خمسون عاماً من الاستثمار في الأمن الغذائي العربي
Fifty Years of Investment in Arab Food Security

الهيئة العربية للاستثمار والإنماء الزراعي
ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT & DEVELOPMENT

Leadership in Sustainable Food Security in the Arab World

Annual Report 2025

CERTIFIED ISO 9001

TABLE OF CONTENTS

Message from the Chairman of the Board

Dr. Obaid Saif Hamad Al–Zaabi
Chairman of the Board

As the Arab Authority for Agricultural Investment and Development (AAAID) approaches its Golden Jubilee (1976–2026), we look back with pride on nearly five decades of achievements and contributions, while looking ahead with ambition to a future in which we continue to redefine and strengthen our development role. The year 2025 was exceptional in every respect; our achievements extended beyond meeting our investment objectives to laying the foundations for a new strategic model that reinforces AAAID's position as a leading investor in food security across the Arab region.

The economic challenges of 2025 reaffirmed the foresight of the Board of Shareholders in steering AAAID's transition from traditional agricultural financing towards innovative, development-oriented investment in food security. At the same time, this strategic direction underscores our commitment to helping bridge the food gap in the Arab region by transforming existing agricultural assets into an attractive and investable asset class capable of mobilizing capital through strategic partnerships with the business sector. Against this backdrop, 2025 witnessed the identification, development and execution of numerous investment opportunities, with a particular focus on high-impact investments that deliver substantial economic value and strengthen food value chains.

On the financial front, AAAID continued to focus on enhancing operational efficiency and recorded net income of approximately KWD 18.4 million in 2025, compared with a net loss of approximately KWD 15.2 million in 2024. This significant improvement reflects the effectiveness of our investment portfolio management and the success of our new financial policies in enhancing returns despite volatility in the global economic environment.

This positive financial performance will further strengthen AAAID's financial sustainability and enhance its capacity to continue implementing its development programmes, while maintaining a careful balance between generating sustainable economic returns and fulfilling its development mandate in support of Arab food security.

In parallel, AAAID made significant progress in strengthening institutional efficiency. It embarked on the modernization and upgrading of its financial and administrative information systems through the implementation of Systems, Applications, and Products in Data Processing (SAP), completed a comprehensive assessment of AAAID's readiness to adopt digital transformation technologies, implementation of International Financial Reporting Standards (IFRS), and obtained ISO 37000 certification in governance and risk. These initiatives go beyond administrative improvements; they represent strategic enablers that reinforce the transparency and efficiency expected by global investors and provide a strong institutional foundation for establishing international partnerships to implement regional projects.

Throughout 2025, AAAID also continued to strengthen its presence in regional and international forums and expand cooperation with Arab and international organizations and institutions. This included participation in major events and conferences, as well as high-level meetings with officials across a number of Arab countries to explore opportunities for cooperation and advance new projects aligned with AAAID's mission and strategic objectives. These efforts further reinforce AAAID's standing as a leading Arab institution in agricultural investment and sustainable development.

None of these achievements would have been possible without the continued support, confidence and wise guidance of Their Excellencies, the esteemed members of the Board of Shareholders. On behalf of the Board of Directors, I take this opportunity to express our sincere appreciation and profound gratitude for their unwavering support. I also reaffirm our steadfast commitment to advancing the objectives for which AAAID was established and to fulfilling its enduring mission in support of Arab food security.

Executive Summary

The AAAID welcomes its fiftieth year with firmly established institutional confidence and a rising investment momentum. The AAAID was established with a bold vision as a specialized developmental financial institution concerned with investing in food security activities. After half a century of continuous giving, the AAAID confirms in its Golden Jubilee year that it is capable of achieving this vision through a more mature and comprehensive institutional approach.

Key Financial and Operational Indicators Achieved by the AAAID in the Year 2025:

The AAAID witnessed a remarkable development in asset management through the implementation of the institutional governance model, which was reflected in raising financial and operational efficiency, achieving strong growth in profits, improving spending efficiency, and enhancing investment returns.

Total revenues reached USD 85.1 million compared to USD 72.7 million in the previous year, an increase rate of 17%, which reflects the strength of operational performance and the expansion of investment activities. Net profit also reached USD 60.3 million compared to a loss of USD (49.3) million in the previous year. Regarding collected dividend distributions, they reached USD 19.3 million compared to USD 7.05 million in the previous year, an increase of 175%.

On the investment portfolio level, it included 42 companies in more than 10 countries, and 103 investment opportunities were evaluated during the year 2025. The AAAID also achieved an 11% efficiency in spending, which reflects a noticeable rationalization in expenses and an improvement in the utilization of operational resources. The level of overall institutional performance reached 95.4%, reflecting a high commitment to governance and institutional excellence standards, and confirming the continuation of strengthening the operational and financial efficiency of the AAAID.

The AAAID's mission focused on playing a pivotal role in rising to face one of the most pressing challenges in the Arab world, which is the food gap that exceeds USD 50 billion according to the latest reliable data, as well as facing food security threats that affect "around 38.6 million people" who suffer from acute food insecurity, while nearly 128 million people are affected by factors of conflict, poverty, and drought. In confronting these challenges, the AAAID works on three integrated tracks:

- Direct investment in food value chains through 42 agricultural companies in more than 10 Arab countries.
- Working with partners to give priority to new projects with direct impact on bridging the food gap in its main sectors.
- Supporting small producers and projects related to rural women, and capacity building through microfinance programs and technical partnerships with international organizations and institutions.

These tracks have translated into a total production capacity exceeding 1 million tons of sugar annually, and 252 million liters of milk, in addition to increasing production in the poultry, fish, meat, and other crop sectors.

The year 2025 also witnessed a fundamental shift in the method of managing the direct investments portfolio, as the AAAID transitioned from the traditional approach in asset management to the 'Institutional Governance of Assets' model, which maximizes returns and enhances impact simultaneously, through:

- Restructuring the institutional representation system in the portfolio companies, where 28 representatives were replaced according to an integrated competence model.
- Enhancing dividend collection mechanisms, which increased by 175% to rise to USD 19.3 million in 2025.
- Flexible management of the financial portfolio in cooperation with specialized global companies, surpassing benchmark performance indicators.
- Protecting shareholders' rights in companies according to the highest standards of institutional governance.

The following table illustrates the volume of investments for the AAAID's operating companies and the level of impact:

Sector	Number of Companies	Production Capacity	Impact Level
Sugar Industry	3	1.03 million tons/year	Very High
Dairy and its Products	5	252 million liters/year	High
Poultry	3	104.6 million birds/year	High
Fish and Aquaculture	4	113 thousand tons/year	Medium
Crops and Grains	6	127 thousand tons/year	High
Red Meat	3	57 thousand tons/year	Medium
Vegetable Oils	2	54 thousand tons/year	Medium
Vegetables and Fruits	5	47 thousand tons + 387 hectares	Medium
Specialized Services and Finance	4	—	Supportive

In 2025, AAAID applied an advanced investment screening and evaluation methodology enabling it to efficiently assess and decide on 103 investment opportunities submitted by investors and project promoters. These future opportunities are clustered around four pillars:

No.	Pillar	No. of Opportunities	Percentage	Investment Opportunity
1	Agro-processing	33	32%	Joint ventures projects across the Gulf countries and the Arab Maghreb region aimed at enhancing production capacities and agro-processing industries.
2	Plant Production	21	20.4%	Joint ventures for the production of grains and legumes in the Gulf countries and the Arab Maghreb.
3	Animal Production	31	30.1%	Enhancing red meat and poultry meat production in the Gulf countries and Egypt.
4	Services	17	16.5%	Logistics services, storage development, fertilizer production.
5	Others	1	0.97%	Expanding the commercial distribution networks for food products.

On the institutional transformation front, the year 2025 witnessed a comprehensive institutional shift that redefines the method of the AAAID's work and its regional role, through focusing on:

- Governance: Completing ISO 37000 requirements, renewing ISO 9001:2015, and launching the ESG performance roadmap; performance rose from 71.5% to 95.4% in the overall institutional performance index.
- Digital Transformation: Launching the first phase of upgrading SAP ERP and digitizing operations logs.
- Partnerships: 16 new memorandums of understanding with specialized regional and international organizations in 2025.
- International Presence: Representation in more than 20 international events in the pillars of food security and agricultural investment.

In conclusion, the AAAID enters its Golden Jubilee year (1976–2026) with a clear roadmap centered around three fundamental transformations, which are completing the institutional governance system including obtaining the ISO 37000 certification, and issuing the first independent ESG report. This is along with accelerating the diversification of the portfolio geographically and sectorally with a focus on bridging the food gap. In addition, it enhances the role of the AAAID as a regional developmental platform that combines capital, expertise, and strategic partnerships.

Key Strategic and Financial Indicators 2025

Financial Position
(As of December 31, 2025)

266.5 Million Kuwaiti Dinars
Total Assets

254.8 Million Kuwaiti Dinars
Shareholders' Equity

18.4 Million Kuwaiti Dinars
Profit for the Year

9.4% Financial return of the portfolio outperforming the target return
Financial Return for the Portfolio

Investment Performance

100%
Efficiency of Executing the Annual Program

11.4 Million USD
Execution of the Investment Program
Restructuring finance

Agricultural Companies **42**
Total contributions exceeding 684 Million USD

103
Number of Attracted Opportunities

Digital Transformation and Governance (Quality Indicators)

Completing the Technical Requirements for the **ISO 37000**
Institutional Governance

Certification **ISO 9001**
Operational Excellence

Launching the First Phase of Upgrading **SAP System**
Digital Roadmap

Completing the digital transformation pathway to stimulate future innovation.

Introduction

Establishment and Objectives:

The AAAID is an independent Arab financial institution, established under a multilateral agreement signed by 12 Arab states on November 1, 1976, and subsequently joined by nine Arab countries. According to the Establishing Agreement, the AAAID aims to develop agricultural resources in the contracting states and increase the exchange of agricultural products and agricultural production inputs among them. Its activity encompasses investment in all forms of agricultural production and works related to it and branching from it. The AAAID undertakes the execution of projects or other activities necessary and complementary to its investment and developmental activity. The AAAID's activity also includes conducting research and studies related to its projects, contributing to their financing and execution directly, or through companies established by the AAAID or participating in them.

Board of Shareholders:

The Board of Shareholders consists, pursuant to Article 6 of the Articles of Association, of representatives of the following member states:

1. Kingdom of Saudi Arabia
2. State of Kuwait
3. United Arab Emirates
4. Republic of the Sudan
5. Republic of Iraq
6. State of Qatar
7. Arab Republic of Egypt
8. People's Democratic Republic of Algeria
9. Kingdom of Morocco
10. Kingdom of Bahrain
11. Sultanate of Oman
12. Republic of Tunisia
13. Islamic Republic of Mauritania
14. Hashemite Kingdom of Jordan
15. Syrian Arab Republic
16. Federal Republic of Somalia
17. Union of the Comoros
18. Republic of Yemen
19. Lebanese Republic
20. Republic of Djibouti
21. State of Palestine

Board of Directors

*As of April 1, 2026

H.E. Dr.
Obaid Saif Hamad Al Zaabi
The Chairman of Board

H.E. Eng.
Ibrahim bin Mohammed bin Abdullah Aboabat
Board Member
Representative of the Kingdom of Saudi Arabia

H.E. Dr.
Salah Abdullah Othman Al Othman
Board Member
Representative of the State of Kuwait

H.E.
Ibrahim Hassan Rashid Al Jarwan
Board Member
Representative of the United Arab Emirates

H.E. Dr.
Mahdi Sahar Al Gburi
Board Member
Representative of the Republic of Iraq

H.E. Mr.
Mohamed Basher Mohamed Adam
Board Member
Representative of the Republic of Sudan

H.E. Mr.
Mohsen Saleh A. M. Albahili
Board Member
Representative of Member States with Contributions of Less than 10%

H.E. Prof.
Saad Moussa
Board Member
Representative of Member States with Contributions of Less than 10%

H.E. Mr.
Sid Ahmed Saidi
Board Member
Representative of Member States with Contributions of Less than 10%

H.E. Mr.
Mohammed Ahmed Sulaiman Al Barashdi
Board Member
Representative of Member States with Contributions of Less than 10%

Investment Advisory Council

*As of April 1, 2026

The Investment Advisory Council was established in the year 2024, and it represents a specialized advisory framework that includes a select group of people of experience and competence in the fields of investment, finance, risk management, and related policies. This allows the AAAID to benefit from an independent, professional, and multi–faceted opinion on investment issues with a strategic dimension. The Council was reconstituted at the beginning of the year 2026, to be as follows:

His Excellency Dr. Nasser bin Bakr Al–Qahtani
Chairman of the Council | Senior Advisor and Envoy of the Arab Gulf Programme for Development

His Excellency Dr. Salman bin Saleh bin Salman Al–Dahilan
Associate Professor of Economics at the College of Sharia in Al–Ahsa in the Kingdom of Saudi Arabia

His Excellency Mr. Mohamed Ali Yassin
Investment Funds Manager and Financial Analyst

His Excellency Dr. Mohsen Al–Batran
Professor of Agricultural Economics (Part–time) at the Faculty of Agriculture at Cairo University and Chairman of the Agriculture Committee in the Senate

His Excellency Mr. Mohamed Othman Abdel Qader El–Zain
Former Executive Director for the Investment Sector at the AAAID

His Excellency Dr. Shaalan Alwan Al–Mashaichi
Former Director of the Studies and Development Department at the AAAID

Strategic Planning

Vision

The AAAID seeks to be a global leader in sustainable food security.

Mission

The AAAID's mission is manifested in contributing to achieving sustainable Arab food security in the fields of production, processing, logistics services, and innovative technologies.

Strategic Goals

The AAAID seeks, according to the approved strategy for the period 2024 – 2026, to achieve the following strategic goals:

1. Contributing to achieving Arab food security.
2. Maximizing the return on investment.
3. Enhancing regional and international cooperation.
4. Providing innovative supporting services according to international best standards.

The overall performance index of the AAAID shows that the achievement rate of targets for the year 2025 has reached 95.4%, with an improvement rate of 33.4% compared to the previous year, and that is through the implementation of a group of main goals and initiatives, the most important of which are:

1. Building the strategic and operational plans for the AAAID according to international standards and in line with the approved strategic orientations and priorities.
2. Developing administrative systems, governance of procedures, and sustainability of quality management and institutional processes according to international best practices.
3. Ensuring the sound and sustainable implementation of the AAAID's strategy, and activating performance measurement mechanisms, institutional development, and decision–making support.
4. Investing in food security with achieving sectoral and geographical balance through direct investment in new projects and existing companies.

5. Developing the necessary tools and enablers to support investment activities, legal support, and risk management for investment operations and the establishment of companies.
6. Developing applied research and supporting financing programs, technologies, sustainability, and climate adaptation.
7. Restructuring the structure of the investment portfolio and distressed companies and implementing (development – restructuring – liquidation) plans for the current portfolio of the AAAID.
8. Managing and distributing resources efficiently to achieve balance between capabilities and strategic targets.
9. Developing policies and procedures, and preparing and adopting work frameworks for investment operations.
10. Improving the return from the activity of investment funds.
11. Updating governance policies and procedures for the activity of investment funds.
12. Applying international standards and best practices in finance, governance of procedures, regulations, and policies.
13. Managing liquidity and cash flows with increasing and diversifying revenues.
14. Strengthening the financial position, quality of the investment portfolio, and the credit rating of the AAAID.
15. Upgrading the Enterprise Resource Planning system.
16. Developing human resources, systems, and policies, building capacities, and raising competencies and job skills.

Key Transformation and Achievement Milestones for the Year 2025

1 Financial Leap and Return to Profitability

- Historic Turnaround: Return to the profitability path with a net profit value of 18.4 million Kuwaiti Dinars, with a growth rate that exceeded 200% compared to the previous year.
- Revenue Maximization: Achieving a total income with a value of 26 million Kuwaiti Dinars, an increase rate of 95% above the estimated budget.
- Spending Efficiency: Effective control over costs by reducing total expenses by a record percentage that reached 11%.

2 Excellence in Asset Management and Governance

- Growth in Companies' Returns: An exceptional leap in dividends collected from companies by 175% to reach USD 19.3 million.
- Organizational Agility: Achieving a financial saving of 74% in companies' expenses, and reducing representation costs by 79%.
- Effective Governance: Restructuring the representation of the AAAID by replacing 28 representatives and collecting outstanding debts with a value of 4.4 million USD.

3 Efficiency in Liquidity and Investment Management

- Performance Excellence: Achieving an investment return of 9.4%.
- Strategic Rebalancing: Liquidation and reallocation of the financial investment assets of the AAAID towards the fixed income category (bonds) to ensure the stability of long-term returns.
- Momentary Control: Activating periodic reports to follow up on the performance of the investment portfolio with accuracy and transparency.

The AAAID's Efforts in the Field of Investments in Food Security – Towards Maximizing Investment Impact

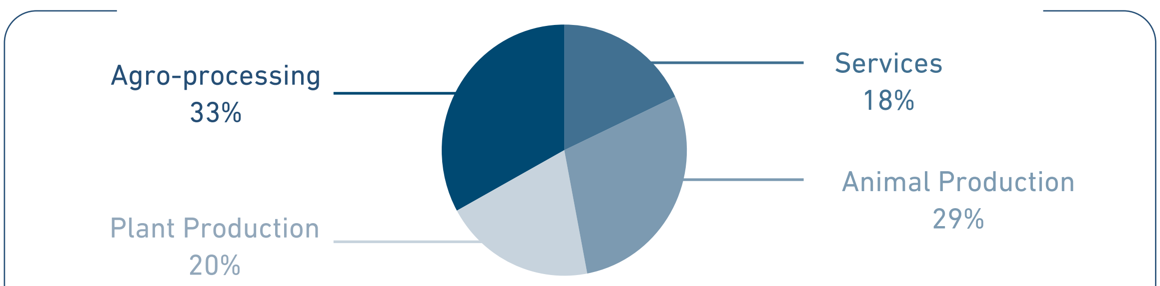
During the year 2025, the investment sector in the AAAID witnessed a fundamental transformation in its operating approach, marked by the implementation of new policies and regulations as well as the asset allocation plan. The AAAID transitioned from the traditional style of managing the assets portfolio to adopting the concept of "Institutional Governance of Assets".

Efforts were focused on enhancing the efficiency of investment decision-making and strengthening the governance of portfolio companies. This was not limited to ensuring the full implementation of the annual investment programme, but also aimed at building a resilient investment portfolio capable of identifying promising opportunities and managing risks effectively. This approach further consolidates AAAID's position as the "First Investment Partner" in the Arab food security sector.

1– Strategy for Attracting and Analyzing Investment Opportunities

In 2025, AAAID adopted a proactive approach in 2025 in "deal sourcing", where 103 investment opportunities were screened and analyzed. They were subjected to strict evaluation criteria to ensure their feasibility and strategic alignment:

- **Analytical Efficiency:** AAAID completed the full assessment of 75 opportunities, while 28 additional opportunities remain under structuring and technical requirements completion. This ensures a continuous pipeline of implementable projects for 2026.
- **Targeted Sectoral Diversification:** The sectoral distribution of opportunities reflected the vision of the AAAID in controlling "value chains"; as the Agro-processing sector topped with (33%), while the percentage of the animal production sector reached (29%), and the plant production sector reached (20%), while the agricultural services sector and other sectors captured a percentage of (18%).



Sectoral Distribution of Investment Opportunities for the Year 2025

- **Investment Opportunities Evaluation Stages:** The AAAID adopts an integrated methodology to evaluate investment opportunities through consecutive stages that ensure accuracy in selection and efficiency in resource allocation:

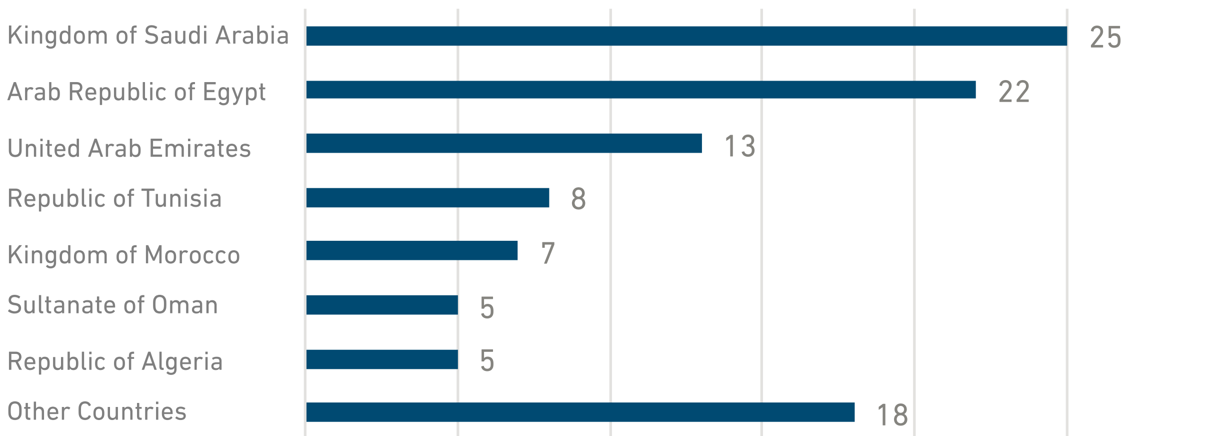
Average Estimated Timeframe for Project Closing

41 Working Days (Excluding waiting periods for receiving requirements)

205 Working Hours (Excluding waiting periods for receiving requirements)

This methodology ensures directing analytical resources towards the most mature opportunities and in alignment with the criteria of the AAAID, which allowed the examination of 103 investment opportunities during 2025 with an execution efficiency that reached 100% for the annual investment program.

- **Strategic Geographical Expansion:** AAAID adopted a flexible and carefully calibrated expansion approach, with efforts focused on Arab markets of economic significance and high growth potential. The year 2025 also witnessed notable expansion in existing markets, alongside the exploration and entry into promising new markets. This approach supports the diversification of the portfolio's geographic distribution, reduces risks associated with market concentration, and maximizes developmental and investment impact across the Arab region.



Geographical Distribution of Investment Opportunities for the Year 2025

- **Contribution to reducing the Arab Food Gap:** Studies indicated a rise in the value of the Arab food gap, due to the imbalance between supply and demand and the heavy reliance on importation.

  Basic commodities captured the largest share of this gap, topped by grains and legumes, followed by meat, dairy, and oils. Estimates indicate that around 38.6 million people suffer from acute food insecurity, while nearly 128 million people are affected by factors of conflict, poverty, and drought.

  These indicators confirm the urgent need to enhance agricultural investments, improve the efficiency of food systems, and support local production and value chains. The companies of the AAAID contribute directly to reducing this gap through their production capacities in the sectors of sugar, dairy, poultry, crops, and others. The AAAID also works on giving priority to new projects with a direct impact on bridging the food gap.

(Source: The Unified Arab Economic Report 2024 — Arab Monetary Fund and the AAAID's estimates).

2 – Leading Qualitative Transformations in Food Security and Sustainable Development

The AAAID is witnessing a growing momentum in implementing qualitative initiatives that reflect its pivotal role in promoting Arab food security and deep-rooting sustainable development. Through investment in strategic projects with a qualitative economic impact, and building innovative partnerships that support small producers, the AAAID continues to turn visions into tangible achievements that contribute to developing agricultural and fish value chains, and enhance the capacity of communities for production and resilience in various Arab countries.

1 – A Strategic Achievement in Mauritania: Launching the Integrated Industrial Complex for Pelagic Fish

After the completion of the execution and preparation phases according to the highest international standards, the AAAID celebrated the entry of the Mauritanian Company for Fish Processing and Marketing "SAMAK" into the actual operation phase. This achievement was crowned by the inauguration of the factory in the city of Nouadhibou by His Excellency the President of the Islamic Republic of Mauritania, reflecting the strategic importance of this project in the national economy map.

- AAAID's pivotal role: The role of the AAAID in this project was manifested as a cornerstone and a main catalyst to attract investments and technical expertise, transforming the idea into a tangible industrial reality that supports marine value chains.
- Operational Capacities: The complex includes an advanced processing unit with a processing capacity reaching up to 400 tons daily of pelagic fish, equipped with the latest sorting, freezing, and packaging technologies, in addition to a cold storage capacity of 10,000 tons.
- Quality and Sustainability: The facility obtained international quality certificates, which ensures the compliance of Arab products with international standards and opens export horizons to global markets, with full commitment to environmental sustainability standards for marine resources.

2 – The Power of Strategic Partnerships: An Innovative Model to Empower Small Farmers and Enhance Their Resilience

- As part of its commitment in supporting the agricultural production base,AAAID successfully developed a unique partnership model with Al Ebdaa Microfinance Bank and the Arab Gulf Programme for Development (AGFUND). The initiative directly targeted small farmers and producers in rural areas of Sudan, serving as a key pillar for strengthening community-level food security.
- Social and Developmental Impact: The impact of this project went beyond traditional financing. It enabled more than 137. productive projects in vital states, contributing to the stability of rural households and improving livelihoods through the provision of means of production and modern technologies.
- Transformation Towards Clean Energy: The partnership placed strong emphasis on sustainable production. A substantial portion of the support was directed towards financing solar-powered irrigation systems, enabling farmers to continue production, reduce operating costs, and protect the environment.
- A Replicable Model: The experience proved effective as a tool for both financial and social inclusion. This encouraged AAAID to begin transferring and replicating the model successfully in the Hashemite Kingdom of Jordan, with plans to expand its impact to other Arab countries. AAAID firmly believes that local partnerships are a key driver of sustainable Arab food security..

3 – Restructuring Emirates Rawabi Company

- AAAID, in coordination with the strategic shareholders of Rawabi Emirates Company, successfully contributed to the restructuring of the company through a capital increase of AED 250 million.
- As part of this process, AAAID increased its contribution by approximately AED 42 million, equivalent to around USD 11.4 million, in parallel with a similar contribution by the Gulf Investment Corporation (GIC). This reflects AAAID's role in supporting the company's stability and strengthening its financial position, particularly given the company's importance within the food security system.

روابـــي الإمـــارات
EMIRATES RAWABI

4 – Comprehensive Rural Development Program – Hashemite Kingdom of Jordan:

- Stemming from the AAAID's belief in the role of small farmers in supporting the food security system, the Board of Directors approved the provision of a USD 3 million financing line to Agricultural Credit Corporation in the Hashemite Kingdom of Jordan.
- These efforts form part of the ongoing cooperation between AAAID and the Corporation to support the empowerment of small and medium farmers and producers by financing a number of development projects with broad social and economic impact. These projects include support for rural professions linked to the agricultural sector, the stimulation of agricultural activities in rural and Badia areas, and the provision of plant and animal production inputs across the various governorates of the Kingdom
- The projects have contributed to several important development outcomes, most notably the creation of new job opportunities, improvement of farmers' living standards, empowerment of rural women, enhancement of the Corporation's financial efficiency, reduction of costs borne by farmers, and strengthening the sustainability of agricultural production.
- The financing agreement has been finalized, and implementation is expected to commence immediately upon completion of the signing requirements by the Corporation.

مؤسسة الاقراض الزراعي

5 – Restructuring the Arab Company for Agricultural Services – Islamic Republic of Mauritania

- AAAID successfully concluded a strategic partnership for the restructuring of the Arab Company for Agricultural Services in the Islamic Republic of Mauritania. Under the agreement, the partner will inject USD 5 million into the company and assume the operational and technical role.
- The restructuring plan includes expansion in agricultural activities, reviewing human resources conditions, and establishing specialized subsidiary companies in various agricultural fields.

SAPA

3 – Implementation of the Annual Program 2025: Strategic Capital Allocation

The AAAID succeeded in allocating and investing a qualitative package of projects that reflects the diversity of the investment tools of the AAAID:

- **Restructuring and Project Financing:** The AAAID injected 42 million UAE dirhams (equivalent to USD 11.4 million) to increase the capital of "Emirates Rawabi" Company, in a step aimed at updating operations and elevating the production performance of the company to regain its position as a leading asset in the region.

- **The First Investment Portfolio for Food Security in the Arab World:** The AAAID signed an agreement to establish the first investment portfolio specialized in food security on the Arab world level, in cooperation with the international Azimut Group, which is specialized in asset management and is one of the most prominent independent investment institutions globally. This portfolio targets investment in the shares of companies related to food security in Arab countries through an innovative institutional mechanism that combines global investment expertise and the deep regional knowledge accumulated by the AAAID over five decades. This agreement stems from a pivotal principle stating that bridging the Arab food gap cannot be achieved through government and traditional developmental finance alone, but rather requires mobilizing institutional and private capital and directing it towards strategic agricultural value chains. In this framework, the AAAID represents the reference anchor for the portfolio with what it owns of a direct portfolio that includes 42 agricultural companies that together form a live and documented record for five decades of investment in food security across Arab countries.

  The importance of this agreement goes beyond its being an investment mechanism to become a tool for market building and forming a new investment culture in the region. The institutional investor—whether a sovereign fund, an investment group, an insurance institution, or retirement funds—needs a trusted structure and a recognized global partner in order to initiate allocating a part of its portfolios towards the agricultural and food sector, which is what this partnership provides accurately. This cooperation aligns with the vision of the AAAID in promoting sustainable agricultural investment and developing innovative investment platforms that support Arab food security in the long term. In this sense, this agreement lays down a leading regional model proving that food security can be an asset class standing by itself with financial viability and a documented developmental impact—which is the mission that the AAAID has persisted in dedicating since its establishment.

  Arab Food Security Index — Partnership of Azimut and S&P Global
  The AAAID launched the first index for food security in the Arab world in partnership with Azimut Group and S&P Global, which is the first financial benchmark of its kind in the region that tracks the performance of companies operating in the food sector, providing investors with a transparent and standardized analytical tool that supports the flow of capital towards this vital sector. The index is based on a transparent methodology and specific rules designed to reflect the performance of companies listed in Arab markets and active in the fields of agriculture, food security, and value–added industries related to them, including agricultural production, processing, food manufacturing, supply chain structure, and supporting services. This index is considered a direct response to a real vacuum in the Arab investment environment; for despite the agricultural and food sector occupying a pivotal position in national agendas of member states, institutional investors lacked an objective and unified measurement tool enabling them to track the performance of this sector compared to other investment opportunities.

  The true strategic value of the index lies in its role as a catalyst for investment flow, not only in its benchmark function alone. When a certified index includes—S&P Global, one of the oldest global financial standards institutions—the performance of an Arab agricultural company within its criteria, it grants it an international credibility that opens doors before institutional investors whose investment mandate stipulates the presence of internationally recognized benchmark standards. For the AAAID specifically, the index establishes an objective framework that enables it to measure its developmental contributions by the metrics of international markets, which strengthens its position before international partners and multilateral institutions. Giorgio Medda, CEO of Azimut Group, confirmed that the Middle East represents a pivotal region for the group, and that the partnership with a leading regional institution enables contributing its global investment expertise to initiatives that enhance local markets and support sustainable growth—which is an international testimony that Arab food security constitutes an investment opportunity with real weight on the map of global asset management.

- **Loans and Microfinance:** Based on the rich record and positive results achieved by the microfinance programs of the institution affiliate to the AAAID in the Republic of Sudan, the AAAID moved towards establishing a sustainable institutional framework for this model by beginning to establish a specialized fund in cooperation with the Food and Agriculture Organization (FAO). Within the framework of this orientation, the Board of Directors of the AAAID approved the first financing line emerging from this initiative with a value of USD 3 million for the benefit of the Agricultural Credit Corporation in the Hashemite Kingdom of Jordan. In parallel with that, the AAAID is working on putting the final touches to launch similar financing lines in a number of other Arab countries, which ensures expanding the scope of utilizing innovative finance solutions and supporting small farmers and producers across the Arab world.

- **Future Projects:** The "Automated Slaughterhouse" project in the Kingdom of Saudi Arabia obtained an initial approval with a value of USD 20 million, and it is in the final incorporation stages expected in the first quarter of 2026.

4 – Direct Investments Portfolio — Overview

The AAAID owns a direct investments portfolio that includes 42 agricultural companies distributed across more than 10 Arab countries, extending across complete food value chains from primary production to processing and agricultural services. The total historical contributions of the AAAID in these companies exceeded USD 684 million.

Key Indicators for the Portfolio (As of December 31, 2025)

42 Company in the Portfolio	**+10** Arab Countries	**+$684M** Total Historical Contributions	**+117,000** Direct and Indirect Job Opportunities
19.3M$ Collected Dividend Distributions 2025	**2.84×** Profit Growth Compared to 2024	**103** Investment Opportunities Evaluated in 2025	**100%** Annual Program Execution Efficiency

The AAAID's Efforts in the Field of Direct Investment

The AAAID continues to reinforce its direct investments in the agricultural and food sector, where more than 103 investment opportunities were evaluated and followed up on in the fields of production, processing, and modern techniques, in a way that supports Arab food security. The following is a list of the most prominent investment opportunities that are currently being evaluated, followed up on, and the meetings, visits, and conferences that contributed to reinforcing these efforts:

	Country	Investment Opportunities (Under Evaluation / Follow–up)	Technical Meetings	Conferences, Visits, and External Meetings
1	Kingdom of Saudi Arabia	1. Automated Slaughterhouse Project – Eastern Region 2. Safwat Al-Alban Dairy Project 3. Broiler Production Project (Al Fakher) 4. Automated Broiler Slaughterhouse Project – Tathlith Governorate 5. Arabic Gum Project 6. Dates Processing Project – Riyadh 7. Salam Veterinary Group Project (Al-Fahhad) 8. Nakhlah Project (Ministry of Environment, Water and Agriculture) 9. Red Meat Project – Al-Qassim 10. Jedaya Poultry Project 11. Dates Project – Al-Qassim 12. Balbid Group Companies Project 13. Feed Mills and supreme Scientific Blenders Project	1. Meeting with the Agricultural Cooperative Society for Poultry Producers – Eastern Region 2. Meeting with Mishkat Project promoter 3. Meeting with the Agricultural Cooperative Marketing Society – Tathlith 4. Meeting with the Red Sea Aquaculture Company (RSACO) 5. Meeting with Saudi Agricultural Development Company (SADCO) 6. Meeting with Afaq Capital Company 7. Meeting with representatives of the Ministry of Environment, Water and Agriculture, and Khalaf Livestok Company 8. Meeting with representatives of the Ministry of Environment, Water and Agriculture and Tharwat Seas Company 9. Meeting with Lin Al Khair Company 10. Meeting with Salam Veterinary Group 11. Meeting with Alfafa Dates Company 12. Meeting with the Agricultural Development Fund 13. Meeting with the Arabic Gum Project 14. Meeting with Nabit Agricultural Company 15. Meeting with Bio-Silica Company 16. Meeting with Watani Society	1. Participating in the ninth edition of the Future Investment Initiative (FII) conference. 2. Visiting Al–Fahhad Holding Group in Al–Qassim region. 3. Visiting Al–Qassim Chamber. 4. Visiting SALIC Company. 5. Visiting Almarai Company.
2	Arab Republic of Egypt	1. Maxim Foods Project 2. Agro Green Company Project 3. Dina Farms Project 4. Milkman Project 5. GWP Complex Project 6. Egyptian French Company Project for Tissue cultures 7. Salheya for Investment and Development Project 8. Crop Freezing and Preservation Project 9. Rice Storage warehouses Project 10. Emirates Egypt for Agricultural Development Group 11. Egeria Desert Land Reclamation and Agricultural Investment Project 12. The Arab Company for Crop Preservation and Processing 13. Cairo Poultry Company 14. Edita Company 15. Vaccine Biotechnology City Project (VBC) 16. Clean Egg Farm for Poultry Production Project	1. Meeting with IBIC Group (about The Arab Company for Crop Preservation and Processing) 2. Meeting with the Egyptian French Tissue cultures Company 3. Meeting with Cairo 3A Company 4. Meeting with GWP Group 5. Meeting with Alexandria Business Association 6. Meeting with NI Capital 7. Meeting with Banque Misr 8. Meeting with EFG Hermes 9. Meeting with representatives of Adtingo project 10. Meeting with Dotra Group Companies 11. Meeting with Beltone 12. Meeting with PICO Agro 13. Meeting with Naeem Holding Company 14. Meeting with Clean Egg Company 15. Meeting with VBC Company 16. Meeting with Agri Cash Company 17. Meeting with MTC Company 18. Meeting with Agro Green Company 19. Meeting with Milkys Company 20. Meeting with Maxim Fish Factory 21. Meeting with CI Capital	1. Meeting with His Excellency Mr. Alaa Farouk, Minister of Agriculture and Land Reclamation. 2. Visiting Dina Farms. 3. Visiting the Egyptian French for Tissue Culture Company. 4. Visiting Milkman Company. 5. Visiting the Arab Company for Crop Preservation and Processing. 6. Visiting Fayoum Sugar Company. 7. Visiting Middle East for Vaccines (MEVAC) Company. 8. Visiting the Agricultural Research Center.

	Country	Investment Opportunities (Under Evaluation / Follow–up)	Technical Meetings	Conferences, Visits, and External Meetings
3	United Arab Emirates	1. Vertical Farming Project for Leafy Vegetables (Elevate Farms) 2. Biovet / Bharat Biotech Group Project 3. Food Waste Recycling Project (ZACK) 4. Fresh to Home Project 5. Animal Testing and Diagnosis Project (Avicena) 6. Valhoris project UAE 7. Cordiant Capital – Investment Fund 8. Vertical Farming Project (Pure Harvest) 9. Tuna tech Project 10. Injecting investments into Al Rawabi Company 11. Yellowtail Kingfish Aquaculture Project 12. Risha Farms Aqua Culture / Raibal Project	1. Meeting with Valhoris UAE 2. Meeting with Avicena 3. Meeting with Emirates NBD (ENBD) 4. Meeting with Pure Harvest 5. Meeting with the Food and Agriculture Organization (FAO) 6. Meeting with Elevate Farms 7. Meeting with Taza 8. Meeting with V5 Fund 9. Meeting with White Stallion 10. Meeting with Corodex Trading 11. Meeting with Franklin Templeton 12. Meeting with MADA Capital 13. Meeting with Azimut 14. Meeting with 6th Grain 15. Meeting with Abu Dhabi Fund for Development 16. Meeting with IACG	1. Meeting with His Highness Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah 2. Participation in Gulfood Exhibition and Conference 3. Participation in the Emirates Agricultural Exhibition and Conference 4. Participation in the Family Office Investment Conference – Abu Dhabi 5. Participation in the Sixth Global Vertical Farming Show 6. Participation in the AgriNext 2025 Conference 7. Participation in a panel discussion titled: "Investment as a Tool for Economic Development: Insights for Emerging Markets" within the World Government Summit 8. Participation in a closed discussion session titled: "Deploying Artificial Intelligence and Enhancing Nations' Readiness," in cooperation with the Ministry of Finance and the International Monetary Fund 9. Participation in the Global Conference for Agricultural and Veterinary Research (GARCX) 2025 10. Participation in the ninth edition of the Communication and Partnership Forum – Sharjah
4	Republic of Tunisia	1. Olive processing and canning project (SOPRACO) 2. Olive oil processing and marketing project – Lamar 3. Goat farming project 4. Exit Project from 78% of Al Marga Company shares 5. Ginor sugar production factory	1. Meeting with LAMAR Oils Company 2. Meeting with the Caisse de Dépôts et Consignations (CDC) 3. Meeting with Tunisie Lait Company	1. Meeting with His Excellency Mr. Samir Abdel Hafidh, Minister of Economy and Planning 2. Meeting with Tunisian Saudi Bank 3. A visit to Al Marga Company for Livestock Breeding and Agricultural Development 4. Meeting with the Tunisian Fish Farming Fund 5. A visit to Delice Holding Group 6. A visit to Mabrouka Seeds Company 7. A visit to Agrozitex Company. 8. Visiting Agro-Escort Company 9. A visit to the African Oils Company 10. A visit to Central Production Markets Company (SOMAPROC) 11. A visit to Arabisca Fruits Company
5	People's Demo-cratic Republic of Algeria	1. Bakery project 2. Veterinary medicines manufacturing project 3. Sheep and livestock breeding project in the cities of Khenchela and Touaguert 4. Development and reclamation project of 4,000 hectares in the governorate of Adrar 5. Tazaj project for agricultural development	1. Meeting with the Sustainable Development Goals Fund (UN SDG-Fund)	1. Meeting with His Excellency Mr. Abdelkarim Bouzred, Minister of Finance 2. Meeting with His Excellency Mr. Kamel Hamenni, President of the Algerian Chamber of Commerce and Industry

	Country	Investment Opportunities (Under Evaluation / Follow-up)	Technical Meetings	Conferences, Visits, and External Meetings
6	Kingdom of Morocco	1. Dairy Farms Project (Al-Shal) 2. Irrigation Pipe Manufacturing Project (UPLINE Corporate Finance) 3. Mandarin Farms Project (Nadorcott Farms) 4. Avocado and Berries Production Project 5. AGROLUTION Company Project for Berries and Citrus Production	1. Meeting with FRESHCUT Investment Company 2. Meeting with BMCE Capital 3. Meeting with Elite Group	1. Meeting with Her Excellency Ms. Nadia Fettah Alaoui, Minister of Economy and Finance 2. Meeting with Her Excellency the Professor Nouzha Hayat, Director General of the Mohammed VI Fund for Investment 3. Meeting with His Excellency Mr. Ahmed El Bouari 4. Participation in the Africa Investment Forum 2025 "Market Days"
7	Islamic Republic of Maurita-nia	1. Sugar Production Project	1. Meeting with Foum Gleita Company 2. Meeting with the African Development Bank 3. Meeting with the Central Bank of Mauritania 4. Meeting with the African Guarantee Fund	1. Meeting with His Excellency Mohamed Ould Cheikh El Ghazouani, President of the Republic – January 16, 2025 – Nouakchott 2. Meeting with His Excellency Moctar Ould Diay, Prime Minister – January 15, 2025 – Nouakchott 3. Meeting with His Excellency Sid'Ahmed Ould Bouh, Minister of Economy and Finance – January 15, 2025 – Nouakchott 4. Meeting with His Excellency Amem Ould Beibate, Minister of Agriculture and Food Sovereignty – January 15, 2025 – Nouakchott 5. A visit accompanied by the delegation of HIG Projects to SAPA Company and the wheat cultivation project site 6. A visit to (6) farms belonging to smallholders and vegetable producers in the city of Rosso
8	Federal Republic of Somalia	1. The Holding Company (SAIP) 2. Somali Livestock Quarantine and Inspection Centre Project	1. Meeting with the Quarantine Company 2. Meeting with the Food Security Department – Office of the Prime Minister	
9	Sultanate of Oman	1. Aquaculture Project 2. Natural Fertilizer Production Project 3. Polysilicon Project 4. Oman Fisheries Company	1. Meeting with the National Veterinary Vaccines Company 2. Meeting with Oman Agricultural Company 3. Meeting with Oman Fisheries Project 4. Meeting with the Fish Project in the Sultanate of Oman 5. Meeting with an investor to present a fish production project in the Sultanate of Oman	1. Meeting with His Excellency Dr. Saud bin Hamoud Al Habsi, Minister of Agriculture, Fisheries and Water Resources
10	Kingdom of Bahrain	1. Broiler Chicken Project	1. Meeting with Ghitha Company 2. Meeting with SICO 3. Meeting with Investcorp Team 4. Meeting with the Economic Development Board (EDB) 5. Meeting with SICO Bank	1. Participation in the 6th World Business Angels Investment Forum 2. Participation in the Bahraini–Moroccan Business Forum
11	Hash-emite Kingdom of Jordan	1. Red Meat Slaughterhouse 2. Al Maysam Company for Veterinary Medicines and Feed Additives	1. Agricultural Credit Corporation	1. Participation in the regional dialogue on "Empowering Women through Financing Policies to Advance Circular Agriculture in the Arab Region"

	Country	Investment Opportunities (Under Evaluation / Follow–up)	Technical Meetings	Conferences, Visits, and External Meetings
12	Republic of Yemen	1. Expansion project for Hayel Saeed agricultural companies Group 2. Solar-powered irrigation project	1. Solar energy generation project – Kuraimi Microfinance Bank 2. Meeting with IFC regarding HAS project	
13	State of Kuwait	1. The Veterinary Hospital 2. Integrated Technologies Company for Fish and Shrimp Aquaculture (SALIA) 3. Green Life Co (Tharwa Project)	1. Meeting with Integrated Technologies Company for Fish and Shrimp Aquaculture 2. Meeting with the Veterinary Hospital 3. Meeting with Kamco Invest	1. Meeting with His Excellency Dr. Sabiha Abdulaziz Al–Mukhizim, Minister of Finance / Acting Minister 2. Meeting with His Excellency Mr. Sami Issa Al–Hassawi, CEO of Tharwa Investment 3. Meeting with His Excellency Mr. Imad Abdullah Al–Zaid, Assistant Director General of the Kuwait Chamber of Commerce and Industry 4. Meeting with His Excellency Dr. Faisal Al–Hamidan, Acting Director General of the Kuwait Institute for Scientific Research 5. Meeting with His Excellency Mr. Mohamed Ibrahim Al–Duwaisan, General Manager of Kazma Company 6. Meeting with the delegation of the Kuwait Investment Company, headed by His Excellency Fawaz Sulaiman Al–Ahmad, CEO
14	Republic of the Sudan	1. Arab Company for Drugs	1. Al–Qandoul Company	
15	Syrian Arab Republic	1. Al–Haraki Company Project	1. Meeting with Al-Haraki Company team	
16	Republic of Djibouti	1.Vertical Farming Project	1. Meeting with the Vertical Farming Company	
17	State of Palestine	1. Project to Enhance Resilience and Livelihoods in the West Bank 2. Project to Restore Agricultural Production and Food Security in the Gaza Strip	1. Al–Aqsa Fund	
18	Republic of Iraq	1. Al–Ittihad Company for Food Industries 2. Calf Fattening Project	1. Meeting with the Iraqi Food Security Program	

	Country	Investment Opportunities (Under Evaluation / Follow-up)	Technical Meetings	Conferences, Visits, and External Meetings
19	Other Coun-tries	1. Organic Waste Recycling Project for Fertilizer, Feed, Water, and Clean Energy Production – Canada 2. New Technology Transfer and Localization Project – Netherlands 3. Meat Production Project – Poland 4. Fruit Production and Marketing Project – Spain 5. Feed Production Project – Spain 6. Camel Meat Production Project – Australia	1. Meeting with the team of Arakar Investment Management 2. Meeting with the Danish Commercial Attaché 3. Meeting with the German Research Center 4. Meeting with Smriti Products Pvt Ltd 5. Meeting with JG International Infra Ltd 6. Meeting with Ansarisj Biovet 7. Meeting with Innoterra	1. Meeting with His Excellency Mr. Wagner Albuquerque de Almeida, Global Director at the International Finance Corporation (IFC) – Washington 2. Meeting with the World Bank, headed by Dr. Rabih Karaky, Regional Manager for Agriculture and Food Practices in the Middle East and North Africa 3. Participation in the Arab Coordination Group's Golden Jubilee celebrations on the sidelines of the World Bank and International Monetary Fund annual meetings – Washington 2025 4. Meeting with His Excellency Alexey Galdeev, Consul General of Belarus 5. Meeting with the delegation of the Danish Ministry of Foreign Affairs 6. Meeting with His Excellency Kestutis Navickas, Minister of Agriculture of the Republic of Lithuania, and the accompanying delegation

Total Production Capacity of the Portfolio — by Sector

The following figures represent the licensed and designed production capacity for the entirety of operating portfolio companies, which reflect the investment volume and its full food security capabilities upon full operation completion.

Sector	Number of Companies	Production Capacity	Note
Sugar Industry	3 companies	1.03 million tons/year	Upon full operation completion
Dairy and its Products	5 companies	~252 million liters/year	Documented data for 3 companies
Poultry	3 companies	~104.6 million birds/year	+ 150 million fertilized eggs
Fish and Aquaculture	4 companies	~113 thousand tons/year	Complete data for the sector
Crops and Grains	6 companies	~127 thousand tons/year	Data for 5 companies
Red Meat	3 companies	~57 thousand tons/year	Data for two companies
Vegetable Oils	2 companies	~54 thousand tons/year	Complete data
Vegetables and Fruits	5 companies	~47 thousand tons + 387 hectares	Complete data
Agricultural Services	2 companies	—	Mechanization and outsourcing services
Specialized Financial Institutions	2 companies	—	Trade finance and guarantee

Growth in Dividend Distributions of Portfolio Companies 2022–2025

The year 2025 witnessed an exceptional leap in the AAAID's share of dividend distributions of portfolio companies:

2022	2023	2024	2025	Note
$6.53M	$6.51M	$7.05M	$19.3M	Growth of 2.75× compared to 2024

Projects Under Evaluation 2026

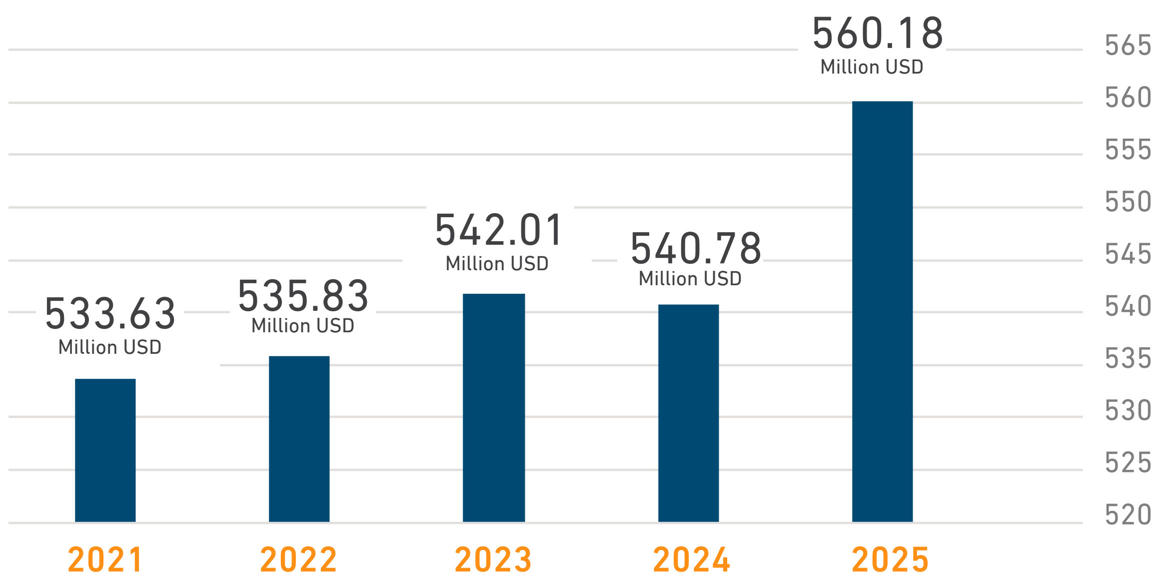
Amounts in: Thousand USD

No.	Project	Country	Investment Modality	Total Investment Cost	Total Capital Contributions	AAAID's Contribution
1	Automated Slaughterhouse in the Eastern Region	Saudi Arabia	Equity contribution	48,000	48,000	20,000
2	Expansion of a dairy production and processing company	Saudi Arabia	Equity contribution	15,686	7,643	5,000
3	Poultry production and processing	Saudi Arabia	Equity contribution	12,000	12,000	12,000
4	Broiler poultry production	Saudi Arabia	Equity contribution	49,440	16,000	9,000
5	Red Meat	Kuwait	Equity contribution	10,000	10,000	5,000
6	Aquaculture Fish farming	Kuwait	Working Capital Loan	1,500	—	1,500
7	Investment Fund	Morocco	Equity contribution	131,000	131,000	5,000
8	Oman Fisheries	Sultanate of Oman	Equity contribution	15,500	15,500	5,000
9	Broiler poultry production	Bahrain	Equity contribution	15,000	15,000	5,000
10	Sugar production	Mauritania	Equity contribution	447,000	134,000	5,000
11	Microfinance projects	Mauritania	Equity contribution	7,000	7,000	4,000
12	Rehabilitation and reoperation of a Sugar Manufacturing Plant	Tunisia	Equity contribution	29,000	29,000	10,000
13	Pickles manufacturing	Tunisia	Equity contribution	2,880	2,880	2,500
14	Expansion of an olive oil processing company	Tunisia	Equity contribution	37,500	37,500	5,000
15	Expansion of a dairy production and processing company	Egypt	Equity contribution	5,000	5,000	5,000
16	Ethmar	Egypt	Equity contribution	9,000	9,000	9,000
17	Potato seeds production	Egypt	Equity contribution	13,000	4,000	4,000
18	Clean Egg	Egypt	Equity contribution	3,000	3,000	3,000
19	Small and Medium Projects Fund	Sudan, Jordan, Mauritania, and Yemen	Equity contribution	5,000	5,000	5,000
20	Financial restructuring operations for AAAID investee companies	—	—	5,000	5,000	5,000

5 – Asset Management (Value Maximization and Active Governance)

The AAAID continued its efforts during the year 2025 in enhancing the efficiency of asset management for the companies' portfolio, as it was able to protect shareholders' rights in companies and maximize the returns achieved from existing investments, through activating collection mechanisms and effective representation in corporate management fields.

Total Paid Contributions During the Last Five Years



The year 2025 witnessed an exceptional leap in the AAAID's share of dividend distributions of companies, as the collected distributions rose from 7.05 million USD in 2024 to USD 19.3 million in 2025, with a growth rate of 175% (2.75 times).

The figure illustrates the growth of investment returns and the evolution of financial performance:

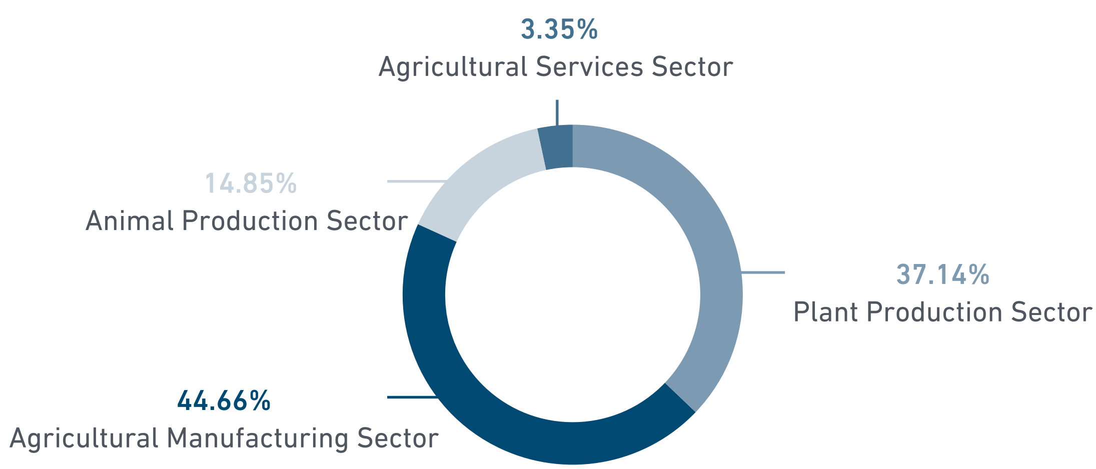
The year 2025 also witnessed a radical shift in the asset management philosophy of the AAAID, as it transitioned from an "administrative follow–up" model to a "value creation and proactive oversight" model. Through merging financial analysis, governance, and portfolio management units, the AAAID succeeded in establishing a system that ensures efficiency in resource allocation, transparency in performance, and strictness in protecting the rights of the AAAID and its shareholders.

5.1. Financial Discipline and Maximizing Returns (Tangible Financial Results)

The AAAID achieved financial accomplishments that directly contributed to enhancing liquidity and reducing waste through the following:

- **Efficiency of Investment Spending**: Success in reducing the expenses of the AAAID's representatives on the boards of directors of companies by 80% through activating remote attendance systems and improving deployment policies.
- **Recovery and Collection of Receivables**: Owed amounts due to the AAAID from portfolio companies were proven and collected, amounting to around 4.4 million USD.
- **Exit and Cash Flows Management**: Identifying and seizing strategic exit opportunities from 5 companies, which allows the AAAID to reallocate capital towards more vital opportunities.

A Chart Showing the Sectoral Distribution as of 31–12–2025



5.2. Transformation in the Governance System (New Representation Regulations)

Considering wise governance as the safety valve for investments, structural reforms were implemented to ensure the effective influence of the AAAID in companies' decisions:

- **Restructuring Institutional Representation:** A comprehensive evaluation of the performance of all the AAAID's representatives was conducted based on an integrated competence model, which resulted in replacing 28 representatives with those of competence and specialization.
- **Enhancing Diversity and Inclusion:** In a step to enhance the role of women in leadership, qualified Arab female competencies were nominated to represent the AAAID on the boards of directors of companies, which enriches the decision–making process with diverse visions.
- **Institutionalizing Oversight:** 34 general assemblies and 63 Board of Directors meetings were monitored and attended, with the activation of the AAAID's role in preventing decisions that might harm its interests or contradict the principles of wise governance.

5.3. Automation and Digital Transformation — Performance Dashboard

The AAAID has embarked on full digitization to ensure data transparency through the following:

- **Performance Dashboard Platform:** Developing an integrated electronic platform that allows senior management immediate access to the financial and production performance of all portfolio companies, which accelerates the pace of making corrective decisions.
- **Unified Archiving and Documentation:** A unified structural framework has been implemented to save and organize electronic documents and company records, to serve as a comprehensive strategic reference (capital, loans, guarantees, challenges).

5.4. Strategic Successes of the Portfolio During the Year 2025

The AAAID succeeded in restructuring assets in the portfolio companies to ensure their sustainability, in the following manner:

- **Successful Restructuring:** Leading the restructuring and development plan for Emirates Rawabi Company in the UAE, along with contributing to a capital increase by an amount of 42 million UAE dirhams (equivalent to USD 11.4 million) as part of a total financing package valued at 250 million dirhams (equivalent to around 68 million USD).
- **Strategic Partnerships:** Entering into new partnerships, where an agreement was signed with a new investor to invest in the Arab Company for Agricultural Services in Mauritania, and accelerating the partnership in "Mabrouka Seed" Company by converting the in–kind share into cash.
- **Strategic Divestment:** The management of the AAAID was able to implement an active exit plan from some portfolio companies, as 5 divestment operations were successfully executed, through which the AAAID achieved capital gains during the year 2025.
- **Production Support:** Direct follow–up on the commencement of commercial production for the factory of the Mauritanian Company for Fish Processing and Marketing (SAMAK) during the year 2025, noting that the company operates in the field of fish processing and houses the largest factory in the Islamic Republic of Mauritania and North Africa, which is expected to contribute to achieving food security.
- **Operational Efficiency and Financial Discipline:** The AAAID adopted a strict policy to rationalize the expenses of the portfolio companies, which resulted in achieving a significant reduction in expenditures in a way that does not affect the performance of the portfolio.

6 – Operational Excellence and Technical Support (Transformation and Investment Innovation Enablers)

Within the framework of the new operating model of the AAAID, the integration between "Operational Excellence" and "Technical Support" represents the primary engine for raising investment efficiency and ensuring its sustainability. The role of the AAAID in the year 2025 was not limited to injecting capital, but rather it acted as an integrated "house of expertise" that guarantees the quality of the investment decision starting from the first moment of crystallizing the opportunity until its transformation into a productive reality, across the following strategic pillars:

6.1. Optimizing the "Investment Cycle" and Operational Efficiency

The AAAID succeeded in reducing the timeframe for making the investment decision without compromising the quality of the analysis, through a package of institutional enablers:

- **Project Priority Ranking System:** Developing and applying a standardized matrix system that ensures directing financial and human resources towards projects with the highest developmental impact and economic return.

- **Early Standard Screening:** Adopting a "compatibility verification" template in the initial study stages, which contributed to excluding opportunities that do not match the "risk appetite" approved by the AAAID, thus saving time and effort and directing them towards the more mature opportunities.

6.2. Applying Investment Standards and Technical Quality (Quality Control)

Technical support has become the "safety valve" for due diligence operations through:

- **Standardized Templates:** Preparing unified technical and financial matrices for the production sectors (plant, animal, poultry, and oil processing), which led to unifying the language of technical analysis and ensuring the accuracy of results.
- **Maximizing the Performance of Subsidiaries:** Executing an in–depth technical review of the performance of 4 major companies in the portfolio and providing structural recommendations to raise their productivity, in parallel with re–engineering the investment roadmap of the AAAID in the Comoros to set an investment path that matches the comparative advantages of the state.

6.3. Engineering Strategic Projects and Food Sovereignty (Opportunity Sourcing)

Technical teams played a pivotal role in crystallizing qualitative projects that reinforce Arab food security:

- **Innovative Feasibility Studies:** Completion of initial studies for 7 pioneering projects in the fields of biofertilizers, modern agricultural techniques, and fish processing.
- **Food Sovereignty Model:** Preparing an integrated feasibility study for a strategic project to produce and process wheat in the Islamic Republic of Mauritania, to become a replicable model for supporting basic crops in member countries.

6.4. Adopting Innovation and Digital Agriculture (Preparing the Future)

In line with the vision of the AAAID "Towards the Golden Jubilee", broad technical and knowledge partnerships were activated:

- **Academic Partnerships:** Coordination with the United Arab Emirates University and the International Center for Biosaline Agriculture (ICBA) to develop specialized training programs that bridge the skills gap in the agricultural sector.
- **Smart Applications:** Implementing workshops on digital agriculture and tracking animal health, and testing smart solutions to reduce "asymmetric information" in supply chains, which makes agricultural projects more attractive to investors.

6.5. Developmental Empowerment and Financial Inclusion (Producer Support)

Implementing small farmers' support programs to ensure the arrival of support to its beneficiaries efficiently:

- **Microfinance Development:** Updating direct and indirect finance procedures and evaluating international partnerships to ensure the sustainability of finance funds.
- **Smart Field Survey:** Preparing assessment questionnaires for the conditions of small vegetable farmers in Mauritania, to ensure the alignment of developmental initiatives with the actual needs of producers and reinforce their capacity to integrate into value chains.

7 – Managing the Financial Investment Portfolio

Strategic Allocation Review of Assets

The Board of Directors of the AAAID conducted during the year 2024 its periodic review specified for the Strategic Asset Allocation policy, which is the first comprehensive review since 2019, within the framework of the institutional discipline approved under the investment policy statement. This review resulted—with support from the external consultant State Street—in adopting a more cautious and appropriate asset mix for the current stage and the nature of the AAAID's liabilities and its long–term goals.

Strategic Allocation Review of Assets

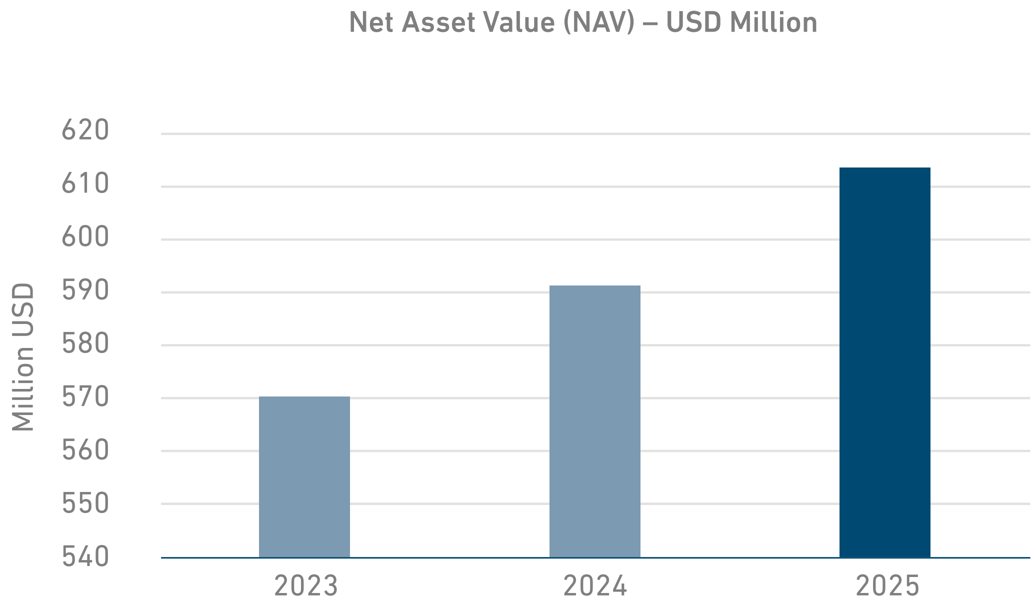
The Strategic Allocation of Assets approved by the Board of Directors 2024:

51%	46%	3%
Fixed Income	Equities	Cash

This updated allocation reflects a clear strategic vision that combines three pillars: maintaining the portfolio's flexibility in confronting global market fluctuations, expanding exposure to promising emerging markets measured against the MSCI Emerging Markets Index, provided that this transition is completed gradually by the year 2026, and reinforcing the fixed income element to provide stability in cash flows that support the operational activities of the AAAID. Likewise, the Board of Directors was keen—in application of the provisions of the approved investment policy—on terminating the mandates of managers whose results lagged behind benchmark performance standards for three consecutive years, and reinvesting the liquidation proceeds into high–quality fixed income index funds, so that the portfolio continues its diligent march towards reaching the target allocation.

Evolution of the Net Value of Assets

The consolidated investment portfolio of the AAAID recorded a rising and continuous growth in the net value of its assets during the period 2023–2025, to reach its historical peak in the year 2025 at the level of **613.6 million USD**, recording a cumulative growth that exceeds 7.6% compared to the year 2023. This positive evolution embodies the consistent quality of the assets comprising the portfolio, the robustness of its management methodology, and its commitment to strict performance standards.



Evolution of the Net Value of the Consolidated
Investment Portfolio Assets 2023–2025

Investment Performance of the Portfolio

The consolidated investment portfolio of the AAAID achieved an outstanding and consistent positive performance during the period 2023–2025, reflecting the efficacy of the strategic direction, precision in selecting investment managers, and strictness in applying benchmark performance standards.

It is clear from the realized figures that the returns exceeded the benchmark level in all years of the comparison period, which is attributed to two integrated essential factors: first, discipline in applying the investment policy including what it tethers of terminating the mandates of managers lagging behind performance standards and redirecting funds towards high–quality instruments. Second, the gradual shift towards fixed income structures that provided stability in returns without compromising the growth potential of the portfolio in the medium term. The 9.4% return in the year 2025 represents a qualitative achievement in light of the fluctuations witnessed by global financial markets during the same year, and it confirms the position of the AAAID as an experienced asset manager that combines wisdom in risk management and ambition in achieving returns.

Summary of the Financial Performance of the AAAID

Total Income:

Total income for the period ending on December 31, 2025, reached around 26 million Kuwaiti Dinars (85.1 million USD), while profits reached around 18.4 million Kuwaiti Dinars.

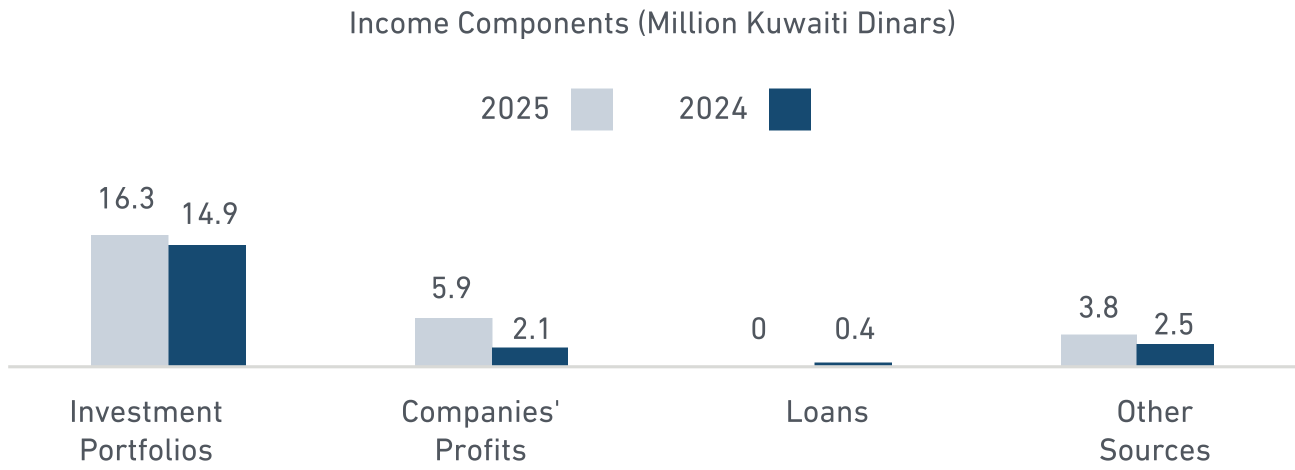


Figure: Comparison of Income Components for the Period 2024 – 2025 (Million Kuwaiti Dinars)

Below is an analysis of income sources and the strategic efforts exerted in the year 2025:

1.Income from Financial Investments:

Income from financial investments in the year 2025 reached around 16.3 million Kuwaiti Dinars (53.4 million USD), as the total consolidated investment portfolio reached 613.6 million USD.

2. Income from Dividend Distributions:

Income from dividend distributions rose to 5.9 million Kuwaiti Dinars (USD 19.3 million) in the year 2025, compared to 2.1 million Kuwaiti Dinars (7 million USD) in the year 2024. This growth reflects the precise oversight of management and follow-up with the companies listed in the portfolio to ensure improved dividend flows. Despite economic and geopolitical challenges in the region, the AAAID succeeded in maintaining a stable and sustainable income flow through active monitoring and continuous evaluation of the investments' performance, which reinforces its commitment to maximizing the value of the return on contributions.

3. Income from Other Sources:

- Income from other sources rose to 3.8 million Kuwaiti Dinars (12.5 million USD) in the year 2025, compared to 2.5 million Kuwaiti Dinars (8.1 million USD) in the year 2024.

The Consolidated Portfolio Distributions of the AAAID are Represented in the Following:

1. Equity Investments:

- The value of investments in equities as of December 31, 2025, reached around 113.3 million Kuwaiti Dinars (371.1 million USD), representing 60.5% of the total investment portfolio.
- The income from investments in equities as of December 31, 2025, reached around 13.1 million Kuwaiti Dinars (42.9 million USD), representing around 80% of total financial investments income.

2. Bond Investments:

- The value of investments in bonds as of December 31, 2025, reached around 72.1 million Kuwaiti Dinars (236.1 million USD), representing 38.5% of the total portfolio.
- The income from investments in bonds as of December 31, 2025, reached around 3.2 million Kuwaiti Dinars (10.4 million USD), representing 20% of the financial investments income.

3. Alternative Investments:

- The value of investments in private equity funds as of December 31, 2025, reached around 1.9 million Kuwaiti Dinars (5.4 million USD), which is an investment in private equity in addition to cash in the fund with a value of 1 million USD, representing around 1% of the total portfolio.

Financial Investments

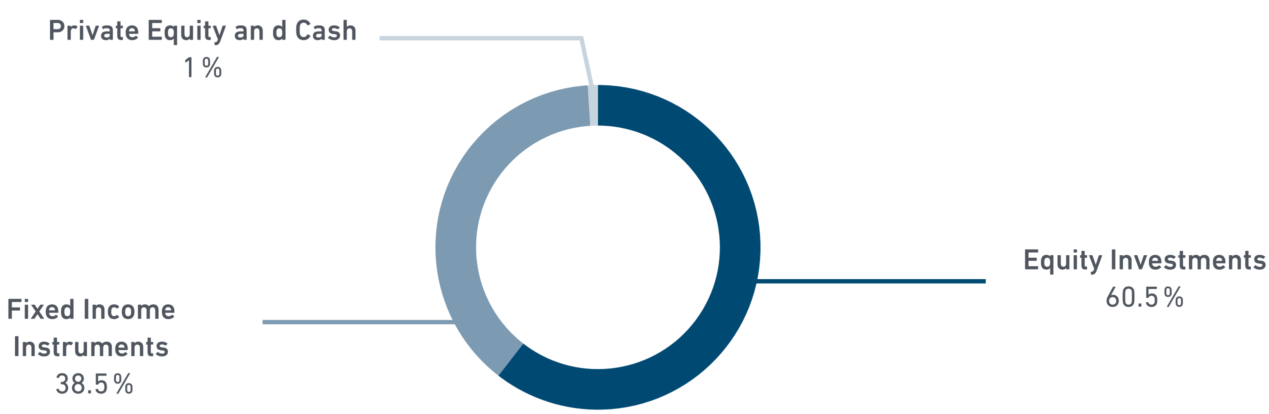


Figure: Consolidated Portfolio Allocation December 2025

Total Expenditure:

- Total expenditure as of December 31, 2025, reached around 7.7 million Kuwaiti Dinars (25.2 million USD), compared to around 35.2 million Kuwaiti Dinars (116.1 million USD) in the year 2024, with a decrease rate that reached 78% due to the large decrease in the provision for impairment of direct investments, loans, and other assets.

Financial Performance Results:

- The performance of the year 2025 demonstrates the effectiveness of the strategic initiatives adopted by management, which focused on fiscal discipline, operational efficiency, optimizing resource utilization, and through tightening controls over expenditures, improving record–keeping, and rationalizing public expenses, the AAAID was able to significantly reinforce financial governance.

The key administrative procedures that contributed to this progress include:

1. Improving Cost Controls and Raising Human Resource Efficiency: The AAAID conducted a comprehensive review of the size and efficiency of human resources, which led to aligning human resources with business volume, enhancing productivity, and reducing public costs.
2. Processing Outstandings of Suspense Accounts: This processing contributed to achieving greater accuracy and transparency in financial reports, and management also reinforced the records preservation system, which led to improving financial control and compliance.
3. Reducing Public Expenditures: Strict measures were implemented to control costs, leading to a decrease in administrative expenses and an increase in operational efficiency.
4. Processing the Impairment of Assets Value: The AAAID continues to bear high provisions resulting from the decline in asset values in areas affected by wars in Sudan and Syria, and some distressed companies. Despite these challenges, the proactive approach of management has contributed to mitigating future risks and ensuring financial stability.

Financial Position:

1) Assets:

- Net assets of the AAAID as of December 31, 2025, reached around 266.5 million Kuwaiti Dinars (87USD 3 million), compared to around 253 million Kuwaiti Dinars (821.2 million USD) as of December 31, 2024, with an increase of 13.5 million Kuwaiti Dinars.

2) Liabilities:

- Total liabilities as of December 31, 2025, reached around 11.6 million Kuwaiti Dinars (38 million USD), compared to around 15.4 million Kuwaiti Dinars (50 million USD) as of December 31, 2024.
- Liabilities decreased by 25%, and this decrease came as a result of the repayment of external loans, settlement of employee outstandings, and other obligations decreased by 3.7 million Dinars.

Shareholders' Equity:

Shareholders' equity rose as of December 31, 2025, to reach around 254.8 million Kuwaiti Dinars (834.USD 3 million), compared to 237.6 million Kuwaiti Dinars (771.2 million USD) as of December 31, 2024, meaning an increase of 17.2 million Kuwaiti Dinars. This rise is mainly attributed to the movements of reserves and the general reserve with a value of 18.4 million Kuwaiti Dinars, and the reversal of provisions by 2.4 million Kuwaiti Dinars, in addition to a rise in the foreign currency translation reserve by 1.1 million Kuwaiti Dinars as a result of currency revaluation according to the application of accounting standards.

Sustainability and Standards of Corporate, Environmental, and Social Governance

The AAAID adopts an advanced institutional approach that transitions social responsibility from mere community initiatives into an integrated framework for sustainability. Based on the Board of Directors Resolution No. (26) for the year 2025, the AAAID commenced the implementation of the ESG roadmap to include these standards in its strategy and investment decision. The AAAID continues to progressively develop this system towards full disclosure, aiming to issue its first independent ESG report during the year 2026.

What Was Accomplished in 2025 — The Three Pillars

Environmental Dimension

✓ Implementing a water recycling system at the main headquarters.
✓ Installing energy–saving lighting systems.
✓ Reducing paper waste through the automation of administrative processes.
◌ Beginning the technical stage to measure the carbon footprint (Scopes 1–2–3) — Under Implementation.

Social Dimension

✓ Providing more than 117,000 direct and indirect job opportunities across the portfolio companies.
✓ Employing more than 4,000 women in the production and food processing sectors.
✓ Launching the Agriculture Academy to train up to 10,000 beneficiaries digitally.
✓ Sponsoring the Best Invention Award to empower youth at the International Exhibition in Kuwait 2026.
✓ Continuous execution of educational and health initiatives in operation areas.

Governance Dimension

✓ Completing the technical requirements for the ISO 37000 standard concerning corporate governance.
✓ Renewing the ISO 9001:2015 certification for operational excellence.
✓ Adopting the ESG roadmap and activating the specialized ESG committee.
✓ Establishing the risk register and linking it to strategic goals with early warning indicators.
◌ Proceeding with the implementation of the IFRS S1/S2 framework for disclosure — Under Implementation.
◌ Completing the ISO 26000 standard concerning social responsibility — Under Implementation.

The AAAID's Contribution to the Sustainable Development Goals

The activities of the AAAID intersect with six primary goals of the United Nations Sustainable Development Goals, backed by documented evidence and achievements for the year 2025:

Goal and Evidence from 2025 Results	Goal Number
Zero Hunger • A production capacity of sugar exceeding million tons/year across 3 specialized companies. • A production capacity of dairy exceeding 252 million liters/year covering essential food needs. • Financing small farmers through the first direct finance line in cooperation with FAO (USD 3 million). • Priority for projects of direct impact on bridging the food gap (59 billion USD).	2 ZERO HUNGER
Decent Work and Economic Growth • More than 50,000 direct job opportunities, and what exceeds 117,000 direct and indirect job opportunities across the portfolio companies. • More than 4,000 women employed in the sectors of production and food processing. • Dividends reached USD 19.3 million reinforcing the financial sustainability of the AAAID.	8 DECENT WORK AND ECONOMIC GROWTH
Industry, Innovation and Infrastructure • Opening of the largest plant for fish processing in North Africa. • Launching the first phase of upgrading the SAP ERP system and the digital transformation roadmap. • 16 Memorandums of Understanding with international technical and agricultural institutions in 2025.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Reduced Inequalities • Microfinance programs targeting small producers in rural communities. • 21 member countries including diverse economies including the least developed among them. • A finance line of USD 3 million representing a replicable model in other Arab countries.	10 REDUCED INEQUALITIES
Climate Action • Measuring the carbon footprint (Scopes 1–2–3) in the execution stage. • Energy–saving lighting systems and water recycling at the main headquarters. • Commitment to IFRS S1/S2 standards for disclosure about climate risks (in the execution stage).	13 CLIMATE ACTION
Partnerships to Achieve Goals • 16 new Memorandums of Understanding in the fields of investment, finance, and technical cooperation. • Investment agreements with international finance institutions. • Partnership with the Joint SDG Fund in 6 Arab countries. • Cooperation with the World Bank, the African Bank, and the European Investment Bank.	17 PARTNERSHIPS FOR THE GOALS

Institutional Development

The efforts of the AAAID in the field of institutional development during the year 2025 focused on 4 integrated pillars: reinforcing the knowledge base for decision–making, merging governance and risks into the decision cycle, accelerating digital transformation, and building human capacities.

1. Reinforcing the Knowledge Base for Decision–Making

To view the full report

Within the framework of its commitment to reinforcing investment based on knowledge and supporting food security in Arab countries, the AAAID issued a comprehensive report: "The Economic and Financial Report: Agricultural Investment and Finance and its Role in Reducing the Food Gap in the Arab World — Current Reality and Forecasts 2026".

The report sheds light on the developments of the agricultural sector in Arab countries, through analyzing economic indicators during the period (2019–2025), and forecasting expectations for the years 2026 and 2027. It also reviews a comprehensive picture of the food gap reality in the Arab world, whether on the macro level or on the level of strategic agricultural commodities, which provides a clear vision for the size of existing challenges. The report addresses policies and options available before decision–makers to reduce the food gap, through reinforcing the efficiency of agricultural production, directing investments towards priority sectors, and developing the agricultural finance system.

In this context, the second part of the report focuses on analyzing investment and agricultural finance, through studying their relative importance compared to total investments, and monitoring their development during past years, along with comparing actual indicators with future expectations. It also discusses the impact of these investments on supporting food security and reducing the food gap in Arab countries.

The report aims to provide an integrated knowledge base that supports decision–makers in designing effective policies, and directing investments and financial resources towards achieving sustainable food security in the Arab world.

2. Merging Governance and Risk Management into the Decision Cycle

In parallel with reinforcing the knowledge dimension, the AAAID worked on developing the institutional structure that governs the investment decision, so that risk management, compliance, and governance become an inherent part of the evaluation process, and not a subsequent stage to it. A risk register system was developed and linked to strategic goals, with the development of early warning indicators, and following up on treatment plans on a periodic basis. Thus, risks have become proactively managed within the decision–making process, not after their occurrence.The institutional compliance and governance system was also reinforced within approved benchmark references, in a way that clarifies roles and responsibilities and enhances transparency and accountability. This merging contributed to raising the level of institutional discipline and reducing regulatory and operational risks, with improving the readiness of the AAAID to deal with partners and international institutions.

3. Digital Transformation and Raising Operations Efficiency

To ensure translating governance and policies into effective daily practice, the AAAID continued the path of digital transformation with the aim of raising operations efficiency, reducing the time of procedures, and reinforcing transparency. The AAAID worked in this framework on automating the majority of human resources transactions via the institutional resource planning system, and activating electronic archiving, in a way that reduces reliance on paper transactions and raises the level of documentation. The digitization of procurement operations, execution of tenders, and contracts within a more disciplined operational system with traceability was also completed. This transformation would contribute to improving data accuracy and accelerating the work cycle.

4. Investment in Human Capital

The AAAID worked on updating human resources policies, organizational structure, and developing the performance management system, so that it includes self–assessment, measurement indicators, and individual development plans. Training programs were also implemented that included a large percentage of employees, in a way that reinforces the culture of continuous learning and raises the readiness of cadres to deal with investment projects of increasing complexity. This investment in human capital represents a decisive element to ensure the sustainability of institutional improvements and transforming them into a daily practice that reflects positively on the performance of the AAAID and its capacity to achieve the goals for which it was established.

Meetings of the Board of Shareholders and the Board of Directors

First: The Most Important Resolutions Issued by the Board of Shareholders:

The Board of Shareholders of the AAAID held its regular annual meeting on April 9, 2025, in the State of Kuwait, within the annual meetings of Arab financial institutions. The meeting was chaired by His Excellency Mr. Sid'Ahmed Ould Bouh, Minister of Economy and Finance — the Islamic Republic of Mauritania. The Board approved a number of resolutions, and these resolutions included the following:

1. Ratifying the final accounts for the year 2024.
2. Appointing the external auditor for the AAAID for the year 2025 and determining his fees.
3. Approving the investment operations program for the year 2025 and authorizing the Board of Directors of the AAAID to execute it.
4. Urging countries lagging behind in payment to commit to transferring the amounts due from them to the AAAID.
5. Naming the representative of the Hashemite Kingdom of Jordan as Chairman of the Board of Shareholders in the fiftieth session.
6. Approving the amendment of Articles (1) and (2) of the Establishing Agreement and (1) of the Statute for the AAAID so that the name of the AAAID therein becomes "The Arab Authority for Investment and Food Security" instead of "The Arab Authority for Agricultural Investment and Development" according to the provisions of Article 17 of the Establishing Agreement.

Second: The Most Important Resolutions Issued by the Board of Directors Meetings for the Year 2025

The Board of Directors of the AAAID held four meetings during the year 2025 at the headquarters of the AAAID in Dubai, under the chairmanship of His Excellency Dr. Obaid Saif Al–Zaabi, Chairman of the Board, and in the presence of all Your Excellencies the members of the Board. During its meetings, the Board discussed many topics related to the activities of the AAAID, and followed up on the status of executing the plans of the AAAID and its initiatives aimed at contributing to bridging the food gap and developing the performance of the investment portfolio of the AAAID, and the Board approved many resolutions in this regard, the most important of which was the approval on the following:

1. Investing an amount of 10 million USD in a portfolio of financial securities for food security companies listed in stock markets in Arab countries.
2. The subscription of the AAAID in issuing bonds convertible into shares for Al Rawabi Company in the UAE by around USD 11.4 million.
3. Financing comprehensive rural development projects belonging to the Agricultural Credit Corporation in the Hashemite Kingdom of Jordan with an amount of USD 3 million.
4. Adopting professional liability insurance to cover the legal liability of the Chairman and members of the Board of Directors.
5. Adopting the credit rating project for the AAAID.
6. Adopting the roadmap for applying environmental, social, and corporate governance standards (ESG).
7. Establishing a Special Purpose Vehicle company (SPV) owned 100% by the AAAID to treat the status of the non–active and distressed companies of the AAAID.
8. Divesting from some distressed companies and adopting criteria for classifying companies and a roadmap to treat their status.
9. Adopting the Strategic Asset Allocation policy.
10. Developing the employee affairs regulations.
11. Adopting the estimated budget for the AAAID for the year 2026.

The Board also reviewed during its meetings the recommendations submitted to it by the specialized committees branching from it, which are the Investment Committee, which is concerned with topics related to investments and projects, the Executive Committee, which looks into administrative and strategic matters, and the Audit and Risk Committee, which monitors the performance of the AAAID and what it might face of risks, and issued appropriate resolutions regarding them.

International Relations

In order to expand the network of partnerships and reinforce the position of the AAAID regionally and internationally, the AAAID continued during the year 2025 to reinforce its regional and international presence within the framework of a clear strategic vision for business development and building partnerships. These efforts resulted in the signing of 16 Memorandums of Understanding in the fields of investment, finance, and technical cooperation, and the signing of these memorandums represents an indicator of the growth of the institutional cooperation network of the AAAID.

The AAAID also recorded a distinguished presence through participation in a number of specialized activities and forums in the fields of food security and agricultural investment, which allowed it to look into the latest trends in managing food supply chains and sustainable finance models. Thanks to this presence, the AAAID was able to build direct relationships with investors and potential partners, expand the information base related to markets and opportunities, and look into international best practices.

The activities of the AAAID included official and institutional meetings in a number of Arab countries, with the aim of supporting existing projects, accelerating some investment initiatives, and reinforcing coordination with the competent authorities in the agricultural and food sector. These meetings contributed to treating operational challenges in those countries, supporting the continuity of projects, and reinforcing the institutional cooperation environment in the host countries for the investments of the AAAID.

International Cooperation with Partner Organizations and Institutions

The AAAID aimed during the year 2025 to reinforce its strategic partnerships with authorities, organizations, and regional and international peer institutions, with the aim of executing joint projects that serve agricultural investment and achieve a tangible developmental impact in Arab countries, and the following are the most prominent of these partnerships:

No.	Institution	Area of Cooperation
1	The Islamic Corporation for the Insurance of Investment and Export Credit — ICIEC	Guaranteeing credit lines for developmental programs and investment projects executed by the AAAID.
2	Islamic Development Bank — IsDB	Cooperation and coordination to facilitate and execute technical programs and investment projects, as well as executing support programs for the Palestinian people through Al–Aqsa Fund.
3	Arab Organization for Agricultural Development — AOAD	Preparing a joint vision to activate the Arab Strategy for Food Security, participating in feasibility studies for projects of priority, executing finance programs for smallholder farmers and rural women, and establishing a joint coordination committee.
4	Food and Agriculture Organization of the United Nations — FAO	Contributing to the preparation of the conceptual note and work framework for the AATF fund, and assisting in attracting contributions from relevant financial funds to finance the fund.
5	Joint Sustainable Development Goals Fund — Joint SDG Fund	Cooperation to execute investment projects and joint developmental programs in a number of Arab countries (Tunisia, Algeria, Mauritania, Jordan, Yemen, Somalia).
6	Islamic Organization for Food Security — IOFS	Cooperation to execute a project for developing wheat cultivation in Mauritania within a research investment developmental program.
7	International Fund for Agricultural Development — IFAD	Cooperation to execute investment projects and joint developmental programs in a number of Arab countries.
8	International Center for Biosaline Agriculture — ICBA	Executing applied, pioneering research programs for agriculture in environments and critical climates.
9	African Development Bank — AfDB	Cooperation to execute investment projects and joint developmental programs in a number of Arab countries (Tunisia, Algeria, Mauritania, Jordan, Yemen, Somalia, and others).
10	European Investment Bank — EIB	Cooperation to execute investment projects and joint developmental programs in a number of Arab countries.

Impact of International Partnerships

These partnerships constitute a pivotal element in reinforcing the capacity of the AAAID on joint financing, risk–sharing, and expanding the scope of its developmental impact, especially in the field of supporting small-scale producers, applied agricultural research, and regional food security programs.

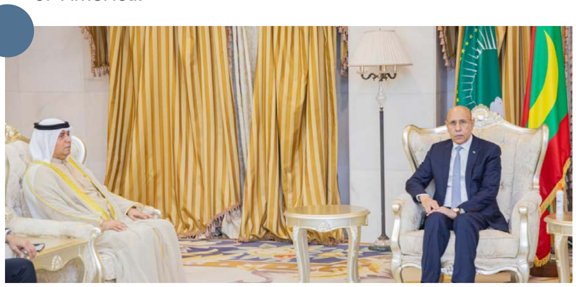
The following is a summary of the most prominent of those activities:

Meetings and Official Visits	**Regional and International Participations**	**Memorandums of Understanding**

Meetings and Official Visits:

Meeting with the delegation of the International Finance Corporation (IFC), affiliated with the World Bank Group, headed by Mr. Wagner Albuquerque de Almeida, Global Director for Manufacturing, Agribusiness, and Forestry, on October 21, 2025, in the city of Washington — United States of America.

Meeting with the World Bank delegation, headed by Dr. Rabih Karaky, Regional Manager for Agriculture and Food Practices in the Middle East and North Africa, on October 21, 2025, in the city of Washington — United States of America.



Meeting with His Excellency Mr. Mohamed Ould Cheikh El Ghazouani, President of the Islamic Republic of Mauritania, on January 16, 2025, in the city of Nouakchott — the Islamic Republic of Mauritania.

Meeting with His Excellency Mr. Mokhtar Ould Djay, Prime Minister of the Islamic Republic of Mauritania, on January 15, 2025, in the city of Nouakchott — the Islamic Republic of Mauritania.

Meeting with His Excellency Mr. Sid'Ahmed Ould Bouh, Minister of Economy and Finance, on January 15, 2025, in the city of Nouakchott — the Islamic Republic of Mauritania.

Meeting with His Excellency Mr. Memma Ould Beibatta, Minister of Agriculture and Food Security, on January 15, 2025, in the city of Nouakchott — the Islamic Republic of Mauritania.

Meeting with Her Excellency the Engineer / Noura Suleiman Al-Fassam, Minister of Finance and Minister of State for Economic Affairs and Investment in the State of Kuwait, on January 9, 2025, in the city of Dubai — United Arab Emirates.

Meeting with His Excellency Dr. Khaled Al-Mabrouk Abdullah, Minister of Finance of the Government of National Unity in the State of Libya, on February 12, 2025, in the city of Dubai — United Arab Emirates.

Meeting with His Excellency Mr. Sami Essa Al-Hassawi, CEO of Tharwa Investment Company, on April 7, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Yousuf Al-Ali, Chairman of the Board of Directors of the Kuwait Investment Company, on April 8, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency the Professor Imad Abdullah Al-Zaid, Assistant Director General at the Kuwait Chamber of Commerce and Industry, on April 8, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Dr. Faisal Al Humaidan, Acting Director General of the Kuwait Institute for Scientific Research, on April 8, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Mohamed Ibrahim Al-Duwaisan, General Manager of Kazma Company (Kuwait Institute for Scientific Research), on April 10, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Mr. Samir Abdel Hafeez, Minister of Economy and Planning in the Tunisian Republic, on April 9, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Mr. Alaa Farouk, Minister of Agriculture and Land Reclamation in the Arab Republic of Egypt, on April 9, 2025, in the city of Kuwait — State of Kuwait.

Meeting with His Excellency Abdelkrim Bouzred, Minister of Finance in the People's Democratic Republic of Algeria, on May 14, 2025, in the city of Algiers — the People's Democratic Republic of Algeria.

Meeting with His Excellency Mr. Kamel Hamenni, President of the Algerian Chamber of Commerce and Industry (CACI), on May 14, 2025, in the city of Algiers — the People's Democratic Republic of Algeria.

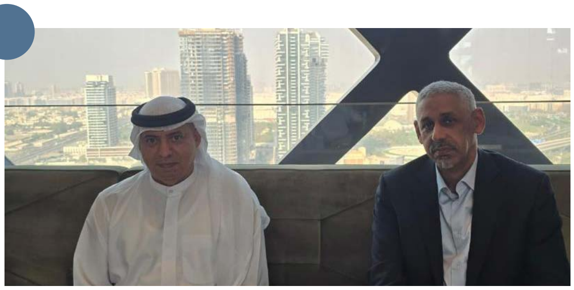
Meeting with Sheikh Hamed bin Khadem bin Butti Al Hamid, Chairman of the Board of Directors of Bin Butti Group, on June 17, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with His Excellency Aliaksei Zhaldybin, Consul General of the Republic of Belarus, on June 29, 2025, in the city of Dubai — United Arab Emirates.

Meeting with Abdullah Al-Rashdi, CEO of the Omani Food Investment Holding Company "NITAJ", on September 22, 2025, in the city of Dubai — United Arab Emirates.

Meeting with Mr. Douglas B. Baker, Founder and Managing Director of "Baker Global Investments", on September 23, 2025, in the city of Dubai — United Arab Emirates.

Meeting with the Oman Chamber of Commerce and Industry, headed by Mr. Ahmed bin Sultan Al-Jahafi, Chairman of the Industry Committee at the Chamber of Commerce and Industry of the Sultanate of Oman, on October 10, 2025, in the city of Dubai — United Arab Emirates.



Meeting with His Excellency Doctor Sidi Ould Tah, President of the African Development Bank Group, on October 12, 2025, in the city of Dubai — United Arab Emirates.

Meeting with His Excellency the Professor Abdullah Al-Musaibeeh, President of the Arab Bank for Economic Development in Africa (BADEA), on October 28, 2025, in the city of Riyadh — the Kingdom of Saudi Arabia.

Meeting with Abdullah bin Nasser Al-Bader, CEO of Almarai Company, on October 29, 2025, in the city of Riyadh — the Kingdom of Saudi Arabia.

Meeting with "SALIC" Company, on October 29, 2025, in the city of Riyadh — the Kingdom of Saudi Arabia.

Meeting with His Excellency Ali bin Suleiman Al-Muqbil, Chairman of the Board of Directors of the Al-Qassim Chamber, and in the presence of the Secretary-General, the Professor Mohammad Al-Hanaya, on October 30, 2025, in the city of Riyadh — the Kingdom of Saudi Arabia.

Meeting with Sheikh Fahad Soliman Al-Fahhad, Chairman of the Board of Directors of Al-Fahhad Holding Group, and His Excellency the Engineer Saleh bin Abdulaziz Al-Tuwaijri, CEO of the group, on October 30, 2025, in the city of Al-Qassim — the Kingdom of Saudi Arabia.

Meeting with a delegation from the Denmark Ministry of Foreign Affairs, headed by Her Excellency Søren Nørrelund Kannik-Marquardsen, Minister Counsellor for Agriculture, Food, and Fisheries in the MENA region, on November 4, 2025, in the city of Dubai — United Arab Emirates.

Meeting with His Excellency Alaa Farouk, Minister of Agriculture and Land Reclamation in the Arab Republic of Egypt, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with His Excellency the Professor Ibrahim Adam Al Dukhairi, Director General of the Arab Organization for Agricultural Development, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with His Excellency Doctor Magdy El-Sayed, CEO of Middle East for Vaccines "MEVAC" Company, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with His Excellency Doctor Diaa Youssef, Founder and CEO of Agri Cash Company, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with His Excellency Doctor Mohamed Metwally, CEO and Managing Director of "NI Capital" Company, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Meeting with partnership with Her Excellency Ms. Nadia Fettah Alaoui, Minister of Economy and Finance, on November 27, 2025, in the city of Rabat — the Kingdom of Morocco.

Meeting with Her Excellency Ms. Nezha Hayat, Director General of the Mohammed VI Fund for Investment, on November 27, 2025, in the city of Rabat — the Kingdom of Morocco.

Meeting with His Excellency Mr. Ahmed El Bouari, Minister of Agriculture, Maritime Fisheries, Rural Development, Water and Forests, on November 27, 2025, in the city of Rabat — the Kingdom of Morocco.

Meeting with His Excellency Doctor Saud bin Hamoud Al Habsi, Minister of Agriculture, Fisheries and Water Resources, on December 2, 2025, in the city of Muscat — the Sultanate of Oman.

Meeting with His Excellency Doctor Subaih Abdulaziz Abdulmohsen Al-Mukhaizeem, Minister of Electricity, Water and Renewable Energy, Acting Minister of Finance, and Acting Minister of State for Economic Affairs and Investment, on December 8, 2025, in the city of Kuwait — the State of Kuwait.

Meeting with His Highness Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, at his office in the Emiri Court — Emirate of Fujairah — United Arab Emirates, on January 7, 2025.

Regional and International Participations

Participation in "Gulfood", on February 18, 2025, in the city of Dubai — United Arab Emirates.

Participation in the opening ceremony of the new expansions for Middle East for Veterinary Vaccines "MEVAC" Company, on June 12, 2025, in the city of El Salheya El Gedida in Sharqia Governorate — the Arab Republic of Egypt.

Opening of the largest Fish Processing Plant in North Africa on July 28, 2025, in the city of Nouadhibou — the Islamic Republic of Mauritania.

Participation in the "Food Security Summit 2025" during the period from September 17 to 18, 2025, in the city of Dubai — United Arab Emirates.

Participation in the works of the 4th Session of the World Chambers Conference and Business Associations 2025 during the period from September 10 to 12, 2025, in the city of Hefei, the capital of Anhui Province — the People's Republic of China.

Participation in the celebrations of the Arab Coordination Group on the occasion of passing fifty years since its establishment (the Golden Jubilee), on October 21, 2025, in the city of Washington — United States of America.

Participation in the "Global Food Week" on October 26, 2025, in the city of Abu Dhabi — United Arab Emirates.

Participation in the activities of the ninth edition of the annual conference of the Future Investment Initiative (FII) on October 29, 2025, in the city of Riyadh — the Kingdom of Saudi Arabia.

Participation in the Egyptian–Gulf Trade and Investment Forum 2025, on November 10, 2025, in the city of Cairo — the Arab Republic of Egypt.

Participation in the Africa Investment Forum 2025 — "Market Days" during the period from November 26 to 28, 2025, in the city of Rabat — the Kingdom of Morocco.

Remote participation in the Fifth Annual International Scientific Conference under the title "The Future of Financial Markets in Iraq in the Era of Contemporary Transformations" during the period from December 10 to 11, 2025, which was held in the city of Baghdad — the Republic of Iraq.

Memorandums of Understanding:

And within the framework of reinforcing the AAAID's endeavor to expand the network of strategic partners and create partnerships, the AAAID signed during the year 2025 the following Memorandums of Understanding:

Signing a Memorandum of Understanding between AAAID and Urbi Gulf Limited Company and Zain Tech Solutions Limited Company, on January 6, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and Hiland Global Certification (HGC) Foundation, on January 6, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and JG International Infra Ltd (JG Group), on January 16, 2025, in the city of Nouakchott — the Islamic Republic of Mauritania.

Signing a Memorandum of Understanding between AAAID and United Arab Emirates University, on February 3, 2025, in the city of Dubai — United Arab Emirates.

Signing an investment agreement between AAAID and the International Finance Corporation (IFC), on February 5, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and the Arab Fund for Economic and Social Development, on April 7, 2025, in the city of Kuwait — the State of Kuwait.

Signing a Letter of Intent with Tharwa Investment Company, on April 7, 2025, in the city of Kuwait — the State of Kuwait.

Signing a Memorandum of Understanding between AAAID and the Arab Organization for Agricultural Development, on April 17, 2025, in the city of Dubai — United Arab Emirates.

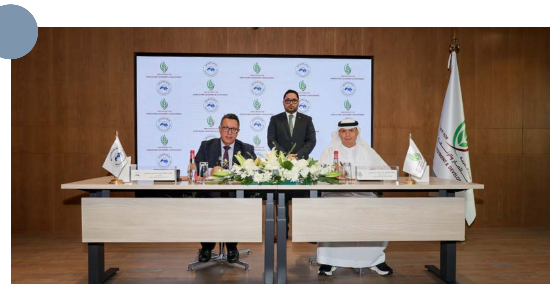
Signing a Memorandum of Understanding between AAAID and the World Agricultural Forum, on April 17, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and the Spanish Agroevolution Company, specialized in agricultural business solutions, on May 20, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and the U.S. Based 6th Grain Company, specialized in developing digital agriculture solutions, on May 25, 2025, in the city of Dubai — United Arab Emirates.

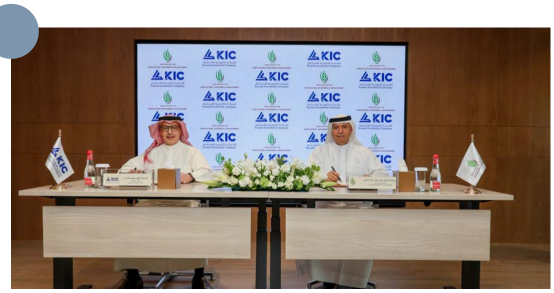
Signing a Letter of Intent between AAAID and SICO BSC (c) Group, on June 1, 2025, in the city of Dubai — United Arab Emirates.

Signing a cooperation agreement between AAAID and the Digital School, on September 23, 2025, in the city of Dubai — United Arab Emirates.



Signing a Memorandum of Understanding between AAAID and the Federation of Arab Scientific Research Councils, on October 26, 2025, in the city of Dubai — United Arab Emirates.

Signing a Memorandum of Understanding between AAAID and "Equiti Group", on December 16, 2025, in the city of Dubai — United Arab Emirates.



Signing a Memorandum of Understanding between AAAID and the Kuwait Investment Company, on December 18, 2025, in the city of Dubai — United Arab Emirates.

Financial Statements and External Auditor's Report

Arab Authority for Agricultural Investment and Development

FINANCIAL STATEMENTS

For the year ended 31 December 2025

Table of Contents ***Page No.***

EY
Shape the future with confidence

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE SHAREHOLDER MEMBERS OF ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT

Opinion

We have audited the financial statements of Arab Authority for Agricultural Investment and Development (the "Authority"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income and expenditure, statement of changes in member countries' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation explained in Note 2 of the accompanying financial statements.

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 Financial Statements* section of our report. We are independent of the Authority in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Governance officers for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of preparation in accordance with the basis of preparation as per Note 2 of the accompanying financial statements, the Articles of Association of the Authority, and for such internal control as they determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Authority'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 it either intends to liquidate the Authority or to cease operations or has no realistic alternative but to do so.

Corporate Governance officers are responsible for overseeing the Authority's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE SHAREHOLDER MEMBERS OF ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements
Our objective is to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of 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 Authority'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 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 Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE SHAREHOLDER MEMBERS OF ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT (continued)

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

We communicate with the Corporate Governance officers 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.

Ernst & Young Middle East (Dubai Branch)

Ashraf Abu-Sharkh
Registration No: 690

2 March 2026

Dubai, United Arab Emirate

A branch of a member firm of Ernst & Young Global Limited

Arab Authority for Agricultural Investment and Development

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	*2025* *KD*	*2024* *KD*
ASSETS			
Property and equipment, net	8	**5,821,414**	6,090,616
Investment property, net	9	**1**	1
Contributions and direct investments, net	7	**63,109,800**	57,481,565
Investments held for trading	5	**187,348,575**	143,311,924
Other assets, net	10	**3,761,464**	2,652,648
Cash and cash equivalents	4	**6,148,508**	43,454,668
ASSETS		**266,189,762**	252,991,422
Assets held for sale	11	**291,127**	-
TOTAL ASSETS		**266,480,889**	252,991,422
Liabilities and equity			
Liabilities			
Loans from financial institutions	12	**2,370,077**	2,573,051
Employees' terminal benefits	14	**1,612,181**	1,485,852
Other liabilities	13	**7,665,039**	11,372,371
Total liabilities		**11,647,297**	15,431,274
Member countries' equity			
Paid up share capital	15	**221,076,072**	221,076,072
Share premium		**208,570**	208,570
Statutory reserve	16	**28,553,630**	26,714,695
General reserve	17	**(14,022,490)**	(30,572,905)
Voluntary reserve	18	**16,041,340**	16,041,340
Foreign currency translation reserve	19	**2,976,470**	4,092,376
Total member countries' equity		**254,833,592**	237,560,148
TOTAL MEMBER COUNTRIES' EQUITY AND LIABILITIES		**266,480,889**	252,991,422

Obaid Saif Hamad Ali Al Zaabi
(Chairman of the Authority / Chairman of the Board of Directors)

Abdul Majeed Palekkodan
(Finance Director)

The accompanying notes 1 to 28 form an integral part of these financial statements.

4

Arab Authority for Agricultural Investment and Development

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 December 2025

	Notes	*2025 KD*	*2024 KD*
Income			
Net gains on investments held for trading	20	**16,322,828**	14,894,901
Dividend from contributions and direct investments	21	**5,903,693**	2,151,470
Income from loans	6	**-**	362,581
Gain from sale of direct investment	22	**793,605**	-
Other income	22	**3,019,384**	2,495,219
Total income		**26,039,510**	19,904,171
Expenses			
Salaries and indemnities		**(3,655,857)**	(3,634,398)
Depreciation	8,9	**(688,192)**	(1,153,857)
Travelling and accommodation		**(351,443)**	(344,007)
Reversal of impairment losses - Contributions and direct investments	23	**2,249,807**	-
Impairment losses - Contributions. direct investments, loans and other assets	23	**(2,419,240)**	(25,466,650)
Foreign currency exchange loss		**(1,119,815)**	(2,518,667)
Losses from assets held for sale	11	**(222,538)**	-
Portfolio investment fees		**(766,872)**	(961,473)
Other expenses		**(676,010)**	(1,083,017)
Total expenditure		**(7,650,160)**	(35,162,069)
Profit/ (loss) for the year		**18,389,350**	(15,257,898)
Other comprehensive (loss)/ income			
Net movement in foreign currency translation reserve		**(1,115,906)**	3,608,084
Total comprehensive income/ (loss) for the year		**17,273,444**	(11,649,814)

Obaid Saif Hamad Ali Al Zaabi
(Chairman of the Authority / Chairman of the Board of Directors)

Abdul Majeed Palekkodan
(Finance Director)

The accompanying notes 1 to 28 form an integral part of these financial statements.

Arab Authority for Agricultural Investment and Development

STATEMENT OF CHANGES IN MEMBER COUNTRIES' EQUITY
For the year ended 31 December 2025

	Paid-up share capital KD	*Share premium KD*	*Statutory reserve KD*	*General reserve KD*	*Voluntary reserve KD*	*Foreign currency translation reserve KD*	*Total KD*
Balance at 1 January 2024	221,076,072	208,570	26,714,695	(20,961,905)	16,041,340	484,292	243,563,064
Loss for the year	-	-	-	(15,257,898)	-	-	(15,257,898)
Net movement in foreign currency translation reserve	-	-	-	-	-	3,608,084	3,608,084
Total comprehensive loss for the year(Note 17)	-	-	-	(15,257,898)	-	3,608,084	(11,649,814)
Reversal of unutilized fund	-	-	-	5,646,898	-	-	5,646,898
At 31 December 2024	221,076,072	208,570	26,714,695	(30,572,905)	16,041,340	4,092,376	237,560,148
Balance at 1 January 2025	**221,076,072**	**208,570**	**26,714,695**	**(30,572,905)**	**16,041,340**	**4,092,376**	**237,560,148**
Profit for the year	**-**	**-**	**-**	**18,389,350**			**18,389,350**
Net movement in foreign currency translation reserve	**-**	**-**	**-**	**-**	**-**	**(1,115,906)**	**(1,115,906)**
Total comprehensive profit for the year	**-**	**-**	**-**	**18,389,350**	**-**	**(1,115,906)**	**17,273,444**
Transfer to the legal reserve	**-**	**-**	**1,838,935**	**(1,838,935)**	**-**	**-**	**-**
At 31 December 2025	**221,076,072**	**208,570**	**28,553,630**	**(14,022,490)**	**16,041,340**	**2,976,470**	**254,833,592**

The accompanying notes 1 to 28 form an integral part of these financial statements.

Arab Authority for Agricultural Investment and Development

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 KD	2024 KD
OPERATING ACTIVITIES			
Profit/(Loss) for the year		**18,389,350**	(15,257,898)
Adjustments to reconcile profit for the year to net cash from operating activities:			
Reversal of impairment losses- Contributions and direct investments	7&23	**(2,249,807)**	-
Impairment losses -Contributions. direct investments, loans and other assets	23	**2,419,240**	24,324,090
Impairment of Property plant and equipment	8&23	**-**	1,142,558
Reversal of impairment losses - loans	6	**(364,483)**	-
Write off– other assets	10	**2,159**	-
Losses from assets held for sale	11	**222,538**	-
Gain from sale of direct investment	22	**(793,605)**	-
Income from investments held for trading	20	**(16,322,828)**	(14,894,901)
Depreciation on property and equipment and investment property	8	**688,192**	1,153,857
Provision for employees' end of service benefits	14	**280,942**	237,313
Gain on disposal of property and equipment	8	**(18,387)**	(18,776)
Property and equipment written off		**-**	579,309
Operating cash flows before working capital changes		**2,253,311**	(2,734,448)
Working capital changes:			
Net movement in other assets, net		**(1,158,169)**	(2,763,150)
Net movement in other liabilities		**(3,707,333)**	(2,439,458)
		(2,612,191)	(7,937,056)
Employees' end of service benefits paid	14	**(154,613)**	(885,128)
Net cash flows used in operating activities		**(2,766,804)**	(8,822,184)
INVESTING ACTIVITIES			
Investment in Contribution and direct investments	7	**(6,773,881)**	(216,441)
Net movement in loans granted to others, net		**157,552**	294,141
Proceeds from sale of direct investments		**1,510,279**	-
Purchase of property and equipment and investment property	8,9	**(421,456)**	(6,296)
Purchases of investments held for trading	5	**(32,983,200)**	(462,150)
Proceeds from sales of investments held for trading	5	**5,269,377**	51,559,049
Proceeds from disposal of property and equipment		**20,853**	20,712
Net cash flows (used in) / generated from investing activities		**(33,220,476)**	51,189,015
FINANCING ACTIVITY			
Net movement in loans from financial institutions		**(202,974)**	(9,055,316)
Cash flows used in financing activity		**(202,974)**	(9,055,316)
Net (decrease) / increase in cash and cash equivalents		**(36,190,254)**	33,311,515
Cash and cash equivalents at the beginning of the year		**43,454,668**	6,535,069
Net movement in foreign currency translation reserve		**(1,115,906)**	3,608,084
Cash and cash equivalents at the end of the year	4	**6,148,508**	43,454,668

Non-Cash Transactions:

During the period, the Authority recognized the following non-cash transactions in the statement of financial position, which did not result in any cash flows:

- Recognition of a fair value loss on an asset held for sale amounting to KWD 222,538 (Note 11).
- Reversal of provisions related to the sale of direct investments amounting to KWD 1,078,374 (Note 7).
- Write-off of impairment provision on loan balances amounting to KWD 364,483 (Note 6).
- Write-off of impairment provision on other assets amounting to KWD 2,159 (Note 10).
- Scrip dividends received during the period amounted to KWD 3,264,880 (Note 21)

The accompanying notes 1 to 28 form an integral part of these financial statements.

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS
As at 31 December 2025

1 ACTIVITIES

The Arab Authority for Agricultural Investment and Development (the "Authority") was established as an Independent Arab Financial Authority having administrative and financial independence as per the statute of the Authority signed by thirteen (13) Arab countries on 1 November 1976, with authorized share capital of KD 150 million. Subsequently, the Board of Shareholders resolved to increase the authorized share capital to KD 336 million and the amount paid was KD 213.9 million. Accordingly, the number of contributing countries reached (21) countries (Note 15).

The objective of the Authority includes the development of agricultural resources with a particular emphasis on maximizing the availability of agricultural products within its member states.

The temporary head office of the Authority is located at P.O. Box 51250, Dubai, United Arab Emirates as per the resolution no. 9 for the year 2024.

The issuance of these financial statements and the material accounting policies used in preparing the financial statements have been approved by the Authority's Board of Directors on 27 February 2026.

2 BASIS OF PREPARATION

Statement of compliance
The accompanying financial statements of the Authority have been prepared in accordance with the requirements of Article 17 of the bylaws and in accordance with the accounting policies approved by the Board of Shareholders of the Authority in accordance with the requirements and nature of the Authority as shown in (Note 3).

3 MATERIAL ACCOUNTING POLICIES

Basis of measurement
These financial statements have been prepared on the historical cost convention, with the exception of investments held for trading purposes and derivatives measured at fair value using the accrual basis of accounting and the going concern principle.

Functional and presentation currency
The functional currency of the Authority is US Dollar as majority of the transactions undertaken by the Authority are denominated in US Dollar. The financial statements are presented in Kuwaiti Dinar ("KD") which represents the presentation currency according to the Bylaws and Establishment Agreement of the Authority.

Presentation and disclosure
Items of dividends from contributions and direct investments and reversal of impairment are presented within income in the statement of comprehensive income and expenditure while impairment losses are presented within expenses.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Authority assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Authority has concluded that it is acting as a principal in all of its revenue arrangements.

Interest income
Interest on loans, bank deposits, and fixed income securities are accounted for on accrual basis, except for the overdue interest for six months, which are recognized on receipt basis.

Dividend income
Dividends from contributions and direct investments are recorded when the right to receive the dividend income is established.

3 MATERIAL ACCOUNTING POLICIES (continued)

Scrip Dividend
Scrip dividends represent a non-cash distribution whereby the investee entity grants additional shares to the Company instead of paying cash dividends. The Authority recognizes scrip dividends only when the distribution is formally approved by the investee's governing body and all discretion has been removed, thereby confirming the Company's unconditional right to receive the distribution.

At the declaration date, scrip dividends are measured at the fair value of the shares received. This fair value is recognized as dividend income in the statement of profit or loss, with a corresponding increase in the carrying amount of the related investment. As no cash is received, the transaction is treated as a non-cash item and does not result in any cash flow.

Recognition
The Authority recognizes dividend income when its right to receive the distribution is established, based on formal approval and announcement by the investee entity. In the case of scrip dividends, no cash inflow arises; instead, the Company receives additional equity instruments in the investee.

Measurement
Scrip dividends are measured at the fair value of the shares received at the date the Company becomes entitled to the distribution, which is typically the declaration date or the election date, as applicable.
Fair value is determined based on:

- The quoted market price of the shares at the entitlement date, if the investee is listed; or
- An appropriate valuation technique, if the investee is unlisted.

The fair value of scrip dividends is recognized as dividend income in the statement of profit or loss.

Subsequent Measurement
The additional shares received as scrip dividends are recognized as part of the Company's investment in the investee and are subsequently measured in accordance with the applicable accounting policy for investments, depending on their classification, such as:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Cost or equity method, as applicable.

Presentation and Disclosure
Dividend income arising from scrip dividends is presented within investment income in the statement of profit or loss. The number of additional shares received and their fair value at the date of recognition are disclosed in the notes to the financial statements when material.

Foreign Currency Considerations
If scrip dividends are denominated in a foreign currency, the fair value is translated into the Company's functional currency using the exchange rate prevailing at the recognition date.

Investment income
Gains and losses on sale of investments are included in the statements of comprehensive income and expenditure and are recognized when the transaction takes place.

Unrealized gains and losses arising on revaluation of securities classified as held for trading are included in the statements of comprehensive income and expenditure.

Rental income
Rental income from renting of the investment property and the building is recognized as other income on a straight-line basis over the lease term.

Taxes
In accordance with Article No. 12, Clause No. 3, of the Establishment Agreement, the Authority, its assets, income, dividend and operations in the contracting countries, as well as the subscriptions of member countries, issued bonds, loans granted by the Authority, deposits, and donations received shall be exempted from all taxes and fees including customs duties and local taxes.

The Authority is further exempted from the obligation of colleting or paying any fees or taxes.

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and impairment losses. When property and equipment are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting on their disposal is recognized in the statement of comprehensive income and expenditure.

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

Buildings	20 years
Furniture	5 years
Equipment	3 years
Motor vehicles	5 years
Computers	3 years

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

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statements of comprehensive income and expenditure as the expense is incurred.

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

Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statements of comprehensive income and expenditure as the expense is incurred.

The Authority capitalizes all costs relating to assets as capital work-in-progress until the date of completion and commissioning of these assets. These costs are transferred from capital work-in-progress to the appropriate asset category upon completion, commissioning and depreciated over their useful economic lives from the date of such completion and commissioning.

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

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

Reversal of impairment losses recorded in previous years is recorded when there is an indication that the impairment loss for the financial asset has decreased or has decreased, and the decrease can be linked objectively to an event occurring after the impairment was recognized. A reversal of impairment losses is recognized in the statement of comprehensive income and expenditure to the extent that the carrying amount of the asset does not exceed its amortized cost at the date of the reversal.

3 MATERIAL ACCOUNTING POLICIES (continued)

Leases
All agreements for lease entered into by the Authority are considered as operating leases. Payments made under operating leases are charged to the statement of comprehensive income and expenditure on a straight line basis over the lease term.

Authority as a lessor
All lease contracts entered into between the Authority and the lessee are considered as operating leases and are recognized in the statements of comprehensive income and expenditure on an accrual basis.

Contract liabilities
Revenue is recognised when the Authority satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives right to contract liability.
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). The Company's contract liability includes rents received as advances from customers.

Employees' terminal benefits
Provision for employees' end of service benefits is calculated for the accumulated periods of service at the end of the reporting date in accordance with employees' regulation of the Authority and Authority's employee charter.

Financial instruments

Financial assets

Initial recognition and measurement
Financial assets are classified as "cash and cash equivalents", "investments held for trading", "loans", "contributions and direct investments", "other assets", or as "derivatives designated as hedging instruments in an effective hedge" as appropriate. The Authority determines the classification of its financial assets at initial recognition.
All financial assets are recognized initially at fair value plus, in the case of investments not held from trading, directly attributable transaction costs.

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

The Authority's financial assets include cash and cash equivalents, investments held for trading, loans, contributions and direct investments and other assets.

Subsequent measurement
The subsequent measurement of financial assets depend on their classification as follows:

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position consist of cash with banks and short-term highly liquid deposits with a maturity of three months or less, which can be readily converted into a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Authority's statement of cash flows, cash and cash equivalents consist of cash at and banks, short term deposits as defined above, net after deducting bank overdraft balances (if any), as they are an integral part of the Authority's cash management.

3 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Investments held for trading
Investments are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in the statement of comprehensive income and expenditure.

After initial recognition, investments held for trading are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of income and expenditure.

The Authority presents the cash held by the portfolio managers and the custodian under the balances of investments held for the purpose of trading.

Loans and borrowings
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are originated by the Authority with no intention of trading the receivables; and comprise of borrowings to investee companies. Loans are measured at amortized cost less impairment losses, which are calculated based on a provision calculation and using certain assumptions that are disclosed annually. Amortized cost is calculated on the effective interest rate method.

Investment held for sale
The Authority classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Comparative figures are not restated merely due to the classification of an asset or a group of assets as held for sale, unless they meet the definition of a discontinued operation. Since the asset held for sale does not meet this definition, comparative information is presented on the same basis as previously shown, without any reclassification or restatement.

Contributions and direct investments
In accordance with the Establishment Agreement, and the objectives of the Authority, investments are made in companies of similar nature consistent with the objectives of the Authority. They are stated at cost less impairment losses, if any.

Other assets
Other assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other assets include dividend receivable which are stated at original invoice amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

3 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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

- The rights to receive cash flows from the asset have expired, or
- the Authority has transferred its right 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 Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Authority's continuing involvement in the asset. In that case, the Authority also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Impairment of financial assets
The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and also where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

At each reporting date, the Authority performs an assessment on provisions for impairment of loans, contributions to companies, and other receivables, and considers internal and external indicators to determine whether there is objective evidence of a impairment of a specific financial asset or group of financial assets. The Authority considers each financial asset, including loans, contributions, direct investments, and other assets, separately to determine the impairment values. Appropriate assumptions and estimates are used for each asset separately to reach the impairment values. The assumptions used in the expected time to repay an asset represent the discount rate used in calculating the present value of future cash flows, and are guided by consultants' reports regarding the evaluation of the assets of some companies or any assumptions or considerations it deems appropriate or brought to the attention of the Authority. The Authority discloses those assumptions that were used to reach the impairment during the year in the notes related to those financial assets.

In case there is an objective evidence of impairment of investment and recoverability of any related loans and if the investee has a restructuring plan, the Authority usually provides the investee a period of time to assess the final outcome and impact. Based on that a decision will be taken to either provide an impairment or consider an alternative plan such as debt to equity conversion and /or injection of additional capital. The Authority also recommends reversing the value of the previously recorded provision if the performance of financial assets improves.

The Authority recognizes the provision for impairment losses for all financial assets through the statement of comprehensive income and expenditure.

3 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified as “borrowings from financial institutions”, “other liabilities” or as “derivatives designated as hedging instruments in an effective hedge” as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in case of borrowings from financial institutions, financial liabilities are stated at fair value, plus directly attributable transactions costs.

The Authority's financial liabilities include loans from financial institutions and other liabilities. At 31 December, the Authority did not have any financial liabilities at fair value through the statement of comprehensive income and expenditures or derivative financial instruments (if any).

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification as follows:

Accounts payable
Accounts payable are recognized for amounts to be paid in the future.

Derecognition
A financial liability is derecognized 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income and expenditure.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if and only if, the Authority has currently enforceable legal right to offset the recognized amounts and the Authority has an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

Foreign currency
Transactions in foreign currencies are converted into the operating currency according to the spot exchange rates prevailing on the dates of transactions. Year-end cash assets and liabilities denominated in foreign currencies are reconverted into the base currency at the prevailing exchange rates at the reporting date. Foreign currency translation gains or losses are realized for cash assets and liabilities denominated in foreign currencies in the statement of comprehensive income and expenditure. Non-cash assets measured at fair value in a foreign currency are converted at the prevailing exchange rates at the date of determination of fair value.

For the purposes of presenting the financial statements, the financial results of the Authority have been translated into Kuwaiti Dinars (the currency of presentation) as follows:

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency (continued)
Assets and liabilities have been transferred at the closing price at the date of the statement of financial position except for the following:

- Property and equipment
- Contributions and direct investments
- Investment property
- Provisions
- Unpaid dividends

- Income and expenses are translated at the transaction date exchange rates; and
- All resulting exchange differences are recognized as a separate component of equity as foreign currency translation reserve.
- The entity's investments in subsidiaries are recorded at historical cost in their local currencies and are not revalued, except in the case of sale or disposal, in which case management calculates gains or losses based on historical cost on the date of sale or disposal. As of December 31, there were no sales or disposals.

Provisions
Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Authority expects some or all of a provision to be reimbursed, for example, provisions under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in statement of comprehensive income and expenditure, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a discount 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 recorded as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Dividends
The Authority records an obligation to pay cash dividends when the distribution is approved and the distribution is no longer at the discretion of the Authority. The reversal of any interest on dividends will only be made after approval by the Authority's Board of Directors, with reference to the shareholders' recommendation, and these interests will be returned directly to the general reserve.

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

Statutory reserve
According to the text of Article (19/2) of the Authority's bylaws, the Authority must transfer 10% of the income for the year to the statutory reserve until the reserve reaches 20% of the Authority's capital unless the shareholders decide to exceed this percentage.

General reserve
In accordance with the text of Article (19/2) of the Authority's bylaws, shareholders have the right to create any other reserves, as required. The general reserve provision is created by transferring the net profits/(losses) for each year after deducting the existing reserves. This reserve is available for distribution, and the general reserve represents the retained profits or losses for the Authority after deducting all other reserves.

Voluntary reserve
This reserve was established based on Board of Directors' Resolution No. 13 of 1990, which requires that this reserve be deducted from the net profit as necessary and is used to protect the Authority's interests against impairment of the investment in investee companies. This reserve may not be used for any purpose other than the purpose specified therefor.

Foreign currency translation reserve
The foreign currency translation reserve includes the results of converting all balances recorded in US dollars (the operating currency) in the financial statements at the yearend into the Kuwaiti dinar (the presentation currency).

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

4 CASH AND CASH EQUIVALENTS

	2025	*2024*
	KD	*KD*
Bank balances	**2,050,226**	39,121,000
Term deposits (matured within three months from the acquisition date)	**4,098,282**	4,333,668
	6,148,508	43,454,668

Cash equivalents (term deposits) yields interest at variable rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day, three months and six months, depending on the immediate cash requirements of the Authority, and earn interest at the respective short-term deposit rates.

The Authority does not have any pledges or securities on bank balances and term deposits as on 31 December 2025 and 31 December 2024.

Cash and cash equivalents at the currency level:

	2025	*2024*
	KD	*KD*
USD	**3,498,424**	40,637,238
AED	**2,647,687**	2,651,635
EUR	**657**	164,095
Other currencies	**1,740**	1,700
	6,148,508	43,454,668

5 INVESTMENTS HELD FOR TRADING

Investments held for trading are managed by the portfolio managers appointed by the Authority and under supervision of the Investments Committee. Investments held for trading as at 31 December comprise of the following:

	2025	*2024*
	KD	*KD*
Equity held securities	**113,095,563**	104,707,324
Fixed income held securities	**70,269,386**	36,268,451
Cash in portfolios	**3,918,059**	2,166,844
Fair value of derivatives	**65,567**	169,305
	187,348,575	143,311,924

The movement in investments held for trading is as follows:

	2025	*2024*
	KD	*KD*
As at 1 January	**143,311,924**	179,513,922
Additions	**32,983,200**	462,150
Disposals	**(5,269,377)**	(51,559,049)
Net gains on investments held for trading (note 20)	**16,322,828**	14,894,901
As at 31 December	**187,348,575**	143,311,924

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

5 INVESTMENTS HELD FOR TRADING (continued)

The balance of investments held for the purpose of trading (stocks and securities with fixed income) was distributed to the investment portfolio managers, as follows:

Portfolio	***2025*** KD Equity securities	KD Fixed Income	KD Cash in portfolios	*2024* KD Equity securities	KD Fixed Income	KD Cash in portfolios
Portfolio 1	**25,799,496**	**-**	**1,045,698**	23,444,211	-	537,081
Portfolio 2	**28,247,507**	**18,527,451**	**2,558,126**	24,531,376	18,726,236	1,622,178
Portfolio 3	**25,971,331**	**-**	**4,821**	22,344,067	-	7,585
Portfolio 4	**17,948,044**	**-**	**-**	19,104,288	-	-
Portfolio 5	**9,178,924**	**-**	**-**	7,976,822	-	-
Portfolio 6	**4,307,737**	**-**	**-**	4,510,473	-	-
Portfolio 7	**-**	**8,511,703**	**-**	-	8,114,963	-
Portfolio 8	**-**	**6,325,807**	**-**	-	6,198,784	-
Portfolio 9	**-**	**3,566,659**	**-**	-	3,397,773	-
Portfolio 10	**1,642,524**	**-**	**295,191**	2,796,087		-
Portfolio 11	**-**	**16,533,926**	**5,359**	-	-	-
Portfolio 12	**-**	**16,869,407**	**8,864**	-	-	-
	113,095,563	**70,334,953**	**3,918,059**	104,707,324	36,437,756	2,166,844

The balance of investments held for trading, broken down by currency, is as follows:

	2025 ***KD***	*2024* *KD*
United States Dollars (USD)	**162,002,166**	117,405,571
Japanese Yen	**4,795,154**	4,162,423
Euro	**8,816,033**	8,556,486
Pound Sterling	**4,294,234**	3,311,691
Swiss Franc	**2,006,632**	1,752,081
Others	**5,434,356**	8,123,672
	187,348,575	143,311,924

The balance of investments held for trading includes cash balances with the custodian and portfolio managers as an integral part of the portfolio managers' duties in managing the investment portfolio with the Authority as at 31 December 2025, at an amount of KD 3,918,059 (31 December 2024: KD 2,166,844). Income (loss) from investments held for trading includes realized foreign exchange losses amounting to KWD 246,676 and unrealized foreign exchange losses amounting to KWD 550,475.

6 LOANS GRANTED TO OTHERS, NET

In accordance with the Authority's objectives, the Authority grants majority of loans to its investee companies to finance their operations (Note 7). Loans agreements signed between the Authority and these companies contain certain covenants, such as:

1) Ensuring commitment of investees to fulfil their obligations as stipulated in the signed loan agreement by creating a floating lien on all their assets to the Authority;
2) Obligation of investee companies not to dispose of their assets either by sale, grant, by any other means or assignment of any rights to other companies without obtaining prior written approval from the Authority; and
3) Obligation of investee companies to give the priority to the loans borrowed from the Authority in settlement over any other debts.

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

6 LOANS GRANTED TO OTHERS, NET (continued)

The movement in the loans balance was as follows:

	2025 ***KD***	*2024* *KD*
Balance at beginning of year	**37,855,106**	38,149,247
Additions during the year	**206,931**	90,273
Collections during the year	**(364,483)**	(120,542)
Exchange differences	**-**	(263,872)
Balance at the end of the year	**37,697,554**	37,855,106
Less: Provision for impairment losses	**(37,697,554)**	(37,855,106)
	-	-

The movement in the allowance for impairment losses is as follows:

	2025 ***KD***	*2024* *KD*
Balance at beginning of year	**37,855,106**	36,166,331
Charged during the year (Note 23)	**206,931**	1,688,775
Reversal during the year	**(364,483)**	-
Balance at the end of the year	**37,697,554**	37,855,106

As of 31 December 2025, the total provision for loan impairment granted to others amounted to KD 37,697,554 (2024: KD 37,855,106) related to some loans granted to companies in which the Authority invests. This is as a result of the failure of these companies to fulfil their obligations to the Authority on their due dates, in addition to the Authority's lack of certainty about the possibility of recovering these loans. During the year ended 31 December 2025, the Authority recorded impairment losses in the value of loans amounting to KD 206,931 (2024: KD 1,688,775) in the statement of comprehensive income and expenditure and reversal of provision amounting to KD 364,483. The management considers that the provision recorded is sufficient in accordance with the methodology for calculating loan provisions in accordance with the accounting policies of the Authority, taking into account the following:

- Recording a provision for impairment in the full value of loans granted to companies that have defaulted in repayment for extended periods of time and that suffer from financial difficulties that make the possibility of collecting the value of the loans slim.

- Recording a provision for the certain loans granted to others that equals to the present value of the future cash flows of some loans that are expected to be rescheduled within two years after the passage of three years, a grace period starting from 2024, with a discount rate ranging between 5% and 6%.

The balance of loans granted to others, distributed according to the grantees, as at 31 December, is the following:

Total balance	**Country**	***2025*** ***KD***	*2024* *KD*
Arab Company for Agricultural Production and Processing	Sudan		
Loan for refinancing and production inputs		**26,161,397**	26,161,397
Loan for financing feed production		**783,011**	783,011
Loan for payment of employees’ accruals		**539,175**	539,175
Loan for financing production inputs for year 2001-2002		**114,028**	114,028
		27,597,611	27,597,611

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

6 LOANS GRANTED TO OTHERS, NET (continued)

	Country	*2025* KD	*2024* KD
Arabian Shrimp Company	**KSA**		
Unified loan		**2,064,270**	2,064,270
Tayseer loan		**1,800,665**	1,800,665
Agriculture Development Fund		**755,222**	550,003
Bridge loan		**1,201,590**	1,201,590
Short-term loan		**539,904**	539,904
		6,361,651	6,156,432
Arab Sudanese Blue Nile Agricultural Company (AGADI)	**Sudan**		
Operational loan 2011-2012		**1,978,153**	1,978,153
Arab Company for Crops Production	**Sudan**		
Irrigation Axels		**815,040**	815,040
Short terms operating loan		**1,536**	1,536
		816,576	816,576
Pioneer (Al-Ruwad)	**Sudan**		
Operational loan (2008-2009)		**161,567**	161,567
Capital loan 2006		**77,961**	77,961
Operating loan (2007-2008)		**19,695**	19,695
		259,223	259,223
Orbis Berries Company	**Morocco**	**-**	92,430
Dhayat Yousef Company	**Morocco**	**308,100**	308,100
Al Sarha Animal Production Company	**Sudan**	**280,091**	280,091
Kabuja Association for Agricultural Production	**Sudan**	**-**	19,172
Wad Aabid Association	**Sudan**	**-**	13,062
Al-Mutamayaza for Vegetables and Crops	**Sudan**	**63,395**	63,395
Raedat Agadi Association	**Sudan**	**-**	7,723
Others		**32,754**	263,138
		684,340	1,047,111
Total loans granted to others		**37,697,554**	37,855,106
Less: Provision for impairment losses		**(37,697,554)**	(37,855,106)
		-	-

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

7 CONTRIBUTIONS AND DIRECT INVESTMENTS, NET

In accordance with the Authority's objectives, the Authority participated in establishing certain companies, which are specialized in agriculture field and foodstuff, as well as investment in companies with similar objectives. Although the Authority owns varying shares as shown below, these investments are classified under "contributions and direct investments". Based on the accounting policy approved by the Authority, these investments were recorded in the financial statements at cost less accumulated impairment losses, which were accounted for in accordance with the methodology for calculating contributions provisions. The following table represents the cost of the outstanding investments as at 31 December:

	Country	Ownership	***2025 KD***	*2024 KD*
White Nile Sugar Company	Sudan	**14.38%**	**21,447,084**	21,447,084
Arab Company for Processing and Production of Poultry - ordinary shares	Sudan	**78.80%**	**18,664,312**	18,664,312
Arab Sudanese Vegetable Oil Company	Sudan	**88%**	**17,631,760**	17,631,760
Arab Sudanese Blue Nile Agricultural Company (AGADI)	Sudan	**85.30%**	**13,061,714**	13,061,714
Kenana Sugar Company	Sudan	**5.59%**	**10,703,800**	10,703,800
Arab Company for Agricultural Production and Processing	Sudan	**42.50%**	**8,778,375**	8,778,375
El Faiyum Sugar Works Company	Egypt	**26.93%**	**8,215,308**	8,215,308
The Arab Iraqi Dairy Company	Iraq	**50%**	**6,671,003**	6,671,003
Emirates Rawabi Company Limited	UAE	**20%**	**8,315,968**	4,813,829
Osool for Poultry	Oman	**20.58%**	**4,698,244**	4,698,244
Arab Company for Crops Production - Atbara	Sudan	**52.75%**	**4,113,883**	4,113,883
Veterinary Medicines Company Limited	Sudan	**32.53%**	**4,905,758**	4,905,758
Al bashayer Meat Company	Oman	**20%**	**4,040,020**	4,040,020
Elaf for Starch and Glucose	Sudan	**100%**	**3,831,264**	3,831,264
Al-Ahliah Company for Vegetable Oils, Hama, Syria	Syria	**40%**	**3,641,476**	3,641,476
Arabian Cooperative Company - Aseer	Saudi Arabia	**20%**	**6,151,069**	2,879,325
Arab Trade Financing Program	UAE	**0.73%**	**2,719,240**	2,719,240
Arab Qatari Agricultural Production Company	Qatar	**50%**	**2,314,839**	2,314,839
The Arabian company for Preserving and Manufacturing Agricultural Crops	Egypt	**92.5%**	**2,289,644**	2,289,644
Orbies Berries	Morocco	**49.0%**	**-**	1,711,398
Arab Company for Agricultural Services	Mauritania	**50%**	**1,575,260**	1,575,260
Arab Muritanian Fish Company (Samak)	Mauritania	**40.5%**	**1,555,807**	1,555,807
Youseff Farm	Morocco	**49.0%**	**1,531,431**	1,531,431
Alsarha for Animal Production	Sudan	**30.0%**	**1,452,109**	1,452,109
Middle east for veterinary vaccines (MEVAC)	Egypt	**4.4%**	**1,554,192**	1,554,192
Arab Sudanese Seeds Company	Sudan	**34.9%**	**1,215,376**	1,215,376
Arabian Shrimp Company	Saudi Arabia	**45.0%**	**1,183,347**	1,183,347
Al Marga for Cattle and Agricultural Development Company	Tunisia	**63.3%**	**1,160,709**	1,160,709
Arab Poultry and Cattle Equipment Company (APCECO)	UAE	**27.4%**	**1,093,952**	1,093,952
The Arab Investment & Export Credit Guarantee Corporation	Kuwait	**1.96%**	**1,092,240**	1,092,240
Arab Fisheries Co	Saudi Arabia	**48.7%**	**952,843**	952,843
Arab Moroccan for Agricultural Development (SAMADA)	Morocco	**50.0%**	**851,387**	851,387
Orbis Green Olive	Morocco	**49.0%**	**740,875**	740,875
Tunisia Aquaculture Fund	Tunisia	**38.3%**	**636,323**	636,323
National Veterinary Vaccines Co. LLC	Oman	**50.0%**	**534,791**	534,791
Agro-Zitex Company (note 11)	Tunisia	**25.0%**	**-**	513,665
Mabrouka Seeds Company	Tunisia	**49.0%**	**358,539**	358,539

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2025

7 CONTRIBUTIONS AND DIRECT INVESTMENTS, NET (continued)

	Country	Ownership	***2025 KD***	*2024 KD*
Al Muzdana Zero-Tillage Agricultural Company	Sudan	**12.4%**	**346,064**	346,064
Arab Company for the Manufacturing of Advanced Irrigation Equipment (MAIE)	Syria	**25.0%**	**299,210**	299,210
Omani Euro Food Industries Company	Oman	**17.1%**	**259,022**	259,022
Al Murouj Dairy Company	Oman	**20.0%**	**245,054**	245,054
Syrian Arab Company for Agricultural Products Development (GADAK)	Syria	**5.00%**	**164,464**	164,464
Trans-Agri Company	UAE	**50.0%**	**-**	83,652
Mid-West Milk Company (Sidi Bouzid)	Tunisia	**25.0%**	**36,216**	36,216
Arab Company for Meat	Mauritania	**27.2%**	**25,534**	25,534
Al Mutamayiza for Vegetables and Crops Production	Sudan	**42.5%**	**17,147**	17,147
Arabiska Fruits Company	Tunisia	**50.0%**	**2,254**	2,254
Total costs of investments			**171,078,907**	166,613,739
Provision for impairment			**(107,969,107)**	(109,132,174)
			63,109,800	57,481,565

Movement in the provision for impairment of contributions and direct investments:

	2025 KD	*2024 KD*
Balance at beginning of year	**109,132,174**	90,460,874
Charged during the year (Note 23)	**2,165,114**	18,671,300
Reversed during the year (Note 23)	**(2,249,807)**	-
Removal during the year	**(1,078,374)**	-
Balance at the end of the year	**107,969,107**	109,132,174

The Authority studies and evaluates the impairment to review the financial performance and the operational conditions of each investee company at the date of the statement of financial position, to determine the need for an additional provision for impairment. the Authority reviews the historical financial performance as well as the future cash flows of all investee companies and creates an additional allowance for impairment losses, if any.

7 CONTRIBUTIONS AND DIRECT INVESTMENTS, NET (continued)

As at the reporting date, the Authority has made total provision for impairment on its direct investments of KD 107,969,107 (2024: KD 109,132,174) related to certain entities where there is objective evidence of impairment. During the year ended 31 December 2025, the Authority recorded impairment losses on investments of KD 2,165,114 (2024: KD 18,671,300), reversed impairment provisions amounting to KD 2,249,807 recognized in the statement of comprehensive income and expenditure and removed impairment provisions amounting to KD 1,078,374 due to the liquidation of Trans-Agri Co Ltd and the sale of Orbis Berries. The management believes that the provision that was recorded based on the results of the study of calculating the allocations and the approval of the Chairman of the Authority is appropriate in accordance with the Authority's accounting policy, which is as follows:

- In some investments, a provision for impairment was calculated to study the future business plan of companies that showed that there are indicators, whether internal or external, that indicate an impairment of contributions, and the calculation of a provision for impairment depends on calculating the value of the Authority's contribution to those companies using the model of discounting the present value of future cash flows.

- Forming a provision for impairment of certain contributions and investments equivalent to the full value of the Authority's contributions in fully defaulted companies that do not have approved plans to improve performance in the near future.

- Based on the results of the study of calculating provisions for certain contributions and investments, several assumptions were used, namely discount rates ranging from 6% to 8%, using a marketing discount rate as appropriate, and using a growth rate according to the expectations of the International Monetary Fund and based on the cash flows of the future plan of the investee company.

- Based on the results of the study of calculating provisions for certain contributions and investments, several assumptions were used, represented by conflict risk rates ranging from 20% to 50%, which were estimated according to the judgmental estimate of the Cost Committee for Calculating Provisions.

During the year ended 31 December 2025, Arab Company for Agricultural Cooperative – Aseer distributed dividends to the Authority comprising cash dividends amounting to KD 439,648 and share (scrip) dividends amounting to KD 3,264,880. The Authority recognized the total dividends in the statement of income and expenditure and recorded a corresponding increase in the share capital of the investee, reflected under contributions and direct investments in the statement of financial position for the amount relating to the share dividends.

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 December 2025

8 PROPERTY AND EQUIPMENT, NET

The movement in property and equipment for the year ended 31 December 2025 is as follows:

	Buildings KD	*Furniture and equipment KD*	*Motor vehicles KD*	*Computer accessories KD*	*Capital work in progress KD*	*Total KD*
Cost						
At 1 January 2025	5,355,674	2,151,293	285,065	1,133,228	288,412	9,213,672
Additions during the year	350,523	-	47,988	-	22,945	421,456
Disposals during the year	-	-	(20,853)	-	-	(20,853)
At 31 December 2025	**5,706,197**	**2,151,293**	**312,200**	**1,133,228**	**311,357**	**9,614,275**
Accumulated depreciation						
At 1 January 2025	311,536	1,543,057	274,461	994,002	-	3,123,056
Change for the year	286,442	325,743	11,808	64,199	-	688,192
Disposals during the year	-	-	(18,387)	-	-	(18,387)
At 31 December 2025	597,978	1,868,800	267,882	1,058,201	-	3,792,861
Net book value						
At 31 December 2025	**5,108,219**	**282,493**	**44,318**	**75,027**	**311,357**	**5,821,414**

Government Grant

The Authority owns a plot of land listed under properties & equipment in the United Arab Emirates, Dubai received under Government Grant with no conditions and is recorded at a nominal value.

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 December 2025

8 PROPERTY AND EQUIPMENT, NET (continued)

The movement in property and equipment for the year ended 31 December 2024 is as follows:

	Buildings KD	*Furniture and equipment KD*	*Motor vehicles KD*	*Computer accessories KD*	*Capital work in progress KD*	*Total KD*
Cost						
At 1 January 2024	5,353,624	2,159,784	345,209	713,858	2,431,301	11,003,776
Additions during the year	2,050	4,246	-	-	-	6,296
Transfers during the year	-	1,652	-	419,370	(421,022)	-
Disposals / write off during the year	-	(14,389)	(60,144)	-	(579,309)	(653,842)
Impairment provision (Note 23)	-	-	-	-	(1,142,558)	(1,142,558)
At 31 December 2024	5,355,674	2,151,293	285,065	1,133,228	288,412	9,213,672
Accumulated depreciation						
At 1 January 2024	43,814	1,231,464	317,104	449,413	-	2,041,795
Change for the year	267,722	324,948	16,598	544,589	-	1,153,857
Disposals / write off during the year	-	(13,355)	(59,241)	-	-	(72,596)
At 31 December 2024	311,536	1,543,057	274,461	994,002	-	3,123,056
Net book value						
At 31 December 2024	5,044,138	608,236	10,604	139,226	288,412	6,090,616

Government Grant
The Authority owns a plot of land listed under properties & equipment in the United Arab Emirates, Dubai received under Government Grant with no conditions and is recorded at a nominal value.

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

9 INVESTMENT PROPERTY, NET

The Authority has an investment property represented in a building for the Authority in Khartoum. The following is an analysis of the movement in the investment property for the year ended 31 December:

	2025 ***KD***	*2024* *KD*
Costs		
At the beginning of the year	**1**	5,188,396
Additions during the year	**-**	-
At the end of the year	**1**	5,188,396
Accumulated depreciation		
At 1 January	-	5,188,395
Charged for the year	-	-
Impairment of investment property	-	-
At 31 December	-	5,188,395
Net book value as at 31 December	**1**	1

10 OTHER ASSETS

	2025 ***KD***	*2024* *KD*
Accrued interests on loans	**4,649,346**	4,976,085
Due from related parties (Note 10.1)	**7,649,870**	6,636,511
Employees' advances	**8,766**	7,556
Others	**1,773,814**	1,307,792
	14,081,796	12,927,944
Less: Provision for impairment losses	**(10,320,332)**	(10,275,296)
	3,761,464	2,652,648

Movement in the provision for impairment of other assets was as follows:

	2025 ***KD***	*2024* *KD*
Balance at beginning of year	**10,275,296**	6,311,279
Charged during the year (Note 23)	**47,195**	3,964,017
Written off during the year	**(2,159)**	-
Balance at the end of the year	**10,320,332**	10,275,296

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

10.1 DUE FROM RELATED PARTIES

	KD 2025	*KD 2024*
White Nile Sugar	**3,003,039**	3,003,039
Orbis Berries	**1,526,683**	-
Al Faiyum Sugar Works	**964,050**	561,219
Arabian Shrimp Co.	**530,404**	828,003
Arab Sudanese Blue Nile Agricultural Co.	**471,737**	471,737
Arab Company for Agricultural Production and Processing	**398,932**	398,932
Arab Sudanese Vegetable Oil Co.	**286,625**	286,625
Arab Iraqi Dairy Production Co.	**279,238**	-
Others	**189,162**	1,086,956
	7,649,870	6,636,511

The impairment provision on amounts due from related parties amounts to KD 5,670,134 (2024: KD 5,622,898) and is included within the total impairment allowance disclosed in Note 10.

11 ASSETS HELD FOR SALE

	Company	***2025 KD***	*2024 KD*
Asset held for sale (Note 7)	Agro-zitex	**291,127**	-
		291,127	-

- During the period, the Authority received a binding offer from the other shareholder in Agro-zitex to purchase the Authority's stake in the company. Following discussions between the parties, an agreement was reached on 11 December 2025 to proceed with the sale of the shares to the existing shareholder. The sale of Agro-zitex is expected to be completed within one year from 31 December 2025. As management is committed to a plan to sell this stake and the asset is available for immediate sale in its present condition, it has been classified as an asset held for sale as at 31 December 2025.
- During the period, an impairment loss of KD 222,538 was recognized as at 31 December 2025 to reduce the carrying amount of the asset to its fair value less costs to sell. No further gains or losses were recognized in profit or loss in relation to this asset. The Authority has received an amount of KD 291,127 in respect of the sale of its direct investment in Agro-zitex; however, as at the date of preparation of the financial statements, the sale agreement has not yet been fully completed and executed. Accordingly, the investment continues to be recognized and presented as an asset held for sale until the sale is formally finalized.

12 LOANS FROM FINANCIAL INSTITUTIONS

	Country	***2025 KD***	*2024 KD*
Saudi Fund for Development (note a)	Kingdom of Saudi Arabia	**333,500**	331,769
Agricultural Development Fund (note b)	Kingdom of Saudi Arabia	**2,036,577**	2,241,282
		2,370,077	2,573,051

12. LOANS FROM FINANCIAL INSTITUTIONS (continued)

a. The fixed term loan from the Saudi Fund for Development is unsecured and carries the weighted average interest rate (LIBOR) plus an agreed upon commission.

b. The fixed term loan from the Agricultural Development Fund is secured with some financial portfolios in ENBD and carries the weighted average interest rate (LIBOR) plus an agreed upon commission.

The fixed-term loans mature as follows:

	2025	*2024*
	KD	*KD*
Within one year	**-**	-
Within five years	**333,500**	331,769
After five years	**2,036,577**	2,241,282
	2,370,077	2,573,051

13. OTHER LIABILITIES

	2025	*2024*
	KD	*KD*
Suppliers and payables	**1,972,177**	4,264,846
Accrued expenses	**1,512,353**	2,689,550
Payments received from Libya under capital increase	**3,938,441**	3,938,441
Rents in advance	**32,677**	101,179
Others	**209,391**	378,355
	7,655,039	11,372,371

14 EMPLOYEES' END OF SERVICE BENEFITS

Movement of employees' end of service benefits is as follows:

	2025	*2024*
	KD	*KD*
Balance at beginning of year	**1,485,852**	2,133,667
Charged for the year	**280,942**	237,313
Payments made during the year	**(154,613)**	(885,128)
Balance at the end of the year	**1,612,181**	1,485,852

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

15 PAID-UP SHARE CAPITAL

The breakdown of the subscribed and paid-up share capital as at 31 December is given below:

	2025		2024	
	Share capital Authorized KD	***Share capital Paid up KD***	*Share capital Authorized KD*	*Share capital Paid up KD*
Member countries				
Kingdom of Saudi Arabia	**51,190,000**	**51,187,169**	51,190,000	51,187,169
The State of Kuwait	**44,330,000**	**44,329,885**	44,330,000	44,329,885
United Arab Emirates	**34,130,000**	**34,128,133**	34,130,000	34,128,133
The Republic of Iraq	**34,130,000**	**34,128,133**	34,130,000	34,128,133
The Republic of Sudan	**34,070,000**	**27,030,233**	34,070,000	27,030,233
The State of Qatar	**17,060,000**	**17,059,036**	17,060,000	17,059,036
The Arab Republic of Egypt	**6,830,000**	**6,829,651**	6,830,000	6,829,651
The People's Democratic Republic of Algeria	**3,410,000**	**3,409,795**	3,410,000	3,409,795
The Kingdom of Morocco	**1,370,000**	**1,369,954**	1,370,000	1,369,954
Sultanate of Oman	**230,000**	**233,356**	230,000	233,356
The Kingdom of Bahrain	**230,000**	**233,356**	230,000	233,356
The Republic of Tunisia	**220,000**	**222,870**	220,000	222,870
The Islamic Republic of Mauritania	**220,000**	**223,134**	220,000	223,134
The Hashemite Kingdom of Jordan	**110,000**	**111,648**	110,000	111,648
The Democratic Republic of Somalia	**110,000**	**103,559**	110,000	103,559
Republic of Lebanon	**100,000**	**100,743**	100,000	100,743
The Republic of United Comoros	**110,000**	**83,866**	110,000	83,866
The Republic of Yemen	**110,000**	**82,758**	110,000	82,758
The State of Palestine	**80,000**	**81,608**	80,000	81,608
The Syrian Arab Republic	**110,000**	**75,670**	110,000	75,670
Republic of Djibouti	**80,000**	**51,515**	80,000	51,515
Unsubscribed shares	**107,770,000**	**-**	107,770,000	-
	336,000,000	**221,076,072**	336,000,000	221,076,072

16 STATUTORY RESERVE

According to the text of Article (19/2) of the Authority's bylaws, the Authority must transfer 10% of the income for the year to the statutory reserve until the reserve reaches 20% of the Authority's capital unless the shareholders decide to exceed this percentage.

17 GENERAL RESERVE

In accordance with the text of Article (19/2) of the Authority's bylaws, shareholders have the right to create any other reserves, as required. The general reserve provision is created by transferring the net profits/(losses) for each year after deducting the existing reserves. This reserve is available for distribution.

18 VOLUNTARY RESERVE

This reserve was established based on Board of Directors' Resolution No. 13 of 1990, which requires that this reserve be deducted from the net profit as necessary and is used to protect the Authority's interests against impairment of the investment in investee companies. This reserve may not be used for any purpose other than the purpose specified therefor. On 7 April 2022, the Board of Directors of the Authority has approved the transfer of KD 2,000,000 from the general reserve to the voluntary reserve.

19 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve includes the results of converting all monetary assets and liabilities in US dollars (the operating currency) in the financial statements at the year end into the Kuwaiti dinar (the presentation currency).

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

20 NET GAINS ON INVESTMENTS HELD FOR TRADING

	2025 KD	*2024 KD*
Dividends from securities and interest from bonds	**5,153,588**	4,846,982
Net gain on sale of investments held for trading	**5,109,114**	1,618,579
Change in fair value of held-for-trading investments	**5,994,559**	8,260,035
Unrealized futures contract valuation differences	**65,567**	169,305
	16,322,828	14,894,901

21 DIVIDENDS FROM CONTRIBUTIONS AND DIRECT INVESTMENTS

	2025 KD	*2024 KD*
Al Faiyum Sugar Company	**1,290,687**	1,089,535
Arabian Cooperative Company - Aseer	**3,704,528**	431,211
Al-Ahlia Company for Vegetable Oils	**373,046**	309,169
The Arab Iraqi Dairy Company	**126,461**	151,178
Al Margi for Livestock	**173,928**	29,889
Arab Trade Finance Program	**89,194**	56,194
Arab Qatari Agricultural Production Company	**145,849**	84,294
	5,903,693	2,151,470

a) During 2025, dividends amounting to KWD 3,704,528 were distributed by the Arab Company for Agricultural Cooperative – Aseer, comprising cash dividends of KWD 439,648 and share (scrip) dividends of KWD 3,264,880.

22 OTHER INCOME

	2025 KD	*2024 KD*
Reversal of provisions (note 22a)	**1,382,413**	2,415,675
Rental income	**290,923**	20,101
Others (note 22b)	**1,346,048**	59,443
	3,019,384	2,495,219

a) This income mainly represents the reversal of provisions and accrued expenses recognized in prior periods that were subsequently determined to be no longer required, following settlements and account closures.

b) This mainly represents accounting adjustments resulting from the reversal of excess accrued expenses recognized in prior periods, including the reversal of accruals related to financial investments upon receipt of final invoices, where actual amounts were lower than the previously estimated and recorded accruals, in addition to corrections of certain historical accounting entries.

c) During the period, a gain of KD 793,605 was recognized from the sale of Orbis Berries Company, as the selling price exceeded the carrying amount of the investment. An amount of KD 1,527,000 was received in January 2026 in relation to the sale of the company.

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

23 IMPAIRMENT LOSSES

	2025 KD	2024 KD
Contributions and direct investments (note 7)	**2,165,114**	18,671,300
Property and equipment and investment property (note 8 & 9)	**-**	1,142,558
Other assets (note 10)	**47,195**	3,964,017
Loans granted to others (note 6)	**206,931**	1,688,775
	2,419,240	25,466,650

	2025 KD	2024 KD
Reversal of impairment losses in contributions and direct investments	**2,249,807**	18,671,300

24 RISK MANAGEMENT

The Authority's activities may expose it to a variety of financial risks: Market risk (including interest rate risk and currency risk and price risk), credit risk and liquidity risk. The Authority's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Authority's financial performance. It includes investments held for the purpose of trading, contributions, direct investments, loans granted to others, amounts due from related parties, cash, and bank balances.

24.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk.

24.1.1 Interest rate risk

Interest rate risks is the risk that the fair value or future cash flows of a financial instrument would fluctuate as a result of the of changes in interest rate in market. The Authority is exposed to interest rate risk on loans granted to others.

24.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Authority's exposure to the risk of changes in foreign exchange rates primarily relates to the Authority's operating activities (when income or expenditure is denominated in currencies different from the Authority's presentation currency).

The following table analysis details the financial assets and liabilities in foreign currencies:

	2025		*2024*	
	Financial assets KD	***Financial Liabilities KD***	*Financial assets KD*	*Financial liabilities KD*
US Dollar	**165,500,591**	**11,945,018**	158,042,809	15,431,274
JPY	**4,795,154**	**-**	4,162,423	-
EUR	**8,816,689**	**-**	8,720,581	-
Swiss Franc	**2,006,632**	**-**	1,752,081	-
GBP	**4,294,234**	**-**	3,311,691	-
UAE Dirham	**2,647,687**	**-**	2,651,635	-
Sudanese Pound	**1,191**	**-**	1,396	-
Other	**5,434,905**	**-**	8,124,643	-
	193,497,083	**11,945,018**	186,767,259	15,431,274

Arab Authority for Agricultural Investment and Development
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

24. RISK MANAGEMENT (continued)

24.1.3 Stock and bond price risks
Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the individual value of the securities. The Authority is exposed to equity price risk on its investments held for trading. The Authority manages this risk through diversification of investments in terms of industry diversification.

The following table presents concentration of equity stocks and bonds based on geographical areas:

	2025		*2024*	
Markets	***KD***	***Percentage***	*KD*	*Percentage*
North America	**103,041,716**	**55%**	97,452,109	68%
Western Europe	**71,192,459**	**38%**	35,827,981	25%
East Asia & Pacific	**11,240,915**	**6%**	8,598,715	6%
Others	**1,873,485**	**1%**	1,433,119	1%
	187,348,575	**100%**	143,311,924	100%

24.2 Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Management of the Authority seeks to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of counterparties. The maximum credit risk is limited to the carrying values of financial assets appearing on the statement of financial position.

The Authority seeks to limit its credit risk with respect to borrowers by monitoring outstanding loans. The Authority limits credit risk with regard to its cash and cash equivalents by only dealing with reputable banks.

With respect to credit risk arising from the other assets, the Authority's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a) Maximum exposure to credit risk is as follows:

	2025 ***KD***	*2024* *KD*
Fixed income securities	**70,269,386**	36,268,451
Other assets	**3,761,470**	2,652,648
Bank balances	**2,050,226**	39,120,000
Term deposits (matured within three months from the acquisition date)	**4,098,282**	4,333,668
	80,179,364	82,374,767

24.3 Liquidity risk
Liquidity risk is the risk that the Authority will not be able to meet its commitments associated with financial instruments as they become due. Liquidity risk is managed by the treasury department of the Authority. To manage this risk, the Authority periodically assesses the financial viability of borrowing companies and invests in bank deposits or other investments that are readily realizable. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The management has developed policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure that the Authority maintains sufficient liquidity. Senior management continuously reviews information on the Authority's liquidity developments.

25. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Authority has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Authority uses observable market data as far as possible. The book values are categorized into levels of the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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 — Other Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Authority recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As at 31 December 2025 and 31 December 2024, the fair values of the Company's financial instruments are estimated to approximate their carrying values.

As at 31 December 2025 and 31 December 2024, the fair value of held-for-trading investments was estimated based on the first level of fair value valuation basis.

During the year ended 31 December 2025 and 31 December 2024, there was no movement between levels.

26 CAPITAL MANAGEMENT

The Authority manages its capital to ensure its ability to continue as a going concern and maximizing the shareholders returns through the optimization benefit of the debt and equity balances. The Authority's General Investment Policy was updated, amended, and approved during the Board of Directors meeting held on 12 December 2024.

The capital of the Authority comprises contribution from member countries comprising the issued capital as disclosed in Note 15.

27 REMUNERATION OF KEY MANAGEMENT PERSONNEL AND MEMBERS OF THE BOARD OF DIRECTORS

Key management personnel are those persons having authority and responsibility for planning, directing and monitoring the activities of the Authority, either directly or indirectly, including the Board of Directors.

The following table shows remuneration of directors and other members of key management during the year:

	2025 ***KD***	*2024* *KD*
Remuneration paid to directors		
Meeting attendance fees	**165,568**	162,600
Remuneration	**107,952**	108,884
	273,520	271,484
Key management compensation		
End-of-services benefits	**44,081**	71,628
Short term benefits	**286,055**	374,354
	330,136	445,982

Arab Authority for Agricultural Investment and Development

NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2025

28 COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments
As at 31 December 2025, the Authority has no capital obligations (2024: KD 515,726). The Authority has an investment commitment of KD 1.8 million in a private investment fund.

Contingent liabilities
As at 31 December 2024, the Authority has solidarity guarantees in favor of commercial banks amounting to KD 6.6 million (equivalent to USD 21.6 million (2024 - KD 6.3 million (equivalent to USD 20.5 million). These guarantees have been provided to some financial institutions to support companies in which the Authority invests to obtain financial facilities. Some of Emirates NBD's portfolios are mortgaged to the Agricultural Development Fund's guarantee for a loan granted to one of the Authority's companies.

Legal Claims
As with financial institutions, the Authority is subject to legal action during the normal course of business. Based on independent legal advice, the Authority does not believe that these issues will have material effects on its income or financial position. There are 3 lawsuits against the Authority, a lawsuit from the Zakat Bureau - Sudan for an amount of 7 million Sudanese pounds, a lawsuit from a former employee of the Authority for $ 23,000 and a lawsuit from the Ministry of Lands - Gezira State - Sudan.

وفي ختام التقرير، تؤكد الهيئة العربية للاستثمار والإنماء الزراعي أن ما تحقق خلال عام 2025 يمثل امتدادًا لمسيرة مؤسسية راسخة، ونهجًا استراتيجيًا متكاملًا يقوم على تعظيم الأثر الاستثماري، وترسيخ مبادئ الحوكمة، وتعزيز الاستدامة المالية بما ينسجم مع رسالتها في دعم الأمن الغذائي العربي.

وإذ تحتفل الهيئة بعامها الخمسين، فإنها تجدد التزامها بمواصلة تطوير نموذجها الاستثماري والتشغيلي، وتوسيع شراكاتها الإقليمية والدولية، وتوجيه مواردها نحو استثمارات نوعية ذات قيمة مضافة عالية، بما يسهم في دعم سلاسل القيمة الزراعية وتعزيز التكامل الاقتصادي بين الدول العربية.

كما تؤكد الهيئة حرصها على الالتزام بأعلى معايير الشفافية والمساءلة، والاستمرار في رفع كفاءة الأداء المؤسسي، تحقيقًا لتطلعات مجلس المساهمين، وترسيخًا لمكانتها كمؤسسة عربية رائدة في مجال الاستثمار الزراعي والتنمية المستدامة.
والله ولي التوفيق.

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