as well as its commitments to stakeholder engagement and staff development.

Moreover, Boursa Kuwait also strives to raise social responsibility awareness among its employees on the importance of these programs and their objectives, which contributes to improving the Company's performance level and helps it achieve its strategic objectives.

An overview of the applied programs and mechanisms that help highlight efforts in the field of social responsibility

Boursa Kuwait seeks to achieve a balance between its objectives and those of society by providing employment opportunities, promoting Kuwaitization and offering training and educational programs to all segments of society.

To learn about the most important programs and efforts made during 2024 to achieve this goal, please refer to the "Sustainability" section on the Company's website.

05 Consolidated Financial Statements

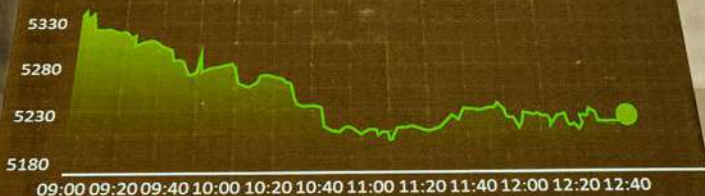
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02 Oct 2022 04 : 02

2.14 % 114.45 5,223,93 ▲ Main Market



TRADES

4757

VOLUME

88,410,474

VALUE (KD)

8,009,924



بورصة الكويت
BURSA KUWAIT

المص

60

0%

اجيال

275.00

0 0%

تمدين ع



بورصة الكويت
BOÛRSA KUWAÏT

Kuwait, 23rd February 2025

Dear Shareholders,

Subject: Boursa Kuwait Securities Company (K.P.S.C.) and its Subsidiaries Consolidated Financial Statements 31 December 2024

Please find attached Boursa Kuwait Securities Company (K.P.S.C.) and its Subsidiaries audited Consolidated Financial Statements 31 December 2024.

This is to certify that the Consolidated Financial Statements 31 December 2024 attached herein is presented fairly and reflects all the financial and operational results of the company.

The Consolidated Financial Statements 31 December 2024 was prepared in accordance with the International Financial Reporting Standards approved by the Capital Markets Authority.

Yours sincerely,

Hamad Mishari Al-Humaidhi

Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C.

Report on the Audit of Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Boursa Kuwait Securities Company K.P.S.C. (the "Parent Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, 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) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

We have identified the following key audit matters:

Revenue recognition - Share in trading commission

The Group has recognised revenue from share in trading commission of securities amounting to KD 9,602,520 for the year ended 31 December 2024, representing 26.4% of the total revenue for the year then ended.

Contracts relating to fee or revenue sharing in respect of these arrangements between the Group's and third-party participants involve multiple pricing structures based on product types, customer activity and volumes, all of which are heavily dependent on complex IT systems for the processing and recording. This complexity leads to a heightened risk that revenue may not be recognised appropriately, either as a result of fraud or error, including through the potential override of controls by management.

Due to the IT complexities in the revenue recognition process related to these revenue sharing arrangements, we have considered this as a key audit matter. The accounting policy for revenue recognition is set out in Note 2.5.3 and the related disclosures are disclosed in Note 4 in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C.

Report on the Audit of Consolidated Financial Statements (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Revenue recognition - Share in trading commission (continued)

Our audit procedures included, among others, the following:

- We confirmed our understanding of the processes and controls relevant to the material revenue streams of the Group. We also evaluated the design and tested operating effectiveness of key controls over the Group's processes for certain revenue streams including IT systems, interface controls between different IT applications and related IT controls that impact the timing and measurement of revenue recognition. We also evaluated the design and tested the operating effectiveness of key controls over the completeness and accuracy of the data utilised to measure and recognise the revenue in the appropriate period. We further tested the operating effectiveness of key automated controls over the processing and recording of revenue transactions, authorisation of pricing structure changes and its input to the systems and the change control procedures in place around those systems;
- We performed substantive audit procedures that included, among other things, substantive analytical procedures by using tools in the analysis of the related revenue sharing streams. This included analysing monthly trading volumes and their correlation with monthly revenue recognised; anomalies were investigated;
- We tested the key reconciliation controls used by management over revenue recognition;
- We performed cut-off testing to verify that revenue was recognised in the correct period;
- We performed analytical procedures and journal entry testing in order to identify and test the risk of misstatement arising from management override of controls; and
- We also evaluated the appropriateness of the revenue recognition policy in accordance with *IFRS 15 'Revenue from Contracts with Customers'* and the adequacy of the Group's disclosures in Notes 2.5.3 and 4 to the consolidated financial statements.

Annual impairment of goodwill and indefinite life intangible assets

The Group has goodwill and indefinite life intangible assets with a carrying value of KD 9,492,308 and KD 31,631,600, respectively, as at 31 December 2024. The individual goodwill and intangible assets amounts have been allocated to the cash-generating unit (CGU) and is expected to benefit from synergies from the combination as disclosed in Note 7 to the consolidated financial statements.

The annual impairment testing of goodwill and indefinite life intangible assets is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less cost to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future trade and clearing activity volumes, prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).

The Group engaged an external expert to assist with the impairment testing and no impairment loss was identified.

The Group's accounting policies on impairment of goodwill and indefinite life intangible assets is disclosed in Note 2.5.1 and 2.5.11, respectively to the consolidated financial statements.

Our audit procedures included, among others, the following:

- We involved our internal valuation specialists to assist us in challenging the methodology used in the impairment assessment and evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate;
- We assessed the appropriateness of the assumptions applied to key inputs such as trade and clearing activity volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on knowledge of the client and the industry;
- We compared the relevant assumptions to industry benchmarks and economic forecasts and tested the integrity of supporting calculations and corroborated certain information with third party sources.
- We evaluated whether the external expert has the necessary competency, capabilities and objectivity for audit purposes;
- We compared actual historical cash flows with previous forecasts and assessed differences, if any, were within an acceptable range. We assessed the overall reasonableness of the cash flow forecasts and compared the discount rate and growth rate to market data;
- We evaluated the sensitivity analysis performed by management around the key assumptions noted above and challenged the outcome of the assessment; and
- We evaluated the adequacy of the Group's disclosures concerning goodwill and indefinite life intangible assets in Note 7 to the consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C.

Report on the Audit of Consolidated Financial Statements (CONTINUED)

OTHER INFORMATION INCLUDED IN THE GROUP'S 2024 ANNUAL REPORT

Management is responsible for the other information. Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Group's Annual Report after the date of our auditor's report.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C.

Report on the Audit of Consolidated Financial Statements (CONTINUED) AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

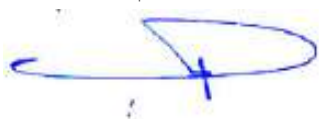
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 December 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our audit, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organisation of security activity and its executive regulations, as amended, during the year ended 31 December 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

23 February 2025
Kuwait

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 (KD)	2023 (KD)
REVENUE			
Subscription fees	4	7,046,454	7,088,435
Share in trading commission	4	9,602,520	6,787,463
Clearing operations	4	5,545,950	4,247,039
Central depository services	4	4,393,456	4,248,964
Shareholders register services	4	3,371,240	3,446,720
Settlement operations	4	3,501,946	2,148,095
Miscellaneous fees	4	2,850,113	2,661,539
Reversal of provision for expected credit losses	9,10,12	3,002	53,741
		36,314,681	30,681,996
EXPENSES			
Staff costs		(8,302,765)	(7,632,704)
General and administrative expenses		(4,729,225)	(3,926,933)
Depreciation and amortisation		(855,281)	(792,777)
Allowance for provision for expected credit losses	9,10	(26,418)	(56,892)
		(13,913,689)	(12,409,306)
OPERATING PROFIT			
		22,400,992	18,272,690
Investment income	5	3,035,728	2,904,438
Rental income		959,885	832,436
Other income		69,752	693,298
Interest on lease liabilities		(23,949)	(31,513)
PROFIT BEFORE TAX AND BOARD OF DIRECTORS' REMUNERATION			
		26,442,408	22,671,349
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		(100,971)	(88,695)
Zakat		(161,734)	(109,070)
National Labour Support Tax ("NLST")		(599,403)	(428,793)
Board of Directors' remuneration		(200,000)	(176,000)
PROFIT FOR THE YEAR			
		25,380,300	21,868,791
Attributable to:			
Shareholders of the Parent Company		18,179,748	15,797,881
Non-controlling interests		7,200,552	6,070,910
		25,380,300	21,868,791
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
	6	90.55 Fils	78.68 Fils

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 (KD)	2023 (KD)
PROFIT FOR THE YEAR		25,380,300	21,868,791
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Net income on equity instruments designated at fair value through other comprehensive income	22	-	122
Other comprehensive income for the year		-	122
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,380,300	21,868,913
Attributable to:			
Shareholders of the Parent Company		18,179,748	15,797,942
Non-controlling interests		7,200,552	6,070,971
		25,380,300	21,868,913

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 (KD)	2023 (KD)
ASSETS			
Non-current assets			
Intangible assets	7	34,382,895	33,712,768
Goodwill	7	9,492,308	9,492,308
Property and equipment	8	2,253,482	1,438,230
Right-of-use assets		483,419	682,880
Accounts receivable and other assets	9	245,626	281,506
Financial assets at fair value through other comprehensive income	22	338	338
Debt instruments at amortised cost	10	1,915,775	1,911,725
Restricted cash	12	2,600,000	2,600,000
		51,373,843	50,119,755
Current assets			
Accounts receivable and other assets	9	4,652,053	3,937,092
Term deposits	11	66,721,000	54,080,000
Cash and cash equivalents	12	3,398,761	10,749,120
		74,771,814	68,766,212
TOTAL ASSETS		126,145,657	118,885,967
EQUITY AND LIABILITIES			
Equity			
Share capital	13	20,077,575	20,077,575
Statutory reserve	13	11,212,541	9,288,355
Voluntary reserve	13	11,212,541	9,288,355
Fair value reserve	13	(252,299)	(252,299)
Retained earnings		25,301,929	25,827,959
Equity attributable to shareholders of the Parent Company		67,552,287	64,229,945
Non-controlling interests		46,874,252	44,179,325
Total equity		114,426,539	108,409,270
Liabilities			
Non-current liabilities			
Employees' end of service benefits	14	1,749,435	1,556,269
Lease liabilities		344,302	492,036
		2,093,737	2,048,305
Current liabilities			
Accounts payable and other liabilities	15	9,467,940	8,206,747
Lease liabilities		157,441	221,645
		9,625,381	8,428,392
Total liabilities		11,719,118	10,476,697
TOTAL EQUITY AND LIABILITIES		126,145,657	118,885,967



HAMAD MISHARI AL-HUMAIIDHI
Chairman



MOHAMMAD SAUD AL-OSAIMI
Chief Executive Officer

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Equity attributable to shareholders of the Parent Company						Non-controlling interests (KD)	Total equity (KD)
	Share capital (KD)	Statutory reserve (KD)	Voluntary reserve (KD)	Fair value reserve (KD)	Retained earnings (KD)	Sub-total (KD)		
As at 1 January 2024	20,077,575	9,288,355	9,288,355	(252,299)	25,827,959	64,229,945	44,179,325	108,409,270
Profit for the year	-	-	-	-	18,179,748	18,179,748	7,200,552	25,380,300
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	18,179,748	18,179,748	7,200,552	25,380,300
Transfer to reserves	-	1,924,186	1,924,186	-	(3,848,372)	-	-	-
Cash dividend to shareholders of the Parent Company (Note 13.2)	-	-	-	-	(14,857,406)	(14,857,406)	-	(14,857,406)
Cash dividend to non-controlling interests	-	-	-	-	-	-	(4,505,625)	(4,505,625)
At 31 December 2024	20,077,575	11,212,541	11,212,541	(252,299)	25,301,929	67,552,287	46,874,252	114,426,539
As at 1 January 2023	20,077,575	7,628,311	7,628,311	(251,724)	30,415,469	65,497,942	42,613,979	108,111,921
Profit for the year	-	-	-	-	15,797,881	15,797,881	6,070,910	21,868,791
Other comprehensive income for the year	-	-	-	61	-	61	61	122
Total comprehensive income for the year	-	-	-	61	15,797,881	15,797,942	6,070,971	21,868,913
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	(636)	636	-	-	-
Transfer to reserves	-	1,660,044	1,660,044	-	(3,320,088)	-	-	-
Cash dividend to shareholders of the Parent Company (Note 13.2)	-	-	-	-	(17,065,939)	(17,065,939)	-	(17,065,939)
Cash dividend to non-controlling interests	-	-	-	-	-	-	(4,505,625)	(4,505,625)
At 31 December 2023	20,077,575	9,288,355	9,288,355	(252,299)	25,827,959	64,229,945	44,179,325	108,409,270

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 (KD)	2023 (KD)
OPERATING ACTIVITIES			
Profit before tax and Board of Directors' remuneration		26,442,408	22,671,349
<i>Adjustments to reconcile profit before tax and Board of Directors' remuneration to net cash flows:</i>			
Depreciation of property and equipment	8	384,209	269,614
Depreciation of right-of-use assets		176,346	224,238
Amortisation of intangible assets	7	294,726	298,925
Reversal of provision for expected credit losses	9, 10, 12	(3,002)	(53,741)
Allowance for provision for expected credit losses	9, 10	26,418	56,892
Investment income	5	(3,035,728)	(2,904,438)
Foreign exchange differences		(4,050)	(1,350)
Profit on sale of property and equipment		(10,791)	(1,460)
Gain on derecognition of lease		(3,643)	-
Interest on lease liabilities		23,949	31,513
Provision for employee's end of service benefits, net	14	395,873	367,569
		24,686,715	20,959,111
<i>Working capital changes:</i>			
Accounts receivable and other assets		(343,129)	(196,868)
Accounts payable and other liabilities		983,484	(862,848)
Cash flows from operations		25,327,070	19,899,395
Employees' end of service benefits paid	14	(202,707)	(353,831)
Taxation paid		(614,833)	(745,833)
Board of Directors' remuneration paid		(176,000)	(200,000)
Net cash flows from operating activities		24,333,530	18,599,731
INVESTING ACTIVITIES			
Purchase of property and equipment	8	(1,199,467)	(566,919)
Proceeds from sale of property and equipment		10,797	1,500
Additions of intangible assets	7	(964,853)	(607,137)
Proceeds on liquidation of investment securities	22	-	33,208
Proceeds from recovery of debt instruments at amortised cost		-	700,000
Purchase of debt instruments at amortised cost		-	(500,000)
Maturity of term deposits		74,580,000	73,332,848
Placement of term deposits		(87,221,000)	(70,348,403)
Investment income received		2,676,360	2,146,728
Net cash flows (used in) from investing activities		(12,118,163)	4,191,825
FINANCING ACTIVITIES			
Payment of lease liabilities		(209,129)	(254,666)
Cash dividend paid to shareholders of the Parent Company		(14,850,972)	(16,824,744)
Cash dividend paid to non-controlling interests		(4,505,625)	(4,505,625)
Net cash flows used in financing activities		(19,565,726)	(21,585,035)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(7,350,359)	1,206,521
Cash and cash equivalents at 1 January		10,749,120	9,542,599
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	12	3,398,761	10,749,120
Non-cash transactions excluded from the consolidated statement of cash flows:			
Additions to right-of-use assets		(117,163)	(8,544)
Additions to lease liabilities		117,163	8,544
Derecognition of leases (adjusted with right-of-use assets)		140,278	-
Derecognition of leases (adjusted with lease liabilities)		(143,921)	-

The attached notes 1 to 22 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

1 CORPORATE INFORMATION

The consolidated financial statements of Boursa Kuwait Securities Company K.P.S.C. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 23 February 2025, and the shareholders have the power to amend these consolidated financial statements at the Annual General Assembly Meeting (AGM).

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the shareholders at the AGM held on 28 March 2024. Distributions made and proposed are provided in Note 13.2.

The Parent Company is a public shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded. The registered office of the Parent Company is located at Boursa Kuwait Building, Sharq and its registered postal address is P.O. Box 1027, Dasman 15461 - State of Kuwait.

The Parent Company is regulated by the Capital Markets Authority ("CMA") and its primary objectives are, as follows:

- Operate as a stock exchange, incorporate, or operate or contribute in the incorporation or operation of a stock exchange to reconcile buy and sell orders of securities and to follow specific procedures relating to trading and perform usual functions exercised by stock exchanges. Provide design, development and processing of electronic data services related to the field of operating securities exchanges.
- Provide design, development and information technology solutions in the field and activities of stock exchanges.
- Provide supporting services to third parties in the securities and stock markets fields.
- Offer advisory services relating to the stock exchange activities and the regulations applying to its members. Prepare economic feasibility studies in the stock exchange field.
- Incorporate and participate in the incorporation of companies inside the State of Kuwait and abroad of different types and legal forms within the scope of the Parent Company's objectives.
- Own securities in companies that work in the field of stock market or securities activities.
- The Parent Company may have interests in, or cooperate or contribute or participate in any way in other financial markets or companies or entities engaged in any type of business, activities, or similar activities or those that may support the Parent Company in achieving its purposes inside the State of Kuwait or abroad pursuant to the applicable laws and regulations.
- The Parent Company may exploit the available financial surpluses by investing in bank deposits or government securities inside the State of Kuwait or abroad. The Parent Company shall make any other types of investments inside the State of Kuwait and abroad.
- Any other purposes relating to stock exchanges provided for in the Law No. 7 of 2010 concerning the CMA and its related regulations and in the decisions issued by the CMA.

The Parent Company may carry out the above businesses in the State of Kuwait or abroad.

Information on the Group's structure is provided in Note 2.2. Information on other related parties' relationships of the Group is provided in Note 16.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The consolidated financial statements have been prepared on a historical cost basis, except for equity financial assets that have been measured at fair value.

The consolidated financial statements are presented in Kuwaiti Dinars ("KD"), which is also the functional currency of the Parent Company.

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

The consolidated financial statements provide comparative information in respect of the previous year. Certain comparative information may be reclassified and represented to conform to the classification used in the current year. Such reclassification may be made to improve the quality of information presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and/or
- The Group's voting rights and potential voting rights.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

The consolidated financial statements of the Group include:

Subsidiaries	Country of incorporation	% equity interest		Principal activities
		2024	2023	
Directly held				
Boursa Kuwait Company for Business Economic and IT Consultancy S.P.C.	Kuwait	100%	100%	Administrative, economic and information technology consulting
Kuwait Clearing Company K.S.C. (Closed) (KCC)	Kuwait	50%	50%	Provides clearing, settlement, and depository services
Held through KCC				
Kuwait International Trustee Company K.S.C. (Closed)	Kuwait	100%	100%	Providing trustee services
Kuwait Clearing House K.S.C. (Closed)	Kuwait	100%	100%	Performing clearing and settlement between securities trading operations
Kuwait Central Securities Depository K.S.C. (Closed)	Kuwait	100%	100%	Providing central depository, register services and transfer of ownership services

2.3 CHANGES IN MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

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

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

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

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

Supplier Finance Arrangements - Amendments to IAS-7 Statement of Cash Flows and IFRS-7 Financial Instruments

The amendments to IAS-7 and IFRS-7 clarify that the disclosure of the characteristics of supplier finance arrangements and the additional disclosure required of such arrangements.

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Lack of exchangeability - Amendments to IAS-21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS-21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enable users of its financial statements to understand how the currency not being exchangeable to other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS-18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS-19 Subsidiaries without Public Accountability: Disclosures

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES

2.5.1 Business combinations and goodwill

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

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

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

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

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

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

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.2 Fair value measurement

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

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

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

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

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

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

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

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

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

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

2.5.3 Revenue from contracts with customers

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the control of the promised goods or services to its customers. The Group has generally concluded that it acted as a principle in its revenue arrangements, except for the Share in trading commission income below, because it is typically controls the services before transferring them to the customer. Revenue is measured at the fair value of the consideration received or receivable taking into account the following specific recognition criteria that must also be met before revenue is recognised:

- Subscription fees, Shareholder register services, Trustee and investment controller services, Data services subscriptions, Online trading lines and X-stream line subscription from brokers, Collateral services along with certain other operating income items are recognised on a time proportion basis over the period.
- Share in trading commission, Clearing operations, Central depository services, Settlement operations, Transferring of ownership and acquisition fees revenues, Over The Counter (OTC) trading commission of non-listed companies, Registration fees for listed entities, Online trading lines and X-stream line registration fees from brokers along with certain other operating income items are recognised at the time when the underlying trade and service are provided to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.4 Interest/Profit income

Interest/Profit income is recognised as the interest/profit accrues using Effective Interest Rate ("EIR") method.

2.5.5 Bank charges

Bank charges represent certain charges related to bank balances, transactions and letters of guarantee, if any. All bank charges are expensed in the period they occur.

2.5.6 Cash dividends

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

2.5.7 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

2.5.8 Taxes

Zakat

Contribution to Zakat is calculated at 1% of the taxable profit of the Parent Company in accordance with the Ministry of Finance Resolution No. 58/2007 and charged to the consolidated statement of profit or loss.

Kuwait Foundation for the Advancement of Sciences (KFAS)

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

National Labour Support Tax (NLST)

The Parent Company calculates the NLST in accordance with the Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of the taxable profit for the year. As per the law, income from associates and subsidiaries, and cash dividends from listed companies which are subjected to NLST, if any are deducted from the taxable profit for the year.

2.5.9 Property and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

• Renovation	5-10 years
• Machinery and office equipment	3-5 years
• Furniture and decoration	5 years
• IT and trading	3-5 years
• Motor vehicles	5 years

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

The residual values, useful lives and methods of depreciation of property and equipment are periodically reviewed and adjusted prospectively, if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.10 Leases

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

Group as a lessee

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

i. Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to 'Impairment of non-financial assets' accounting policy, refer to Note 2.5.12.

ii. Lease liabilities

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

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

iii. Short-term leases and leases of low-value assets

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in a separate line in the statement of profit or loss due to its nature. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

A summary of the policies applied to the Group's intangible assets is, as follows:

	Licence	Software	Other intangible assets
Useful lives	Indefinite	Finite (5-10 years)	Finite (3 years)
Amortisation method used	No amortisation	Amortised on a straight-line basis	Amortised on a straight-line basis

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

For the Group's accounting policy on impairment for goodwill and intangible assets with indefinite lives, refer to Note 2.5.12.

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

2.5.12 Impairment of non-financial assets

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

In assessing VIU, the estimated future cash flows are discounted to their present value using Weighted Average Cost of Capital ("WACC") that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. A Terminal Growth Rate ("TGR") is calculated and applied to the third year projection.

Impairment losses of continuing operations are recognised in the statement of profit or loss in the expense categories consistent with the function of the impaired asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.12 Impairment of non-financial assets (continued)

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

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

2.5.13 Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.13 Financial instruments - initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Subsequent measurement (continued)

a. Financial assets at amortised cost (debt instruments)

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

Since the Group's financial assets (restricted cash, accounts receivable and other assets, cash and cash equivalents, term deposits and debt instruments at amortised cost) meet these conditions, they are subsequently measured at amortised cost.

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

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any financial assets classified under this category.

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

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

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

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

d. Financial assets at fair value through profit or loss

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

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

The Group does not have any financial assets classified under this category.

Derecognition

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.13 Financial instruments - initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Derecognition (continued)

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

Impairment

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

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

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

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

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, either as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS-9.

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

The Group's financial liabilities include accounts payable and accruals and lease liabilities.

Subsequent measurement

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

- Financial liabilities at FVTPL
- Financial liabilities at amortised cost

The Group has not designated any financial liability as at FVTPL and financial liabilities at amortised cost is more relevant to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.13 Financial instruments - initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at amortised cost

This is the category most relevant to the Group and generally applies to accounts payable and other liabilities.

Accounts payable and other liabilities

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

Derecognition

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

iii) Offsetting of financial instruments

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

2.5.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and non-restricted cash at banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

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

2.5.15 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5.16 Employees' end of service benefits

The Group provides end of service benefits to all its employees. The entitlement to these benefits is based upon the employees' final benefits and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

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

2.5.17 Provisions

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

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

2.5.18 Fiduciary assets

The Group provides trust and other fiduciary services that result in controlling bank accounts on behalf of its clients. Assets held in a fiduciary capacity, unless recognition criteria are met, are not reported in the consolidated financial statements, as they are not assets of the Group.

2.5.19 Contingencies

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

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

2.5.20 Segment information

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

2.5.21 Operating profit

Operating profit is the result generated from continuing principal revenue generating activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes finance costs, taxes and Board of Directors remunerations.

2.5.22 Events after the reporting period

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

3.1 JUDGEMENTS

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

Classification of financial assets

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

Revenue - Principal versus agent considerations

The evaluation of whether the Group is acting as a principal or as an agent under IFRS-15 requires judgement and detailed analysis of the specific facts and circumstances of the transaction concerned. Management applies judgment when assessing the indicators of control and evaluates all relevant facts and circumstances of each arrangement to conclude whether it acts as a principal or an agent. Specifically, the determination of whether the Group a principal to a transaction (gross revenue) or an agent (net revenue) can require considerable judgment and careful consideration of the facts and circumstances. Indicators of control include, but are not limited to, the following:

- Primary responsibility for fulfilling the promise
- Inventory risk
- Price discretion

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

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

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

3.2 ESTIMATES AND ASSUMPTIONS

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

Impairment of financial assets at amortised cost

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.2 ESTIMATES AND ASSUMPTIONS (CONTINUED)

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets periodically, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT related assets.

Impairment of goodwill and other indefinite life intangible asset

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible asset have suffered any impairment, in accordance with the accounting policy stated in Note 2.5.12. The recoverable amounts of CGU have been determined based on VIU calculations. These calculations require the use of assumptions, including estimated WACC based on the current cost of capital and growth rates of the estimated future cash flows.

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

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

This involves fair value less costs of disposal or VIU calculations, which incorporate a number of key estimates and assumptions.

Fair value measurement

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

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue:

	2024 (KD)	2023 (KD)
Types of services:		
Subscription fees	7,046,454	7,088,435
Share in trading commission		
• Main commission	9,207,184	6,112,508
• Special transaction commission	395,336	674,955
	9,602,520	6,787,463
Clearing operations	5,545,950	4,247,039
Central depository services	4,393,456	4,248,964
Shareholders register services	3,371,240	3,446,720
Settlement operations	3,501,946	2,148,095
Miscellaneous fees		
• Trustee and investment controller services	688,813	649,919
• Over The Counter (OTC) trading commission of non-listed companies	389,842	722,836
• Transferring of ownership and acquisition fees	799,803	448,697
• Data services subscriptions	446,889	376,733
• Online trading lines and X-stream line registration and subscription fees from brokers	250,369	226,294
• Registration fees for listed entities	10,000	-
• Collateral services	95,353	93,470
• Other operating income	169,044	143,590
	2,850,113	2,661,539
	36,311,679	30,628,255
Geographical markets:		
State of Kuwait	36,311,679	30,628,255
Timing of revenue recognition:		
Services transferred over time	11,870,582	11,885,417
Services transferred in a point in time	24,441,097	18,742,838
	36,311,679	30,628,255

5 INVESTMENT INCOME

	2024 (KD)	2023 (KD)
Interest/profit income from placements with banks	2,941,074	2,825,937
Investments income from bonds/Sukuk	94,654	78,501
	3,035,728	2,904,438

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6 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	2024	2023
Profit for the year attributable to shareholders of the Parent Company (KD)	18,179,748	15,797,881
Weighted average of shares (Number of shares)*	200,775,750	200,775,750
Basic and diluted EPS attributable to shareholders of the Parent Company (Fils)	90.55	78.68

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

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

7 GOODWILL AND INTANGIBLE ASSETS

	Intangible assets					
	Licence* (KD)	Software** (KD)	Other intangibles** (KD)	Sub-total (KD)	Goodwill (KD)	Total (KD)
Cost:						
At 1 January 2023	31,631,600	6,443,488	180,000	38,255,088	9,492,308	47,747,396
Additions	-	607,137	-	607,137	-	607,137
At 31 December 2023	31,631,600	7,050,625	180,000	38,862,225	9,492,308	48,354,533
Additions	-	964,853	-	964,853	-	964,853
At 31 December 2024	31,631,600	8,015,478	180,000	39,827,078	9,492,308	49,319,386
Amortisation:						
At 1 January 2023	-	4,820,532	30,000	4,850,532	-	4,850,532
Charge for the year	-	238,925	60,000	298,925	-	298,925
At 31 December 2023	-	5,059,457	90,000	5,149,457	-	5,149,457
Charge for the year	-	234,726	60,000	294,726	-	294,726
At 31 December 2024	-	5,294,183	150,000	5,444,183	-	5,444,183
Net book value:						
At 31 December 2023	31,631,600	1,991,168	90,000	33,712,768	9,492,308	43,205,076
At 31 December 2024	31,631,600	2,721,295	30,000	34,382,895	9,492,308	43,875,203

* Licence represents the regulatory license obtained from the CMA identified upon completion of the purchase price allocation ("PPA") exercise following step-up acquisition of KCC. The regulatory license has been renewed and have allowed the Group to determine that the asset has an indefinite useful life. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

** Software and other intangible assets that are having finite life are amortised on a straight-line basis over their useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Goodwill

The carrying amount of the goodwill amounting to KD 9,492,308 (2023: KD 9,492,308) has been allocated to the Group's investment in KCC. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment testing for goodwill and indefinite life intangible asset

The goodwill and indefinite life intangible asset identified on the acquisition of KCC are allocated to a single CGU which consists of identifiable net assets.

The Group performed its annual impairment test for these assets during December 2024. The recoverable amount of these assets have been determined based on VIU calculation of the CGU, using the budget which was approved by the Board of Directors of KCC covering a three-year period.

Based on the recoverable amount derived based on the indicative equity value of KCC, it was concluded that no impairment occurred to the CGU.

The analysis was carried out and primarily sensitised based on the WACC rate of 13.07% (2023: 14%) and the Terminal Growth Rate (TGR) of 2% (2023: 2.2%). The TGR does not exceed the long-term average growth rate of the State of Kuwait.

Key assumptions used in VIU calculations and sensitivity to changes in assumptions:

- WACC
- TGR
- Annual revenue growth rate during the forecast period

Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount of the CGU to reduce materially below the carrying value. The sensitivity analyses are based on a change in each of the respective assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The recoverable amount would decrease as result of the below changes of assumptions with no impairment loss required:

- An increase in the WACC by approximately 1%.
- A decrease in the TGR by 0.5%.
- A decline in the annual revenue growth rate during the forecast period by 1%.

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8 PROPERTY AND EQUIPMENT

	Renovation (KD)	Machinery and office equipment (KD)	Furniture and decoration (KD)	IT and trading (KD)	Motor vehicles (KD)	Capital work in progress (KD)	Total (KD)
Cost:							
At 1 January 2023	477,887	874,826	618,028	2,568,388	36,000	437,458	5,012,587
Additions	23,183	41,774	255	55,540	-	446,167	566,919
Disposal	-	(40,270)	(100,398)	-	-	-	(140,668)
Transfers	-	33,662	2,750	361,223	-	(397,635)	-
At 31 December 2023	501,070	909,992	520,635	2,985,151	36,000	485,990	5,438,838
Additions	11,520	19,189	1,484	7,015	-	1,160,259	1,199,467
Disposal	-	-	-	-	(36,000)	-	(36,000)
Write-offs	-	-	(94,747)	-	-	-	(94,747)
Transfers	513,947	225,079	14,870	719,454	-	(1,473,350)	-
At 31 December 2024	1,026,537	1,154,260	442,242	3,711,620	-	172,899	6,507,558
Depreciation:							
At 1 January 2023	147,815	699,335	587,397	2,407,690	29,385	-	3,871,622
Charge for the year	75,005	55,130	7,680	125,199	6,600	-	269,614
Disposal	-	(40,255)	(100,373)	-	-	-	(140,628)
At 31 December 2023	222,820	714,210	494,704	2,532,889	35,985	-	4,000,608
Charge for the year	96,438	96,015	9,201	182,542	13	-	384,209
Disposal	-	-	-	-	(35,998)	-	(35,998)
Write-offs	-	-	(94,743)	-	-	-	(94,743)
At 31 December 2024	319,258	810,225	409,162	2,715,431	-	-	4,254,076
Net book value:							
At 31 December 2023	278,250	195,782	25,931	452,262	15	485,990	1,438,230
At 31 December 2024	707,279	344,035	33,080	996,189	-	172,899	2,253,482

9 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	2024 (KD)	2023 (KD)
Trade receivables, gross	2,466,328	2,174,523
Less: ECL allowance	(638,271)	(710,666)
Trade receivables, net	1,828,057	1,463,857
Prepayments and advances	416,491	255,042
Amounts due from related parties (Note 16)	894,800	1,057,954
Refundable deposits	245,626	261,682
Accrued investment income*	1,464,168	1,104,424
Other receivables*	48,537	75,639
	4,897,679	4,218,598
Non-current	245,626	281,506
Current	4,652,053	3,937,092
	4,897,679	4,218,598

* Includes balances which are held with related parties amounting to KD 1,119,459 (2023: KD 701) (Note 16).

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9 ACCOUNTS RECEIVABLE AND OTHER ASSETS (CONTINUED)

Set out below are the movements in the ECL allowance for trade receivables:

	2024 (KD)	2023 (KD)
As at 1 January	710,666	1,084,286
ECL allowance recognised during the year	26,418	55,650
Reversal of ECL allowance during the year	-	(46,440)
Net remeasurement of loss allowance recognised in profit or loss	26,418	9,210
ECL allowance written-off during the year*	(98,813)	(382,830)
As at 31 December	638,271	710,666

* These represent receivables that have been written-off as there is no reasonable expectation of recovering the contractual cash flows.

10 DEBT INSTRUMENTS AT AMORTISED COST

	2024 (KD)	2023 (KD)
Debt instrument at amortised cost	1,925,800	1,921,750
Less: ECL allowance	(10,025)	(10,025)
Debt instrument at amortised cost, net	1,915,775	1,911,725

Set out below are the movements in the ECL allowance for debt instruments at amortised cost:

	2024 (KD)	2023 (KD)
As at 1 January	10,025	16,084
ECL allowance recognised in profit or loss	-	1,242
Reversal of ECL allowance	-	(7,301)
As at 31 December	10,025	10,025

Debt instruments at amortised cost represent the Group's investment in locally issued bonds that carry an EIR ranging from 4% to 7% (2023: 4% to 7.5%) per annum and maturing over a period ranging approximately from 6 to 9 years.

Debt instruments at amortised cost represent investments in bonds with counterparties with investment grade ratings assigned by international rating agencies.

11 TERM DEPOSITS

Term deposits are placed with local banks, denominated in KD, and carry an EIR ranging from 3.80% to 4.90% as at 31 December 2024 (2023: 4.45% to 5.28%) per annum and maturing within twelve months from the date of placements.

Certain term deposits are held with a related party bank of KD 35,000,000 (31 December 2023: Nil) (Note 16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12 CASH AND CASH EQUIVALENTS

	2024 (KD)	2023 (KD)
Cash at banks	5,198,761	5,000,405
Cash on hands	-	1,717
Short term deposits*	800,000	8,350,000
Cash and short-term deposits	5,998,761	13,352,122
Less: Restricted cash**	(2,600,000)	(2,600,000)
Less: ECL allowance ***	-	(3,002)
Cash and cash equivalents	3,398,761	10,749,120

* Short-term deposits are made for varying periods maturing within three months from the date of placements, depending on the immediate cash requirements of the Group, and earn interest/profit at the respective short-term deposit rates.

** Restricted cash represents a balance deposited with a local bank in accordance with the financial clearance guarantee policy stipulated by the CMA to be used to cover defaults resulting from the trading of the brokers' clients or custodians' clients, after the financial guarantees provided to these clients (the brokers and custodians) have been exhausted. These amounts are not available for day-to-day operations.

*** During the current year, the Group has recorded reversal of ECL allowance of KD 3,002 in the consolidated statement of profit or loss.

Cash at banks contained cash at a related party bank of Nil (2023: KD 1,000) (Note 16).

13 EQUITY

13.1 SHARE CAPITAL

	2024 (KD)	2023 (KD)
Authorised share capital:		
600,000,000 (2023: 600,000,000) shares of 100 (2023: 100) fils each	60,000,000	60,000,000
Issued and paid-up share capital:		
200,775,750 (2023: 200,775,750) shares of 100 (2023: 100) fils each paid in cash	20,077,575	20,077,575

13.2 DISTRIBUTIONS MADE AND PROPOSED

	2024 (KD)	2023 (KD)
Cash dividends on ordinary shares declared and paid:		
2023: 74 fils per share (2022: 85 fils per share)	14,857,406	17,065,939
Proposed dividends on ordinary shares:		
Proposed cash dividend for 2024: 82 fils per share (2023: 74 fils per share)	16,463,612	14,857,406

Proposed dividends on ordinary shares are subject to approval at the AGM and are not recognised as a liability as at 31 December.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13 EQUITY (CONTINUED)

13.3 STATUTORY RESERVE

In accordance with the Companies' Law, and the Parent Company's Memorandum of Incorporation and Articles of Association, a minimum of 10% of the profit for the year attributable to shareholders of the Parent Company before contribution to the KFAS, Zakat, NLST and Board of Directors' remuneration less accumulated losses brought forward, if any shall be transferred to the statutory reserve until this reserve reaches a minimum of 50% of the paid-up share capital.

The AGM of the Parent Company may resolve to discontinue such transfer when the reserve exceeds 50% of the paid-up share capital. The reserve may only be used to offset losses or enable the payment of a dividend up to 5% of paid-up share capital in years when profit is not sufficient for the payment of such dividend due to absence of distributable reserves. Any amounts deducted from the reserve shall be refunded when the profits in the following years suffice unless such reserve exceeds 50% of the issued share capital.

13.4 VOLUNTARY RESERVE

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

13.5 FAIR VALUE RESERVE

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

14 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024 (KD)	2023 (KD)
As at 1 January	1,556,269	1,542,531
Provided during the year	400,073	411,390
Reversal of provision during the year	(4,200)	(43,821)
Paid during the year	(202,707)	(353,831)
As at 31 December	1,749,435	1,556,269

15 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2024 (KD)	2023 (KD)
Unearned revenues*	1,497,548	1,476,576
Trade payables	598,787	460,909
Accrued expenses**	4,752,410	3,701,634
Commission payable to the CMA	323,131	237,574
Staff leave provision	718,592	692,908
Dividends payable	1,285,236	1,278,802
Other payables	292,236	358,344
	9,467,940	8,206,747

* Includes amounts due to related parties of KD 10,567 (2023: KD 11,968) (Note 16).

** As at 31 December 2024, the Parent Company has KFAS payable of KD 100,971 (2023: KD 88,695). During the year, the Parent Company settled KFAS payable of KD 88,695 (2023: KD 100,483).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, directors and key management personnel of the Parent Company, and entities controlled, jointly-controlled, or significantly influenced by such parties. Transactions with related parties were made on substantially the same terms, prevailing at the same time for comparable transactions with unrelated parties and are approved by the Parent Company's management.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	Major Shareholders (KD)	Other related parties (KD)	2024 (KD)	2023 (KD)
Consolidated statement of profit or loss:				
Subscription fees	290,000	508,167	798,167	594,771
General and administrative expenses	(8,333)	(1,252)	(9,585)	(1,435)
Miscellaneous fees	9,500	4,083	13,583	12,477
Investment income	-	1,241,919	1,241,919	-
Rental income	-	6,500	6,500	9,365
Other income	-	-	-	283,553

The following table provides the total balances with related parties as at 31 December:

	Major Shareholders (KD)	Other related parties (KD)	2024 (KD)	2023 (KD)
Consolidated statement of financial position:				
Amounts due from related parties (Note 9)	-	894,800	894,800	1,057,954
Accounts receivable and other assets (Note 9)	1,667	1,117,792	1,119,459	701
Term deposits (Note 11)	-	35,000,000	35,000,000	-
Cash and cash equivalents (Note 12)	-	-	-	1,000
Accounts payable and other liabilities (Note 15)	5,000	5,567	10,567	11,968

Compensation of key management personnel and Board of Directors

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

	Transaction values		Balance outstanding as at	
	2024 (KD)	2023 (KD)	2024 (KD)	2023 (KD)
Salaries and other short-term benefits	1,098,810	1,025,180	636,844	723,240
Employees end of service benefits	54,903	57,288	318,301	263,399
Board of Directors' remuneration	200,000	176,000	200,000	176,000
Board of Directors' committee remuneration	40,000	32,000	40,000	32,000
	1,393,713	1,290,468	1,195,145	1,194,639

The Board of Directors of the Parent Company proposed a total remuneration of KD 200,000 for the directors for the year ended 31 December 2024 (2023: KD 176,000). This proposal is subject to the approval of the shareholders of the Parent Company at the AGM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17 FIDUCIARY ASSETS

KCC, the Group's subsidiary provides trust and other fiduciary services that result in controlling bank accounts on behalf of its clients. The client assets have no recourse to the general assets of the Group and the Group has no recourse to such bank accounts. Accordingly, such assets are not included in the consolidated financial statements as they do not belong to the Group.

18 COMMITMENTS AND CONTINGENT LIABILITIES

18.1 CAPITAL COMMITMENTS

The Group has commitments in respect of future capital expenditure amounting to KD 539,241 (2023: KD 1,090,001) relating to the additions of property and equipment and intangible assets.

18.2 CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2024 and 2023.

19 SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the decision makers that are used for making strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services, class of customers and marketing strategies of these segments are different.

Operating revenues recognised in the consolidated statement of profit or loss represents revenues from external customers and originated in the State of Kuwait.

The Group is primarily engaged in operating securities exchange related activities in the State of Kuwait. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments.

The following tables present information regarding the Group's segments activities:

	2024			2023		
	Securities exchange (KD)	Clearing (KD)	Total (KD)	Securities exchange (KD)	Clearing (KD)	Total (KD)
Operating revenue	18,558,235	17,756,446	36,314,681	15,679,763	15,002,233	30,681,996
Operating expenses	(8,141,697)	(5,122,823)	(13,264,520)	(7,155,646)	(4,763,087)	(11,918,733)
Operating profit	10,416,538	12,633,623	23,050,161	8,524,117	10,239,146	18,763,263
Non-operating revenue	1,537,511	2,527,854	4,065,365	2,002,382	2,427,790	4,430,172
Non-operating expenses	(1,084,642)	(650,584)	(1,735,226)	(830,352)	(494,292)	(1,324,644)
Segment result	10,869,407	14,510,893	25,380,300	9,696,147	12,172,644	21,868,791
Segment assets	60,038,020	66,107,637	126,145,657	58,469,241	60,416,726	118,885,967
Segment liabilities	7,659,727	4,059,391	11,719,118	6,718,363	3,758,334	10,476,697

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20 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group's principal financial liabilities comprise of accounts payables and other liabilities and lease liabilities. The Group's financial assets comprise of restricted cash, accounts receivables and other assets, cash and cash equivalents, term deposits, debt instruments at amortised cost and financial assets at FVOCI that arrive directly from its operations.

The management of the Group is responsible for the overall risk management approach and for approving the risk strategy. The management reviews and agrees policies for managing each of these risks which are summarised below:

20.1 CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its operating and investing activities.

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

	2024 (KD)	2023 (KD)
Accounts receivable and other assets (excluding prepayments and advances)	4,481,188	3,963,556
Debt instruments at amortised cost	1,915,775	1,911,725
Term deposits	66,721,000	54,080,000
Cash at bank and short-term deposits	5,998,761	13,347,403
	79,116,724	73,302,684

Restricted cash, term deposits, cash at banks and short-term deposits

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

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

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20 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

20.1 CREDIT RISK (CONTINUED)

Trade receivables

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

	Current (KD)	Days past due				Total (KD)
		31-90 days (KD)	91-120 days (KD)	121-365 days (KD)	>365 days (KD)	
2024						
ECL rate	0.19%	30.88%	93.58%	92.40%	100%	25.88%
Estimated total gross carrying amount at default	1,811,068	16,946	9,526	107,734	521,054	2,466,328
ECL allowance	3,526	5,233	8,914	99,544	521,054	638,271
2023						
ECL rate	0.28%	12.88%	53.59%	100%	100%	32.68%
Estimated total gross carrying amount at default	1,359,754	108,709	28,487	89,725	587,848	2,174,523
ECL allowance	3,830	13,997	15,266	89,725	587,848	710,666

The Group generally trades only with recognised and creditworthy counterparties. The Group has policies and procedures in place to limit the amount of credit exposure to any counterparty. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables on a regular basis.

With respect to trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure the ECL. The provision rates are based on days past due and customer segments with similar loss patterns (i.e. product and customer type, etc.). The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Generally, trade receivables are written-off if past due more than one year, are not subject to enforcement activity and there is no possibility to recover these amounts in the near future. The maximum exposure to credit risk at the reporting date is the carrying value of each trade receivables. The Group does not have a policy to obtain collaterals against trade receivables.

Debt instruments at amortised cost

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have appropriate credit ratings and, therefore, are considered to be low credit risk investments. Debt instruments are considered to have a low risk of default and management believes that the counterparties have strong capacities to meet contractual cash flow obligations in the near term.

As a result, the impact of applying the expected credit risk model at the reporting date was immaterial.

Other assets (including receivables from related parties)

As to other assets, the majority of the Group's counterparty exposure has a low risk of default and does not include any past-due amounts. Accordingly, management identified impairment loss to be immaterial.

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20 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

20.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group manages liquidity risk by monitoring on a regular basis that sufficient funds are available to meet liabilities as they fall due.

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

	Less than 3 months (KD)	3 to 12 months (KD)	More than 12 months (KD)	Total (KD)
2024				
Lease liabilities	9,870	166,324	357,859	534,053
Accounts payable and accruals*	5,717,225	2,253,167	-	7,970,392
	5,727,095	2,419,491	357,859	8,504,445
2023				
Lease liabilities	28,630	217,456	520,021	766,107
Accounts payable and accruals*	4,891,206	1,838,965	-	6,730,171
	4,919,836	2,056,421	520,021	7,496,278

*Excluding unearned revenues (Note 15).

20.3 MARKET RISK

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

20.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instruments at amortised cost, short-term and term deposits with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate financial assets and financial liabilities.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	2024 (KD)	2023 (KD)
Fixed-rate instruments		
Financial assets	68,946,800	63,851,750
Variable-rate instruments		
Financial assets	500,000	500,000

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20 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

20.3 MARKET RISK (CONTINUED)

20.3.1 Interest rate risk (continued)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have resulted in change in profit for the year by KD 2,500 (2023: KD 2,500). This analysis assumes that all other variables remain constant, in particular, foreign currency exchange rates, if applicable.

20.3.2 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk is managed by the management of the Parent Company on the basis of limits determined by the Board of Directors and a continuous assessment of the Group's open positions and current and expected exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Group does not hedge foreign currency exposures.

The Group had the following significant net exposures denominated in foreign currencies as of 31 December:

	2024 Equivalent in (KD)	2023 Equivalent in (KD)
US Dollar (USD)	864,992	931,990
Euro	(31,474)	(27,697)
Others	(10,972)	(7,626)
	822,546	896,667

The following table demonstrates the sensitivity of the Group's profit (due to changes in the fair value of financial assets and liabilities) and other comprehensive income to a 5% possible change in the exchange rates, with all other variables held constant.

Currency	31 December 2024			31 December 2023		
	Change in currency rate %	Effect on profit or loss (KD)	Effect on OCI (KD)	Change in currency rate %	Effect on profit or loss (KD)	Effect on OCI (KD)
USD	+/-5	43,233	17	+/-5	46,582	17
Euro	+/-5	(1,574)	-	+/-5	(1,385)	-
Others	+/-5	(549)	-	+/-5	(381)	-

20.3.3 Equity price risk

Equity price risk arises from changes in the fair values of equity financial assets. The Group's exposure to equity securities price risk arises from unlisted equity investments held by the Group and classified as at FVOCI.

The Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's management on a regular basis. The Group's management reviews and approves all major equity investment decisions. The Group manages this risk through diversification of investments in terms of geographical distribution and industry concentration.

At the reporting date, the exposure to non-listed equity investments at fair value was KD 338 (2023: KD 338). Sensitivity analyses of these investments have been provided in Note 22.

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AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

21 CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group actively manages its capital base in order to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the CMA in supervising the Group.

The Group's regulatory capital and capital adequacy ratios for the year ended 31 December 2024 and 31 December 2023 are calculated in accordance with the provisions of Module Seventeen "Capital Adequacy Regulations for Licensed Persons" of the CMA's Executive Bylaws of Law No. (7) of 2010 and their amendments thereto.

	2024	2023
Available (eligible) regulatory capital (KD)*	54,087,724	65,204,194
Required regulatory capital (KD)	26,845,309	26,024,001
Capital adequacy ratio (%)	201%	251%

* Available (eligible) regulatory capital as at 31 December 2024 computation factors the proposed dividends (Note 13.2).

As of the reporting date, the Group is in compliance with the minimum required regulatory capital adequacy ratio.

22 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

The methodologies and assumptions used to determine fair values of financial instruments are described in the fair value section of material accounting policy information (Note 2.5.2).

Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

Financial assets and liabilities at amortised cost

Fair value of financial instruments at amortised cost is not materially different from their carrying values, at the reporting date, as these instruments are either of short-term maturity or re-priced immediately based on market movement in interest rates.

Unlisted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group uses a market-based valuation technique for the majority of these positions. The Group determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Group classifies the fair value of these investments as Level 3.

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AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

22 FAIR VALUE MEASUREMENT (CONTINUED)

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	2024 (KD)	2023 (KD)
As at 1 January	338	33,424
Remeasurement recognised in OCI	-	122
Purchases / (sales), net	-	(33,208)
As at 31 December	338	338

The fair value of financial instruments classified as Level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data.

For example, in the absence of an active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on OCI would be immaterial if the relevant risk variables used to measure the fair value of the financial instruments classified as Level 3 were altered by 5 percent.

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