

MULKIA INVESTMENT COMPANY
(A Saudi Listed Joint Stock Company)
FINANCIAL STATEMENTS
For The Year Ended 31 December 2025
Together with The Independent Auditor's Report

MULKIA INVESTMENT COMPANY

(Saudi Listed Joint Stock Company)

Financial Statements Together with The Independent Auditor's Report For The Year Ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MULKIA INVESTMENT COMPANY
A SAUDI LISTED JOINT STOCK COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Mulkia Investment Company (the "Company") as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2025;
- The statement of profit or loss and other comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended, and
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 from the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF MULKIA INVESTMENT COMPANY
A SAUDI LISTED JOINT STOCK COMPANY**

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Income from investment services and asset management	
<p>Income from investment services and asset management</p> <p>The Company recognized revenues amounting to 36,907,826 Saudi riyals during the fiscal year ended on December 31, 2025 (December 31, 2024: 43,697,961 Saudi riyals).</p> <p>The Company recognizes revenues according to contractual arrangements either at a point in time where the service is performed, or during a period of time as performance obligations are fulfilled over time.</p> <p>We consider revenue recognition to be a key audit matter because revenue is an indicator of a Company's performance that creates an inherent risk that revenue may be overstated to meet targets or expectations.</p> <p>Please refer to the accounting policy related to revenues in Note No. (3) and detailed Note No. (17) in the attached financial statements.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of management's internal controls relating to revenue recognition in accordance with requirements of IFRS 15 – Revenue from Contracts with Customers. • Conducted detailed test on a sample of revenue transactions and verified the source of documents, i.e. contracts and or invoices. • Implemented cut-off testing to ensure that revenues are recognized in the correct financial period. • We also examined the adequacy of the relevant disclosures related to revenues in the financial statements.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF MULKIA INVESTMENT COMPANY
A SAUDI LISTED JOINT STOCK COMPANY**

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OTHER INFORMATION

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MULKIA INVESTMENT COMPANY
A SAUDI LISTED JOINT STOCK COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF MULKIA INVESTMENT COMPANY
A SAUDI LISTED JOINT STOCK COMPANY**

(5 /5)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

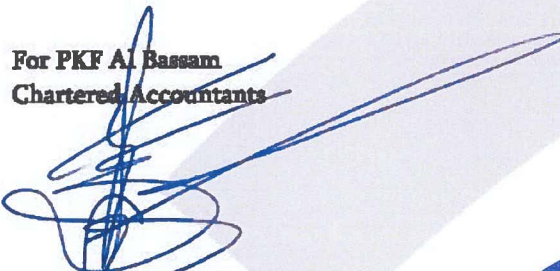
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

**For PKF Al Bassam
Chartered Accountants**


Ibrahim AlBassam
Certified Public Accountant
License No. 337
Riyadh, Kingdom of Saudi Arabia
11 Shawwal 1447H
Corresponding to: 30 March 2026



MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Amounts in SAR)

	Notes	<u>31 December 2025</u>	<u>31 December 2024</u>
ASSETS			
Non-Current Assets			
Property and equipment	4	3,855,990	4,139,683
Intangible assets	5	55,931	83,619
Investments at fair value through other comprehensive income (FVOCI)	6	5,896,613	6,317,922
Investments at fair value through profit or loss – non current portion (FVPL)	10	21,145,913	23,545,652
Right-of-use assets	7	11,161,583	6,181,945
Total Non-Current Assets		<u>42,116,030</u>	<u>40,268,821</u>
Current Assets			
Due from related parties, funds managed by the Company	8	35,585,527	38,915,176
Due from related parties, others	8	1,506,584	5,878,245
Prepayments and other receivables	9	1,285,743	2,761,614
Investments carried at FVPL – current portion	10	33,426,413	21,030,267
Cash and cash equivalents	11	6,543,815	4,710,118
Total Current Assets		<u>78,348,082</u>	<u>73,295,420</u>
TOTAL ASSETS		<u>120,464,112</u>	<u>113,564,241</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	78,000,000	65,000,000
Retained earnings		20,469,333	31,810,857
Re-measurement reserve for employee defined benefits plan obligation		49,564	143,378
Revaluation reserve for Investments carried at FVOCI	6	113,389	271,728
TOTAL EQUITY		<u>98,632,286</u>	<u>97,225,963</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities – non-current portion	7-b	11,617,828	6,052,434
Employee defined benefits plan obligation	13	1,480,822	1,039,173
Total Non-Current Liabilities		<u>13,098,650</u>	<u>7,091,607</u>
Current Liabilities			
Lease liabilities – current portion	7-b	818,919	908,091
Due to related parties, funds managed by the Company	8	-	2,828
Accrued expenses and other payables	14	5,190,880	4,798,527
Zakat provision	15	2,723,377	3,537,225
Total Current Liabilities		<u>8,733,176</u>	<u>9,246,671</u>
TOTAL LIABILITIES		<u>21,831,826</u>	<u>16,338,278</u>
TOTAL EQUITY AND LIABILITIES		<u>120,464,112</u>	<u>113,564,241</u>

Notes 1 to 30 form an integral part of these financial statements.

Chief Financial Officer



Chief executive officer



Chairman of Board of Directors



MULKIA INVESTMENT COMPANY

(Saudi Listed Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

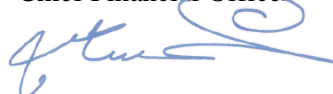
For the year ended 31 December 2025

(Amounts in SAR)

	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
Operating Income			
Income from investment services and asset management	17	36,907,826	43,697,961
Realized gains on sale of investments carried at FVPL	10	403,457	683,713
Unrealized gains on investments carried at FVPL	10	3,694,698	221,411
Dividends income		1,205,944	1,272,557
Special commission income		181,910	306,147
Total Operating Income		42,393,835	46,181,789
Operating Expenses			
Salaries and employee-related expenses		(12,298,795)	(12,970,987)
Deprciation of Property and equipment	4	(390,770)	(450,267)
Amortization of right-of-use assets	7	(916,865)	(478,602)
Amortization of intangible assets	5	(27,688)	(59,858)
Subscriptions, government fees, and CMA licensing fees		(2,000,145)	(1,942,002)
Professional and operating fees		(2,403,582)	(1,318,059)
Commission expense		(2,193,010)	(263,937)
Insurance expenses		(514,015)	(547,923)
Expected credit loss revelsal /(charged)	8	338,074	(176,418)
Other expenses	18	(2,080,051)	(1,729,171)
Total Operating Expenses		(22,486,847)	(19,937,224)
Net Operating Income		19,906,988	26,244,565
Finance costs	19	(866,681)	(925,690)
Other income		420,238	707,062
Net Income for the year before Zakat		19,460,545	26,025,937
Zakat	15-b	(2,006,283)	(1,891,753)
Prior years zakat differences	15-b	(776,826)	136,195
Net Income for the year		16,677,436	24,270,379
Other Comprehensive Income			
Items that will not be reclassified subsequently to the statement of profit or loss			
Unrealized gains on investments at FVOCI	6	1,072,701	(140,030)
(losses)/ Gains on re-measurement for Employee defined benefits plan obligation	13	(93,814)	52,806
Total Other Comprehensive Income/ (Loss) for the year		978,887	(87,224)
Total Comprehensive Income for the year		17,656,323	24,183,155
Earnings Per Share			
	20		
Basic earnings per share of net operating Income		2.55	3.36
Basic earnings per share of net Income for the year		2.14	3.11
Weighted Average Number of Shares at the year end		7,800,000	7,800,000

Notes 1 to 30 form an integral part of these condensed financial statements.

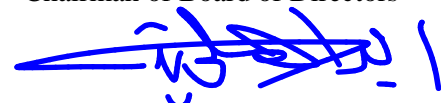
Chief Financial Officer



Chief executive officer



Chairman of Board of Directors



MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025
(Amounts in SAR)

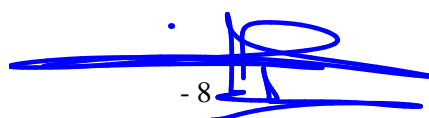
	Share Capital	Statutory Reserve	Retained Earnings	Re-measurement reserve for Employee defined benefits obligation	Revaluation Reserve For Investments Through Other Comprehensive Income	Total Shareholders' Equity
Balance as at 1 January 2024	65,000,000	2,468,184	21,442,322	90,572	291,730	89,292,808
Net income for the year	-	-	24,270,379	-	-	24,270,379
Changes in investments at FVOCI	-	-	-	-	(140,030)	(140,030)
Gains on re-measurement for Employee defined benefits plan obligation	-	-	-	52,806	-	52,806
Total comprehensive income for the year	-	-	24,270,379	52,806	(140,030)	24,183,155
Realized losses from the sale of investments measured at FVOCI	-	-	(120,028)	-	120,028	-
Transfer of statutory reserve to retained earnings	-	(2,468,184)	2,468,184	-	-	-
Dividends (Note 24)	-	-	(16,250,000)	-	-	(16,250,000)
Balance as at 31 December 2024	65,000,000	-	31,810,857	143,378	271,728	97,225,963
Net income for the year	-	-	16,677,436	-	-	16,677,436
Changes in investments at FVOCI	-	-	-	-	1,072,701	1,072,701
Loss on re-measurement for Employee defined benefits plan obligation	-	-	-	(93,814)	-	(93,814)
Total comprehensive income for the year	-	-	16,677,436	(93,814)	1,072,701	17,656,323
Realized profit on sale of investments carried at FVOCI	-	-	1,231,040	-	(1,231,040)	-
Capital increase through retained earnings (Note 12)	13,000,000	-	(13,000,000)	-	-	-
Dividends (Note 24)	-	-	(16,250,000)	-	-	(16,250,000)
Balance as at 31 December 2025	78,000,000	-	20,469,333	49,564	113,389	98,632,286

Notes 1 to 30 form an integral part of these condensed financial statements.

Chief Financial Officer



Chief executive officer



Chairman of Board of Directors



MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Amounts in SAR)

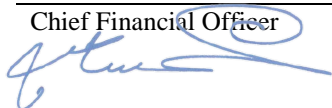
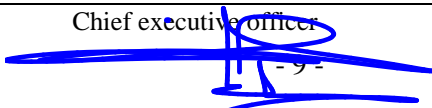
	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before Zakat		19,460,545	26,025,937
Adjustments to reconcile net income for the year before zakat:			
Depreciation of property and equipment	4	390,770	450,267
Amortization of intangible assets	5	27,688	59,858
Unrealized (gains) / losses on investments carried at FVPL	10	(3,694,698)	(221,411)
Amortization of right-of-use assets	7	916,865	478,602
Gains on disposal of property and equipment		(30,903)	(17,499)
Expected credit loss reversal /(charged)	8	(338,074)	176,418
Finance costs	19	866,681	925,690
Special commission income		(181,910)	(306,147)
Employee defined benefits plan obligation Charged	13	333,181	316,111
		<u>17,750,145</u>	<u>27,887,826</u>
Changes in operating assets and liabilities:			
Investments carried at FVOCI		1,494,010	990,117
Investments carried at FVPL		(6,301,709)	4,095,174
Due from related parties, funds managed by the company		3,667,723	(13,163,840)
Due from related parties, others		4,371,661	(2,539,605)
Prepayments and other receivables		1,475,871	1,054,386
Due to related parties, funds managed by the company		(2,828)	(5,797)
Accrued expenses and other payables		(149,634)	(575,423)
Accrued interest on Murabaha	11	406	6,728
		<u>22,305,645</u>	<u>17,749,566</u>
Employee defined benefits plan obligation paid	13	(40,756)	(248,543)
Zakat paid	15	(3,596,957)	(2,944,130)
Interest received on deposits		181,504	299,419
		<u>18,849,436</u>	<u>14,856,312</u>
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	4	(116,825)	(89,558)
Proceeds from disposal of property and equipment		40,651	17,500
Payment for purchase of intangible assets	5	-	(20,000)
		<u>(76,174)</u>	<u>(92,058)</u>
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid	7	(1,225,600)	(306,400)
Credit facilities received	16	-	19,000,000
Credit facilities paid	16	-	(19,000,000)
Finance costs paid		(5,952)	(486,501)
Dividends paid		(15,708,013)	(15,708,012)
		<u>(16,939,565)</u>	<u>(16,500,913)</u>
Net cash used in Financing activities			
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the year	11	4,710,118	6,446,777
Cash and cash equivalents at end of the year	11	<u>6,543,815</u>	<u>4,710,118</u>
Non-cash transactions			
		For the year ended 31 December 2025	For the year ended 31 December 2024
Capital increase through the issuance of shares dividends	12	13,000,000	-
Additions to right-of-use assets and lease liabilities	7	5,896,503	-
Dividend unpaids		(541,987)	(541,988)
(losses)/ Gains on re-measurement for Employee defined benefits plan obligation	13	(93,814)	52,806
Transfer statutory reserve to retained earnings		-	2,468,184

Notes 1 to 30 form an integral part of these condensed financial statements.

Chief Financial Officer

Chief executive officer

Chairman of Board of Directors


MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Amounts in SAR)

1. ORGANIZATION AND ACTIVITY

Mulkia Investment Company (“the Company”) is a Saudi listed joint stock company CMA regulated under license No (13170-37) dated 10 Muharram 1435 H (corresponding to 13 November 2013).

On November 12, 2023, the company was listed on Nomu - the parallel market after obtaining the approval of Tadawul and the (“CMA”) on 6 June 2023 and 22 June 2023, respectively.

The Company operates in the Kingdom of Saudi Arabia under commercial registration CR number 1010407245 dated 9 Jumada al-Awwal 1435H (corresponding to 10 March 2014). The Company was established pursuant to the ministerial decree No. 101 / Q dated 2 Jumada al-Awwal 1435H (corresponding to 3 March 2014).

The Company is mainly involved in securities dealing, securities arrangements, providing advisory services on securities, securities custody, investments management and operating funds.

The Company’s head office is in Elite Complex, Prince Abdulaziz Bin MUSAED Bin Jalawi Street, Sulaymaniyah Dist, P.O Box 52775, Riyadh 12234, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This financial statements have been prepared in accordance with International Financial Reporting Standards “IFRS” endorsed in Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants “SOCPA”.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following:

- Investments at FVPL, investments at FVOCI measured at fair value,
- Employee end-of-service benefits measured at the present value of future obligations using the expected credit unit method,
- Lease liabilities measured at their present value.

2.3 Presentation and Functional Currency

These financial statements are presented in SAR, which is the Company's functional and presentation currency.

MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
(Amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.4 New amendments to issued standards effective from 1 January 2025:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	There is no material impact of the amendments to the standard on the Company's financial statements, as most of the Company's transactions are conducted in Saudi Riyals and US Dollars, which do not experience significant exchange rate fluctuations.

2.5 New standards, amendments, and revised International Financial Reporting Standards issued but not yet effective:

The Company has not early adopted the following new and amended International Financial Reporting Standards that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	The impact of these amendments will be applied when they become effective. It is not expected that these amendments will have a material effect on the Company's financial statements, as the areas addressed by the amendments relate to transactions that do not exist within the Company.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The impact of these amendments will be applied when they become effective. It is not expected that these amendments will have a material effect on the Company's financial statements, as the areas addressed by the amendments relate to transactions that do not exist within the Company.

MULKIA INVESTMENT COMPANY
(Saudi Listed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
(Amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.6 New standards, amendments, and revised International Financial Reporting Standards issued but not yet effective: (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	The impact of these amendments will be applied when they become effective. The requirements of the standard will be reviewed in terms of the presentation of the financial statements, as the amendments primarily focus on the presentation of the statement of profit or loss. It is not expected that the presentation of the Company's statement of profit or loss under the new standard will differ materially from the current presentation.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	The impact of these amendments will also be applied when they become effective. It is not expected that they will have a material effect on the Company's financial statements, as they are not applicable to the Company's regulatory and legal framework.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION

Use of estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized in the period in which the estimate is adjusted and in any future periods affected by such adjustments.

The following is information about assumptions and estimates that have a significant impact on the amounts reported in the financial statements:

Assumptions

1)- Going concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

2)- Investment entity, determining control and consolidating the financial statements

An investment entity: is that obtains funds from one or more investors for the purpose of providing those investors with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. According to the exception in "IFRS 10" Consolidated Financial Statements" for investment entities, an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss. The Company is also a fund manager for a number of investment funds. When determining whether the Company controls these investment funds, the Company usually focuses on the Company's overall economic interests in the fund (which are expected management fee and any other gains). As the investor has the right to remove the fund manager, therefore, the Company concluded that it acts as an investor agent in all cases and did not consolidate these Funds in the financial statements.

3)- Principal versus Agent

The company recognizes revenue based on whether it acts as a principal or an agent in transactions with customers. As a principal, revenue is recognized on a gross basis, reflecting control over the goods or services before they are transferred to the customer. As an agent, revenue is recognized on a net basis (typically as a commission or fee), reflecting a facilitation role without control over the goods or services. Judgment is applied to assess control, risks, and responsibility for fulfillment, and to estimate variable consideration accordingly. Disclosures include the nature of revenue recognition as principal or agent, any significant judgments, and the impact on the financial statements.

Use of estimates

1)- Estimate useful lives of Property, Plant and Equipment and Intangible Assets

Management reviews the useful lives of property and equipment and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence and damage. The management reviews the residual value and useful lives annually and changes in depreciation expenses in current and future periods, if any.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Use of estimates(Continued)

2)- Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes

3)- Impairment of Financial Assets

The Company recognizes allowances for expected credit losses ("ECL") for financial assets. Provision rates are originally determined on the basis of historical observed default rates. The Company evaluates historical information to adjust the historical credit loss calculation with information that indicates expected rates in the future. At each reporting date, historical observed default rates are updated and changes in forward-looking estimates are analysed. An assessment of the correlation between historical observed default rates, expected economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions. Also, the calculation of the Company's historical losses and expected economic conditions may not represent the client's actual default in the future. The Company is known its default as follows:

A. Local customer (Within the Kingdom):

For local customer, a complete default occurs when the debt exceeds 360 days. this considers the collection turnover rates for each age category based on the aging bucket report to address credit losses arising from delayed collection of the due balance

B. Foreign customer (Outside the Kingdom):

For foreign customer, a complete default occurs when the debt exceeds 270 days. In this scenario, a 100% provision is calculated based on the outstanding balance. Again, the collection turnover rates for each age category are taken into account.

The disclosure pertains to expected credit losses "ECL" related to the Company's financial assets.

4)- Determining the lease term for contracts with the option of renewal and termination-the Company as a lessee

The Company defines the term of the lease as the non-cancellable term in relation to the contract, with any periods including the option to extend the contract if the Company is certain to exercise the option to extend, or any periods including the option to terminate the lease if the Company is certain it will not exercise the option to terminate the contract reasonably. Generally, the Company has several lease contracts that include extension and termination options. The Company applies the judgments in assessing whether or not it has reasonable certainty that it will exercise the option to renew or terminate. Therefore, it takes into account all relevant factors that create an economic incentive to exercise either the renewal or termination option. After the commencement date, the Company reassesses the lease term and whether there is a material event or change in circumstances within its control that affects its ability to exercise (or not exercise) the option to renew or terminate.

5)- Leases - estimate the incremental borrowing rate

The Company cannot easily determine the commission rate implicit in leases and therefore uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the rate of commission that a Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, over a similar period and with a similar security. The incremental borrowing rate therefore reflects the amount the Company may have to pay which requires estimation when there are no observable rates is available, or when it needs to be adjusted to reflect the terms and conditions of the lease, the Company estimates the incremental borrowing rate using observable inputs (such as market profit margin rates) when available and entity-specific estimates should be made.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

6)- Employee defined benefits plan obligations

Post-employment defined benefits and the current value of those benefits are determined actuarial valuations. Actuarial valuation include further assumptions regarding variables are required such as discount rates, rate of salary increase and return on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every statement of financial position.

7)- Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of assets or liabilities, it takes into account the assumptions that market participants may use when pricing the asset or liability to achieve their best economic benefit.

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

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

For reporting, determining fair value of assets and liabilities, and disclosure purposes, the Company uses the following hierarchy:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has access to at the measurement date.

Level 2: Inputs other than the prices displayed within the first level that can be observed for the assets or liabilities, directly or indirectly, such as the fair value shown in the financial statements of the funds.

Level 3: unobservable inputs for assets and liabilities, and the Company relies on proving the investments at cost.

Financial instruments

Classification of assets and liabilities from "current" to "non-current"

The Company presents assets and liabilities in the statement of financial position on a current / non-current basis. The assets are current as follows:

- When it is expected to be realized or is intended to be sold or consumed during the normal cycle of operations.
- If it is acquired primarily for the purpose of trading.
- When it is expected to be achieved within twelve months after the fiscal year, or
- When they are cash and cash equivalents, unless there are restrictions on their replacement or use to pay any liabilities for a period of not less than twelve months after the financial year.
- All other assets are classified as "non-current".

All liabilities are current as follows:

- When it is expected to be paid during the normal business cycle
- If it is acquired primarily for the purpose of trading.
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the statement of profit or loss and other comprehensive income.

First: Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVPL), Financial assets at fair value through other comprehensive income (FVOCI), and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

a) Financial assets measured at fair value through profit or loss (FVPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in near future.
- If they represent known portfolio of financial instruments managed by the Company and includes the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in profit or loss.

Net profit or loss includes any dividends or interest due from the financial asset and is included in the statement of profit or loss.

b) Financial assets measured at Fair value through other comprehensive income (FVOCI)

Investments in some units of the investment funds that are managed by the Company and some other direct investments are classified at fair value through other comprehensive income (FVOCI). Gains and losses arising from changes in fair value are included in the statement of other comprehensive income and are added to statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in profits and losses. If investment is disposed or suffered an impairment, profits and losses resulted from previous evaluation which were recognized in investment revaluation reserve are included in the statement of other comprehensive income.

Dividend income from investments is recognised in equity instruments at fair value through other comprehensive income when the Company's right to receive payment has been established and is shown as income in profits and loss unless dividends clearly represent a recovery of part of the investment cost. Other profits and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

c) Financial assets measured at amortized cost

Accounts receivable, including trade and other receivables, bank balances and cash are measured at amortized cost using the effective interest method less any impairment loss, and charged to the profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Financial instruments (Continued)

Second: Financial liabilities

Financial liabilities (including loans and accounts payable) are measured subsequently amortized cost using the effective interest method.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of disposed financial liabilities and amount paid is charged to the statement of profit or loss.

Effective interest rate method

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or – where appropriate– a shorter period, to the net carrying amount on initial recognition.

Cash and cash equivalent

Cash and cash equivalent comprise cash on hand, bank balances, and highly liquid bank Murabaha that can be converted into cash with original maturity of three-months or less from the acquisition date.

Related parties

Related party is the person or entity associated with the Company that prepares its financial statements.

A) If the person or a member of his family is closely related to the Company if that person:

- Has joint control or control over the Company preparing its financial statements;
- It has a significant impact on the Company preparing its financial statements. or
- He is a member of the top management of the Company whose financial statements are prepared or the parent Company of the Company that prepares its financial statements.

B) If the facility is related to the Company if any of the following conditions are fulfilled:

- The establishment and the Company that prepares its financial statements are members of the same Group (which means that both the parent Company, subsidiaries and associates have a relationship with the other).
- One of the two companies is an associate or a joint venture of the other Company (or an associate or a joint venture of a member of the Group of which the other Company is a member).
- Both companies are joint ventures of the same third party.
- One of the two companies is a joint venture of a third Company and the other Company is an associate of the third Company.
- The Company is jointly controlled or controlled by a person specified in Paragraph (a).
- The person identified in paragraph (a) (1) has a significant influence on the Company or is a member of the top management in the Company (or the parent Company).
- The Company or any member of the Company provides part of the services of senior management employees of the Company that prepares its financial statements or to the parent Company of the Company that prepares its financial statements.

Property and equipment

Property and equipments are stated at cost less accumulated depreciations Repair and maintenance expenses are considered revenue expenses, while improvement expenses are considered capital expenses. Depreciation is calculated on it based on its estimated useful life using the straight-line method, and land depreciation is not calculated. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvements or the lease term. An asset sold or disposed of and its accumulated depreciation are removed from the accounts on the date of sale or disposal.

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3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Property and equipment (Continued)

The annual estimated rates of depreciation of the principal classes of assets are as follows:

Item	Annual depreciation rate
Leasehold improvements	6.67% Or the lease period, whichever is less
Furnitures and fixtures	10%
Office equipments	12.5%
Computers	20%
Vehicles	20%

Intangible assets

Purchased intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over its estimated useful life which is five years using the straight-line method. If there is an indication of a significant change in the useful life or residual value of these assets, the impairment is adjusted in the future to reflect new projections.

The annual amortization rates for the main items of these assets is 20%.

Impairment of assets

On the date of each financial position the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

And in cases the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately as expenses in profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately as revenue in profit or loss and other comprehensive income.

Investment Evaluation

The Company invests in various securities, including shares traded, open-ended funds and other investment funds, including real estate funds. Traded shares are evaluated based on market prevailing prices, while open-ended investment funds are valued based on the net value of the fund's assets, which are periodically published in the stock market. For real estate funds, investments are based on net value of the fund's adjusted assets to assess the real estate assets involved. Investments in subsidiaries are usually valued based on the final evaluation of the investee Company if the subsidiary was established solely to make those investments. In the case of other non-traded investments, the management uses a variety of methods including the market method (i.e. using latest transactions carried out based fair terms, amended when necessary, and based on current market value of similar instruments), Income method (i.e. discounted cash flow analysis, comparable Company multiples and options pricing options using available and supported market comparisons in a reasonable and reasonable way). Currently, these investments consist of some dormant subsidiaries which are valued based on their net asset value. The foregoing requires significant estimates and assumptions to be used by management.

Assets held in trust

Assets held in trust are not treated as assets of the Company and accordingly are not included in the financial statements. These assets are treated as off-balance sheet items and disclosed in the notes to the financial statements. Fees collected by the Company for managing these assets are included in the statement of profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Managed assets

The Company provides asset management services. These assets are not treated as assets of the Company and accordingly are not included in the financial statements except for units owned by the Company.

Customer' cash accounts

Customer' cash accounts are not treated as assets of the Company and accordingly are not included in the financial statements.

Lessee

Company as a lessee

The Company prove the asset (right to use) and lease liability on the start date of the lease contract. The asset (right of use) is initially measured at the cost that consists of the initial amount of the modified lease obligation for any lease payments made on or before the start date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date of the lease until the end of the useful life (right to use) or the end of the lease term, whichever is earlier. The estimated useful lives of (right-of-use) assets are determined on the same basis used for property and equipment. In addition, the asset (right to use) is periodically reduced by impairment losses, if any. The lease commitment is initially measured at the present value of lease payments that were not paid at the commencement date of the lease and discounted using the interest rate implicit in the lease agreement or if that rate is difficult to determine reliably, the Company uses the additional borrowing rate.

Short-term and low-value leases

The Company has chosen not to prove the assets (right to use) and lease obligations for short-term leases of 12 months or less and low-value lease contracts, the Company recognizes the lease payments associated with these contracts as expenses in the statement of profit or loss and other comprehensive income on a straight-line basis over a period lease.

Employees' defined benefit plan obligations

End of service indemnities

The end-of-service indemnity provision is determined using the projected expected addition unit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position While gains and losses are recognized in other comprehensive income for the period in which they were incurred, remeasurements recognized in other comprehensive income are included in retained earnings immediately and are not reinstated in the statement of profit or loss.

Retirement benefits

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits related to wages and salaries , annual leave and sick leave are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of short-term employee benefits are measured by the amount of the benefits expected to be paid in exchange for the related service.

Payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or service received, whether billed or not by suppliers.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Provisions

Provisions are recognized when the Company has a current legal or contractual obligation that can be estimated reliably as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation. A reliable estimate of the amount can be made.

Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Zakat provision

Zakat is provided for in accordance with the regulations of the General Authority of Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia. The Zakat charge is computed at year-end on Zakat base or adjusted net income whichever is higher. Changes to the assessment, if any, in the periods in which assessment is finalized.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of profit or loss.

Revenue recognition

The Company realizes revenue under IFRS 15 using the following five-step model:

Step 1 : Determine the contract with the customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the conditions that must be met for each contract.
Step.2 : Determine Performance Obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3 : Determine the transaction price	The transaction price is the amount of consideration that the Company expects to receive in exchange for transferring the goods or services promised to the customer, excluding amounts collected on behalf of third parties.
Step 4 : Allocate the transaction price	For a contract that contains more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that identifies the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation
Step 5 : Revenue recognition	A Company recognizes revenue when (or whenever) it has satisfied a performance obligation by transferring goods or services promised to the customer under the contract.

For performance obligations where one of the above conditions is not met, revenue is recognized at the time the performance obligation is satisfied. When a Company satisfies a performance obligation by providing the promised services, it creates a contract-based asset with the value of the consideration earned from performance. If the amount billed to the customer exceeds the amount of revenue recognized, a contract liability will arise. Revenue is measured at the fair value of the consideration received or receivable after taking into account specific contractual payment terms.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

Revenue recognition (Continued)

The recognition criteria set out below must also be met before revenue can be recognised:

- Fund subscription fees:

The obligation to pay the subscription fee represents an assignment of certain units in the funds to the account of the investor, bearing in mind that this happens as soon as the approved subscription model is implemented, and therefore the Company is rightfully aware of the revenue in exchange for the subscription fee at the time of fulfillment of the performance obligation.

- Management fees from investment funds

Management fees are calculated on a daily, weekly, monthly or semi-annual basis (annual percentage proportionate to the periodic maturity) with reference to the periodic net asset value of the fund. The Company's practice of recording management fees is consistent with International Financial Reporting Standard No. 15, where management fees are recognized on an accrual basis in return for providing asset management services provided by the Company on an ongoing basis.

- Performance fees from investment funds

Performance fee income that depends on the fund's performance, relative to the index or the return achieved from the fund's investments, is a type of variable consideration. In many cases, these performance fees are highly vulnerable to market fluctuations until they take a definite form or are no longer subject to refund, which after the end of the report.

In the case of the Company, the recovery effect does not apply because the Company does not record any revenue in exchange for performance until the end of the relevant period, for the purpose of testing the achievement of the indicator that occurs when performance fees take a specific form and recorded as revenue. The analysis of the Company's performance fees shows that the Company's performance fee revenue is recorded in accordance with the five-step model contained in IFRS 15. The Company calculates the performance incentive based on a percentage of any realized return during the quarter after deducting all expenses for the period, calculated and paid at the end of each Quarter of the calendar year or upon exit according to the terms and conditions of the fund.

- Consulting fees

Fees and commissions are recognized when services are rendered. Advisory income is recognized based on the applicable service contracts, usually on a time proportion basis.

- Dividend income

Dividends are recognized when the right to receive them is established.

- Special commission income

Special commission income is recognized in the statement of profit or loss and other comprehensive income on an effective yield basis.

- Expenses

Expenses are presented according to the nature of each expense.

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4. PROPERTY AND EQUIPMENT

	<u>Leasehold improvements</u>	<u>Furnitures and fixtures</u>	<u>Office equipments</u>	<u>Computer</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>						
Balance as at 1 January 2025	5,559,305	889,685	138,871	1,591,701	39,400	8,218,962
Additions during the year	-	3,507	-	59,579	53,739	116,825
Disposals during the year	(1,247,587)	(70,438)	(28,106)	(1,001,919)	(39,400)	(2,387,450)
Balance as at 31 December 2025	4,311,718	822,754	110,765	649,361	53,739	5,948,337
<u>Accumulated depreciation</u>						
Balance as at 1 January 2025	1,942,340	421,668	134,581	1,541,291	39,399	4,079,279
Charged to the year	295,663	65,548	1,165	22,124	6,270	390,770
Disposals during the year	(1,238,056)	(70,242)	(28,098)	(1,001,907)	(39,399)	(2,377,702)
Balance as at 31 December 2025	999,947	416,974	107,648	561,508	6,270	2,092,347
<u>Net book value</u>						
Balance as at 31 December 2025	3,311,771	405,780	3,117	87,853	47,469	3,855,990

	<u>Leasehold improvements</u>	<u>Furnitures and fixtures</u>	<u>Office equipments</u>	<u>Computer</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>						
Balance as at 1 January 2024	5,509,628	867,796	138,014	1,574,566	94,100	8,184,104
Additions during the year	49,677	21,889	857	17,135	-	89,558
Disposals during the year	-	-	-	-	(54,700)	(54,700)
Balance as at 31 December 2024	5,559,305	889,685	138,871	1,591,701	39,400	8,218,962
<u>Accumulated depreciation</u>						
Balance as at 1 January 2024	1,593,644	345,028	133,426	1,517,515	94,098	3,683,711
Charged to the year	348,696	76,640	1,155	23,776	-	450,267
Disposals during the year	-	-	-	-	(54,699)	(54,699)
Balance as at 31 December 2024	1,942,340	421,668	134,581	1,541,291	39,399	4,079,279
<u>Net book value</u>						
Balance as at 31 December 2024	3,616,965	468,017	4,290	50,410	1	4,139,683

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5. INTANGIBLE ASSETS

Intangible assets are computer software licenses and software. The movement in intangible assets is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Cost</u>		
Balance at the beginning of the year	870,860	850,860
Additions during the year	-	20,000
Balance at the end of the year	870,860	870,860
<u>Accumulated amortizations</u>		
Balance at the beginning of the year	787,241	727,383
Charged to the year	27,688	59,858
Balance at the end of the year	814,929	787,241
Net book value	55,931	83,619

6. INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>31 December 2025</u>			
<u>Cost</u>	<u>Disposals During The Year</u>	<u>Unrealized (Losses) / Gains</u>	<u>Ending Balance</u>	
First: unquoted funds managed by the Company				
Mulkia Private Equity Fund – Beverages Sector	5,783,224	-	113,389	5,896,613
Second: unquoted foreign investments				
Space x Company (1)	262,970	(262,970)	-	-
Total Investments	6,046,194	(262,970)	113,389	5,896,613
	<u>31 December 2024</u>			
<u>Cost</u>	<u>Disposals During The Year</u>	<u>Unrealized (Losses) / Gains</u>	<u>Ending Balance</u>	
First: Unquoted funds managed by the Company				
Mulkia Private Equity Fund-Education Sector (2)	1,110,145	(1,110,145)	-	-
Mulkia Private Equity Fund – Beverages Sector	5,783,224	-	(1,245,342)	4,537,882
Second: unquoted foreign investments				
Space x Company	262,970	-	1,517,070	1,780,040
Total Investments	7,156,339	(1,110,145)	271,728	6,317,922

The movement in unrealized (losses)/gains on investments as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	271,728	291,730
Unrealized Gains/(Loss) during the year, net	1,072,701	(140,030)
Realized (gain) /losses during the year	(1,231,040)	120,028
Balance at the end of the year	113,389	271,728

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6. INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(1) During 2025, the Company sold its entire interest in the SpaceX investment. The proceeds from the sale amounted to SAR 1,494,011, resulting in cumulative gains of SAR 1,231,040, which were recognized in retained earnings.

(2) During 2024, the Company excluded Mulkia Private Equity Fund – Education Sector due to the fund's termination and liquidation. The fair value of the investment on the date of the derecognition was SAR 990,117, resulting in a cumulative loss of SAR 120,028, which was recognized in retained earnings.

Investments have been classified at fair value through other comprehensive income are categorized under Level 3 (Note 21).

7-RIGHT OF USE ASSETS AND LEASE LIABILITIES

The lease contract relates to the Company's head office premises with a related party (the "lessor"), being Mulkia Gulf Real Estate REIT Fund, which is managed by the Company. The lease term is 13 years, comprising 6 contractual years in addition to 7 expected years extending beyond the contractual term. The following table presents the movement during the year in both the right-of-use asset and lease liabilities, as follows:

a) Movement on the right to use assets:

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Cost</u>		
Balance as at 1 January	8,563,937	8,563,937
Additions during the year*	5,896,503	-
Balance as at 31 December	<u>14,460,440</u>	<u>8,563,937</u>
<u>Accumulated Amortization</u>		
Balance as at 1 January	2,381,992	1,903,390
Charged to the year	916,865	478,602
Balance as at 31 December	<u>3,298,857</u>	<u>2,381,992</u>
Net book Value	<u>11,161,583</u>	<u>6,181,945</u>

b) Movement on leases liabilities as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	6,960,525	6,874,253
Additions during the year*	5,896,503	-
Interest expense during the year	805,319	392,672
Paid during the year	(1,225,600)	(306,400)
Balance at the end of the year	<u>12,436,747</u>	<u>6,960,525</u>

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7- RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED):

* The additions during the year represent a modification to the lease contract as a result of a change in the rental value. This change was treated as a lease modification and accounted for in accordance with the requirements of International Financial Reporting Standard (IFRS) 16 – Leases. The discount rate was updated to 7.72%.

During the year, the Company amended the lease agreement for its head office premises to include a contractual extension of six years. As a result of this amendment, the Company reassessed the lease term, whereby the expected extension period beyond the contractual term decreased from twelve years to seven years. This amendment was treated as a lease modification, in addition to being a change in accounting estimates related to the lease term. Accordingly, the lease liability and the right-of-use asset were remeasured in accordance with the requirements of IFRS 16 – Leases and International Accounting Standard (IAS) 8.

The maturity of the lease liabilities at the end of the year is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
More than years - the non-current portion	11,617,828	6,052,434
Less than a year - the current portion	818,919	908,091
	<u>12,436,747</u>	<u>6,960,525</u>

The following amounts recognized in the statement of profit or loss:

	<u>For the year ended on 31 December 2025</u>	<u>For the year ended on 31 December 2024</u>
Interest on lease liabilities	805,319	392,672
Amortization of right-of-use assets	916,865	478,602

The following are the amounts recognized in the statement of cash flows:

	<u>For the year ended on 31 December 2025</u>	<u>For the year ended on 31 December 2024</u>
lease liability payments	(1,225,600)	(306,400)

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8- RELATED-PARTY TRANSACTIONS AND BALANCES

Related parties are funds managed by the Company, subsidiaries, the Company's shareholders, key management personnel and entities controlled or jointly managed or significantly influenced by those other affiliates of the Company and funds managed by the Company. Pricing policies and these transactions terms are approved by Company's management.

8-1 Related-Party Transactions

The details of related-party transactions and balances except for those disclosed elsewhere in the financial statement:

Related Parties	Nature of Relationship	Nature of Transaction	Amount of Transaction	
			For the year ended 31 December 2025	For the year ended 31 December 2024
		Management fees	29,617,393	25,825,353
		Acquisition and finance structuring fees	4,493,746	6,225,000
Mutual Funds	Funds managed by the Company	Lease	(1,225,600)	-
		Expenses paid on behalf	(496,286)	(2,635,355)
		Performance fees	83,259	162,949
		Service fees	646,063	681,611
		Dividends	1,167,068	1,240,010
Dur Alkuttab Company Ltd.	Associate	Expenses paid on behalf	(73,619)	(31,605)
		Finance	(1,500,000)	(2,508,000)
		PP&E sales	35,652	-
Mulkia investments limited Company	Subsidiary	Expenses paid on behalf	7,360	-
Zawaya Real Estate Company	Affiliate	Portfolio performance fees	24,722	-
Mubtakara Real Estate Company	Affiliate	Commissions paid	-	(225,000)

8-2 Due From Related-Party

Below is the amounts due from related parties – funds managed by the Company

	31 December 2025	31 December 2024
Due from related parties – funds managed by the Company	35,585,527	39,253,250
Less:		
Expected credit loss	-	(338,074)
	35,585,527	38,915,176

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8. RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

8-2 Due From Related-Party (Continued)

Below is the balance of due from related parties – Others

	<u>31 December 2025</u>	<u>31 December 2024</u>
Dur Alkuttab Company Ltd.	1,499,224	5,878,245
Mulkia Investments Limited Company	7,360	-
	<u>1,506,584</u>	<u>5,878,245</u>

Below is the aging of the amounts due from related parties:

	<u>31 December 2025</u>	<u>31 December 2024</u>
1-30 days	12,734,278	14,960,537
31-60 days	7,555	34,370
61-90 days	48,657	23,000
91-180 days	3,653,310	5,832,383
181-270 days	9,673,664	9,165,572
271-365 days	672,115	2,821,447
More than 365 days	10,302,532	12,294,186
Total	<u>37,092,111</u>	<u>45,131,495</u>

Movement on Expected credit loss during the year as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	338,074	161,656
(Revelsal) /Charged to the year	(338,074)	176,418
Balance at the end of the year	<u>-</u>	<u>338,074</u>

To credit risk management, please refer to Note 22

8-3 Due to related-party

The amounts due to related parties as follow:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Due to related parties – funds managed by the Company	-	2,828
	<u>-</u>	<u>2,828</u>

8-4 The compensation of top management, top executives, members of the Board of Directors and its affiliated committees:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Salaries and bonuses for top management and key executives	7,279,762	8,314,994
Remuneration and attendance allowances of BOD members and annual committees (Note 18)	1,067,000	1,098,000
	<u>8,346,762</u>	<u>9,412,994</u>

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9-PREPAYMENTS AND OTHER RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Prepaid expenses	614,992	672,666
Employees advances	440,164	668,834
Advance payments to service providers	167,479	240,000
Prepaid insurance	61,280	61,280
Fees and returns accrued	1,828	1,068,802
Others	-	50,032
	<u>1,285,743</u>	<u>2,761,614</u>

10-INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

Investments at fair value through profit or loss consist of debt instruments and equity instruments in the Saudi, European, and American markets, as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Equity instruments (10-1)	53,871,087	43,891,863
Debt instruments (10-2)	701,239	684,056
	<u>54,572,326</u>	<u>44,575,919</u>

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10. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

10-1 Investments in equity instruments carried at fair value through profit or loss:

	As at 31 December 2025				
	<u>Beginning Balance</u>	<u>Additions During the Year</u>	<u>Disposals During the Year</u>	<u>Unrealized (Losses)/ Gains</u>	<u>Ending Balance</u>
First: funds managed by the Company					
Listed					
Mulkia – Gulf Real Estates REIT Fund	19,840,153	-	-	(2,990,611)	16,849,542
Unlisted					
Mulkia Private Equities Opportunities Fund	6,992,807	-	(277,949)	(527,110)	6,187,748
Mulkia Murabaha and Savings Fund	-	23,900,000	(18,312,691)	120,839	5,708,148
Second: funds not managed by the Company					
Unlisted	3,500,000	-	-	233,709	3,733,709
Third: local direct investment					
Listed	-	1,588,371	(1,327,121)	(126,759)	134,491
Unlisted	3,705,498	731,099	-	(140,225)	4,296,372
Fourth: foreign investment					
Unlisted *	9,853,405	-	-	7,107,672	16,961,077
Total Investments	<u>43,891,863</u>	<u>26,219,470</u>	<u>(19,917,761)</u>	<u>3,677,515</u>	<u>53,871,087</u>

As at 31,December 2025, the Company owns a %72.9 stake in a Mulkia Private Equities Opportunities Fund and a 100% stake in a Mulkia Investments Company Ltd. According to the exception in International Financial Reporting Standard No. 10 "Consolidated Financial Statements" for investment entities, it is not permissible for investment entities to consolidate their subsidiaries or apply International Standard No. 3 when it gains control. Instead, the investment entity must measure the investment in subsidiaries at fair value through profit or loss ("Note 3")."

*Investments in unlisted foreign companies represent the Company's investments in leading foreign companies in various fields, the most prominent of which is the Company's investment in xAI, a leading Company in the field of artificial intelligence, with a carrying value of 13,534,088 SAR as of December 31, 2025 (December 31, 2024: SAR 5,978,235).

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10. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

10-1 Investments in equity instruments at fair value through profit or loss: (Continued)

	As at 31 December 2024				Ending Balance
	Beginning Balance	Additions During the Year	Disposals During the Year	Unrealized (Losses) /Gains	
First: funds managed by the Company					
Listed					
Mulkia – Gulf Real Estates REIT Fund	22,101,347	-	-	(2,261,194)	19,840,153
Mulkia – Alajlan Riviera Fund	547,619	-	(547,619)	-	-
Unlisted					
Mulkia Private Equities Opportunities Fund	8,378,109	-	(838,588)	(546,714)	6,992,807
Mulkia Al Narjis Real Estate Fund	494,685	-	(494,685)	-	-
Second: funds not managed by the Company					
Unlisted	8,696,527	3,100,000	(9,262,527)	966,000	3,500,000
Third: local direct investment					
Listed	798,104	701,233	(1,499,337)	-	-
Unlisted	2,454,809	979,830	-	270,859	3,705,498
Fourth: foreign investment					
Listed	686,196	-	(686,196)	-	-
Unlisted	4,292,286	3,764,200	-	1,796,919	9,853,405
Total Investments	48,449,682	8,545,263	(13,328,952)	225,870	43,891,863

The Company achieved a net profit from sales operations amounting to SAR 403,457 during the year ended in 2025, (compared to a loss of SAR 683,713 during the year ended in 2024), this was recognized directly in the statement of profit or loss.

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10. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

10-2 Investments in debt instruments carried at fair value through profit or loss

	31 December 2025			Fair Value
	Number of units	Cost	Unrealized Gain	
Sukuk*	36,000	684,056	17,183	701,239

	31 December 2024			Fair Value
	Number of units	Cost	Unrealized Loss	
Sukuk*	36,000	688,515	(4,459)	684,056

* On 9 April 2024, the Company purchased sukuk worth \$183,402 with an annual yield rate of 13.25% in the European market.

Investments measured at fair value through profit or loss have been classified as follows:

	31 December 2025	31 December 2024
Non-current portion	21,145,913	23,545,652
Current portion	33,426,413	21,030,267
	54,572,326	44,575,919

11. CASH AND CASH EQUIVALENT

Cash and cash equivalents are as follows:

	31 December 2025	31 December 2024
Time Replacements*	4,352,900	4,352,900
Cash at the bank	2,190,509	350,490
Accrued interest on Murabaha	406	6,728
	6,543,815	4,710,118

* Time Replacements are deposited with other parties with a good credit rating. ("Note 22"). The disclosed book value above approximates the fair value as at the financial position statement date. Also, all deposits have a margin of less than three months original and are as follows:

- During 2025, the Company placed a deposit of USD 1,160,000 with an annual profit margin of 3.36%, maturing on January 30, 2026.

12. SHARE CAPITAL

On July 15, 2025, the Company's Extraordinary General Assembly approved a capital increase through the issuance of bonus shares by capitalizing an amount of SAR 13,000,000 from retained earnings. One (1) bonus share was to be issued for every five (5) shares held. As a result, the Company's authorized and paid-up capital as of December 31, 2025, amounted to SAR 78,000,000, divided into 7.8 million shares with a par value of SAR 10 per share (December 31, 2024: SAR 65,000,000, divided into 6.5 million shares with a par value of SAR 10 per share).

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13. EMPLOYEE DEFINED BENEFIT PLAN OBLIGATIONS

In accordance with the provisions of IAS 19 “Employee Benefits”, management has carried out an exercise to assess the present value of its employees’ defined benefit obligations at the date of statement of financial position, in respect of employees’ end-of-service benefits payable under relevant local regulations and contractual arrangements. The following are the main actuarial assumptions used to calculate the end-of-service indemnity, which are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	%5.40	%5.60
Salaries increase rate	%5.00	%5.00

The movement in employee defined benefit plan obligations is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employees defined benefits plan obligations balance at beginning of the year	1,039,173	977,894
Charged to the Statement of profit or loss		
Current year cost	333,181	316,111
Financing interests	55,410	46,517
Charged to the statement of other comprehensive income		
Losses/ (Gains) on re-measurement of defined employee benefit plan obligations	93,814	(52,806)
Paid during the year	(40,756)	(248,543)
Employees defined benefits plan obligations balance at end of the year	1,480,822	1,039,173

The analysis of the quantitative sensitivity of assumptions affecting end-of-service benefit obligations as at 31 December 2025 and 2024 is as follows:

Description	<u>31 December 2025</u>		<u>31 December 2024</u>	
	The value	The difference	The value	The difference
Basic assumptions	1,480,822	0.00%	1,039,173	0.00%
+1% discount rate	1,329,383	(10.23%)	933,643	(10.16%)
-1% discount rate	1,663,202	12.32%	1,166,119	12.22%
+1% salary increase rate	1,669,965	12.77%	1,171,131	12.70%
-1% salary increase rate	1,321,190	(10.78%)	927,714	(10.73%)
+10% mortality rate	1,480,607	(0,01%)	1,039,039	(0.01%)
-10% mortality rate	1,481,037	0,01%	1,039,308	0.01%
+10% turnover rate	1,451,824	(1.96%)	1,017,062	(2.13%)
-10% turnover rate	1,512,182	2,12%	1,062,926	2.29%

The above sensitivity analysis was determined based on a method that extrapolates the effect on the end-of-service benefits obligation as a result of reasonable changes in key assumptions that occur at the end of the period for which the financial statements are prepared. Sensitivity analysis is based on a change in one of the main assumptions while keeping all other assumptions constant. The sensitivity analysis may not reflect actual changes in the end-of-service benefit obligation because it is unlikely that changes in assumptions will be isolated.

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14. ACCRUED EXPENSES AND OTHER PAYAPLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Accrued dividend to shareholders	1,682,332	1,140,345
VAT accruals	1,561,445	1,583,240
Accrued Employee remuneration	1,125,000	1,425,000
Accrued Expenses	356,851	343,504
Accrued social insurance	59,825	42,777
Employee Dues	25,486	26,201
Accrued attendance allowances for board of directors and committee meetings*	21,000	18,000
Service suppliers	-	157,071
Insurance	-	11,115
Other payable	358,941	51,274
	<u>5,190,880</u>	<u>4,798,527</u>

The professional fees for the audit of the annual financial statements and the review of the Company's interim condensed financial statements amounted to SAR 281,000 (2024: SAR 235,000).

15. ZAKAT PROVISION

a) Components of Zakat base

	<u>31 December 2025</u>
Stockholders' equity and equivalents - Ending Balance	103,070,908
Non-current liabilities – Ending Balance	10,491,908
Book value For long term assets	(15,073,504)
Investments in Companies	(4,296,371)
Investments in Funds	(16,849,542)
The Company's share of Investment Funds base*	<u>277,484</u>

*And the Company's share of Investment funds base is as follow:

<u>31 December 2025</u>	<u>Fund's Zakat Base</u>	<u>Number of Company's units</u>	<u>Percentage of ownership in the fund</u>	<u>The Company's share of the base</u>
Mulkia – Gulf Real Estates REIT Fund	7,905,527	3,647,087	3.51%	277,484
Total				<u>277,484</u>

	<u>31 December 2024</u>
Stockholders' equity and equivalents - Ending Balance	100,459,938
Non-current liabilities – Ending Balance	6,292,456
Book value For long term assets	(10,405,247)
Investments in Companies	(3,705,498)
Investments in Funds	(19,840,153)
The Company's share of Investment Funds base*	<u>589,982</u>

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15. ZAKAT PROVISION (CONTINUED)

31 December 2024	Fund`s Zakat Base	Number of Company`s units	Percentage of ownership in the fund	The Company's share of the base
Mulkia – Gulf Real Estates REIT Fund	16,808,619	3,647,087	3.51%	589,982
Total				<u>589,982</u>

Zakat is calculated in accordance with Ministerial Resolution No. 29791 dated 09/05/1444H on the rules for collecting zakat from investors in investment funds. The Company is considered an investor in the funds, as shown in the table above.

b) The movement of Zakat provision during the year

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	3,537,225	4,725,797
Charged during the year	2,006,283	1,891,753
Expense/ (Reversal) prior years zakat differences	776,826	(136,195)
Paid during the year	(3,596,957)	(2,944,130)
Balance at year-end	<u>2,723,377</u>	<u>3,537,225</u>

c) Zakat status

- The Company has submitted all zakat returns for the previous years up to the year 2024.
- During 2022, the Company received a zakat assessment for the years 2019 and 2020 totaling SAR 1,021,813. The Company filed an objection with the General Authority, and the objection was partially accepted, reducing the assessment to SAR 975,507. The Company subsequently appealed this decision to the Secretariat of the Tax Committees, which was rejected, and further appealed to the Appellate Committees, which was also rejected. During 2024, the Company submitted a request to pay the amount in installments, which was approved by the Authority, to be paid in twelve monthly installments from February 2025 to January 2026. In January of the subsequent period, the Company settled the full amount related to this assessment.
- In May 2025, the Company received a zakat assessment for the year 2023 amounting to SAR 743,913. The Company filed an objection with the Authority, which was rejected. The Company further appealed to the Secretariat of the Tax Committees, which was also rejected, and filed an appeal with the Appellate Committees. The appeal is still under review as of the reporting date. The Company recognized a full provision for the assessed amount.
- In September 2025, the Company received a zakat assessment for the year 2024 amounting to SAR 40,159. The Company recognized a full provision for the assessed amount and settled the full liability related to this assessment.

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16. CREDIT FACILITIES

The Company obtained a Sharia-compliant credit facility through a local bank, with a withdrawal limit of 25 million Saudi riyals, secured by the Company's investment portfolio with Saudi French Capital, covering no less than 140%. The facility carries an interest margin of SAIBOR + 2.5%. The movement of the credit facilities was as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	-	-
Facilities received during the year	-	19,000,000
Finance interest during the year	5,952	486,501
Paid from facilities during the year	(5,952)	(19,486,501)
Balance at the end of the year	-	-

17. INCOME FROM INVESTMENT SERVICES AND ASSET MANAGEMENT

	<u>For the year ended 31 December 2025</u>	<u>For the year ended 31 December 2024</u>
Income from asset management services	31,658,588	36,223,855
Financing and dealing structuring fees	4,493,746	6,225,000
Services fees provided to funds	646,063	681,611
Funds and private portfolios performance fees	109,429	567,495
	<u>36,907,826</u>	<u>43,697,961</u>
Timing of Revenue Recognition:		
Over time	31,648,588	32,983,178
At point in time	5,259,238	10,714,783
	<u>36,907,826</u>	<u>43,697,961</u>

*The geographical area of income from contracts with customers is represented in the Saudi market.

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18. OTHER EXPENSES

	For the year ended 31 December 2025	For the year ended 31 December 2024
Allowances and remunerations to BOD members and related annual committees (Note 8)	1,067,000	1,098,000
General utilities	64,650	66,049
Repairs and maintenance expenses	24,096	20,447
Marketing expenses	73,314	31,866
Other expenses	850,991	512,809
	2,080,051	1,729,171

19. FINANCE COSTS

	For the year ended 31 December 2025	For the year ended 31 December 2024
Financing interests from lease contracts (Note 7)	805,319	392,672
Financing interests from employee defined benefit plan obligations (Note 13)	55,410	46,517
Finance costs from bank facilities (Note 16)	5,952	486,501
	866,681	925,690

20. EARNINGS PER SHARE

Earnings per share out of net income for the year and earnings per share from main operations are calculated by dividing net income for the year and net income from main operations by weighted average number of adjusted shares outstanding as at end of the year, amounting to 7,800,000 shares (31 December 2024: 7,800,000 shares).

21. FAIR VALUE

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. Fair value definition includes the assumption that the Company is a going concern, with no intention or requirement to significantly reduce its operations or execute transactions under unfavorable conditions.

Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted prices (unadjusted) in an active financial market for identical assets and liabilities that can be accessed on the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Asset or liability inputs that are not based on observable market data (i.e., unobservable inputs).

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21. FAIR VALUE (CONTINUED)

The table below presents the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount reasonably approximates fair value.

<u>As at 31 December 2025</u>	<u>FVPL</u>	<u>FVOCI</u>	<u>Amortized cost</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets								
Financial assets measured at fair value								
Investments	54,572,326	5,896,613	-	60,468,939	17,685,272	25,429,984	17,353,683	60,468,939
Financial assets not measured at fair value								
Cash and cash equivalents	-	-	6,543,815	6,543,815	-	-	-	-
Due from related parties – funds managed by the Company	-	-	35,585,527	35,585,527	-	-	-	-
Due from related parties – Others	-	-	1,506,584	1,506,584	-	-	-	-
Receivable, prepayments and other receivables	-	-	1,285,743	1,285,743	-	-	-	-
	<u>54,572,326</u>	<u>5,896,613</u>	<u>44,921,669</u>	<u>105,390,608</u>	<u>17,685,272</u>	<u>25,429,984</u>	<u>17,353,683</u>	<u>60,468,939</u>
Financial liabilities not measured at fair value								
Accrued expenses and other payables	-	-	5,190,880	5,190,880	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,190,880</u>	<u>5,190,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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21. FAIR VALUE (CONTINUED)

As at 31 December 2024	FVPL	FVOCI	amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets measured at fair value								
Investments	44,575,919	6,317,922	-	50,893,841	20,524,209	10,648,304	19,721,328	50,893,841
Financial assets not measured at fair value								
Cash and cash equivalents	-	-	4,710,118	4,710,118	-	-	-	-
Due from related parties – funds managed by the Company	-	-	38,915,176	38,915,176	-	-	-	-
Due from related parties – Others	-	-	5,878,245	5,878,245	-	-	-	-
Receivable, prepayments and other receivables	-	-	2,761,614	2,761,614	-	-	-	-
	44,575,919	6,317,922	52,265,153	103,158,994	20,524,209	10,648,304	19,721,328	50,893,841
Financial liabilities not measured at fair value								
Accrued expenses and other payables	-	-	4,798,527	4,798,527	-	-	-	-
Due to related parties – funds managed by the Company	-	-	2,828	2,828	-	-	-	-
	-	-	4,801,355	4,801,355	-	-	-	-

As of 31 December 2025, management reclassified the investment in Dur Al-Kutab Co. Ltd. amounting to SAR 4,246,371 from Level 2 to Level 3 in the fair value hierarchy. This transfer was due to the unavailability of observable market data for recent transactions of similar instruments that could be relied upon for measurement, necessitating the use of significant unobservable inputs to determine fair value.

Conversely, a transfer from Level 3 to Level 2 in the fair value hierarchy was made for XAI Corp., amounting to SAR 13,534,088, following the availability of verifiable reference data from comparable transactions. This transfer allows the use of market data rather than relying solely on unobservable assumptions, thereby enhancing the accuracy of the valuation and the transparency of the financial statements.

During the year, there were no other transfers between the levels of the fair value hierarchy.

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21. FAIR VALUE (CONTINUED)

Fair evaluation methods

- Financial assets at fair value through profit or loss and through other comprehensive income classified as Level 1 include investments in traded funds and companies, and the fair value is obtained through quoted prices (unadjusted) in an active financial market for identical assets and liabilities that can be accessed on the measurement date.
- Financial assets at fair value through profit or loss and through other comprehensive income classified as Level 2 include investments in open-ended public and private investment funds whose fair values are determined based on the last recorded net asset value as of the reporting date. The net asset value consists of the total Assets minus the total liabilities of the fund, and in more detail: it is the market value of all securities owned, plus any receivables to the fund that are pending collection and any other cash amounts after deducting any obligations of the fund. The unit price is calculated by dividing the net asset value by the number of units issued. It also includes a foreign Company, and its fair value was measured based on availability of verifiable reference data from comparable transactions.
- Financial assets at fair value through profit or loss and through other comprehensive income classified as Level 3 include investments in closed-ended private real funds whose fair values are determined based on the last recorded net asset value as of the reporting date. As well as equity instruments of foreign companies, for which fair value was based on net asset value, considered the best estimate of fair value as their primary objective is to invest in other companies without operational activity, and these investments are measured and recognized at fair value. as well as equity instruments of unlisted insignificant companies, where the management believes that the fair value approximates the book value, as the Company relied on the cost price due to the fact that the most recent information available to the management was insufficient to measure the fair value.

The following table summarizes the valuation techniques and significant unobservable inputs used for the Company's investments classified within Level 3 of the fair value hierarchy as of December 31, 2025:

Investment Type	Valuation Techniques	Significant Unobservable Inputs	Inputs
Common shares	Market approach	Price /BV Multiple	2.4X
Units in Mutual Funds	Net asset value	Fair value estimates of financial investments in the funds measured using unobservable inputs.	Net asset value
Common shares in foreign companies	Net asset value	Fair value estimates of financial investments in the Company measured using unobservable inputs.	Net asset value

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The activities of the Company may be exposed mainly to financial risks resulting from the following:

Foreign currency risk management

The Company is not exposed to significant risks related to exchange prices, as the Company's main transactions are in Saudi riyals and US dollars. Therefore, no need to manage such exposure effectively.

Interest rate risk management

Special interest rate risk arises from the possibility that changes in future cash flows or in the fair values of financial instruments will affect at the reporting date. The Company was not exposed to interest rate risk.

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22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market price risk

The Company is exposed to market price risk as a result of changes in the fair value of financial assets held at fair value as a result of changes in the level of market indicators.

a) Investments at fair value through profit or loss

As of the reporting date, investments measured at fair value through profit or loss include equity shares and investment funds. The Company monitors market risks associated with these investments on an individual investment basis.

As of the reporting date, a 10% change in the net asset values of the relevant investments could result in an increase or decrease in net income by SAR 5,457,232 (31 December 2024: SAR 4,457,592).

b) Investments at fair value through the statement of other comprehensive income

At the reporting date, investments at fair value through other comprehensive income include corporate shares and investment funds. The Company monitors the market risk on these investments on an investment-by-investment basis.

At the reporting date, a change of 10% in the net asset values of the related investments would increase or decrease other comprehensive income by 589,661 SAR (31 December 2024: 631,792 SAR).

Credit risk management

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to credit risk on its balances as follows:

	31 December 2025		31 December 2024	
	exposure	Expected credit losses	exposure	Expected credit losses
Due from related parties – Funds Managed by the Company	35,585,527	-	39,253,250	338,074
Due from related parties – Others	1,506,584	-	5,878,245	-
Cash and cash equivalents	6,543,815	-	4,710,118	-
Other receivables	441,992	-	1,787,668	-
	44,077,918	-	51,629,281	338,074

The Company seeks to monitor credit risks by monitoring credit exposure, in addition to identifying and analyzing risks, setting appropriate limits and controls, monitoring risks and adhering to limits through reliable management information data in a timely manner. The Company also takes the necessary measures to recover overdue debts. Moreover, it The Company reviews the recoverable amount of all receivables and other assets on an individual basis at the end of the financial period in order to ensure that an adequate loss allowance is set aside for the non-recoverable amounts.

Due from Related Parties

Due from Related Parties – Funds Managed by the Company:

These balances consist of management fees and receivables from the funds managed by the Company. As the asset manager, the Company has the right to recover the outstanding balances from the funds under its management with respect to the accrued fees. As of the reporting date, given the net asset values, the credit risk associated with receivables from related-party funds is considered low, and the Company expects to recover these amounts in full at their carrying amounts.

Due from Related Parties – Others:

These balances consist of recoverable financial support and other receivables from associates. The Company has assessed the credit risk of these balances by reviewing historical repayment patterns and the absence of any indications of default. Accordingly, the Company considers that any credit risk related to receivables from associates, if any, would not be material.

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22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk management (CONTINUED)

Cash and cash equivalents

As for cash and cash equivalents, the credit risks are low as they are kept with financial institutions with a good credit rating and there is no history of default for any of these balances, which is explained as follows:

Rating of Financial institution	31 December 2025
Cash at the banks	
A1 (Moody`s)	2,131,513
A2 (Moody`s)	58,527
Aa3 (Moody`s)	100
Unrated	775
	2,290,915
Margin deposits	
A1 (Moody`s)	4,352,900
	4,352,900
Total cash and cash equivalents	6,543,815

Other receivables and other debtors:

The Company conducted an assessment of the expected credit losses for other receivables and other debtors, and after considering the nature of these balances and the history of default, the Company found that it does not require making an allowance for expected credit losses, and according to management`s estimation, the expected credit losses, if any, will not be material.

Credit Concentration:

Concentrations of credit risk arise when a number of counterparties are engaged in similar activities, or activities within the same geographic region, or have similar economic characteristics due to changes in economic policies or other conditions.

At the statement of financial position date, management has not identified any significant concentrations of credit risk.

Liquidity risks management

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Company undertakes for the benefit of others.

To reduce the liquidity risk and associated losses which may affect the business of the Company, the Company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Company avoids financing long-term capital requirements and its activities related to current accounts with related parties through short-term borrowings and transactions related to current accounts with related parties. The Company has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

Below is a statement of maturity of liabilities as at 31 December 2025:

31 December 2025	book value of the liabilities	3 months or less	More than 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates
Liabilities					
Accrued expenses and other creditors	5,190,880	5,190,880	-	-	-
Lease liabilities	12,436,747	1,104,750	612,800	17,650,861	-

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22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risks management (CONTINUED)

a) Below is a statement of maturity of liabilities as at 31 December 2024:

31 December 2024	book value of the liabilities	3 months or less	More than 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates
<u>Liabilities</u>					
Accrued expenses and other creditors	4,798,527	4,798,527	-	-	-
Lease liabilities	6,960,525	612,800	612,800	8,465,640	-
Due to related parties	2,828	-	2,828	-	-

23. ASSETS HELD AS TRUST

23-1 Assets under management

The Company holds assets on behalf of its clients through the management of private portfolios and funds (managed by the Company). Since the Company acts as a custodian for these assets, these assets have not been included in the statement of financial position. As of December 31, 2025 the Company holds assets under management amounting to SAR 4,055 million on behalf of and for the benefit of its clients (December 31, 2024: SAR 3,794 million).

23-2 Customer cash accounts

The Company holds cash accounts for clients amounting to SAR 28 million as of December 31, 2025 (December 31, 2024: SAR 93 million) which are used in accordance with the clients' instructions. Since the Company acts as a custodian for these assets, these assets have not been included in the statement of financial position.

24. DIVIDENDS

On May 29, 2025, the Company's ordinary general meeting approved the Board of Directors' recommendation to distribute cash dividends of SAR 2.5 per share for the year 2024, totaling SAR16,250,000.

In accordance with the authorization granted by the general meeting on May 25, 2023, the Board, through Resolution No. 3 of 2024 dated March 17, 2024, approved interim cash dividends of SAR 2.5 per share for both the first and second halves of 2023, resulting in total distributions of SAR 16,250,000.

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25. Regulatory Capital Requirements and Capital Adequacy Ratio:

Below are the capital base, minimum capital requirements, and capital adequacy ratios for the Company according to the financial adequacy rules issued by the Capital Market Authority(“CMA”):

	<u>31 December 2025</u>
Capital base	
Main capital	98,576,355
Total capital base	<u>98,576,355</u>
Risk-weighted assets	
Market risk	24,590,292
Credit risk	220,810,660
Operational risks	122,368,118
Total	<u>367,769,070</u>
Capital adequacy ratio	
Total capital ratio	26.80%
Tier 1 capital ratio	26.80%
Capital surplus	<u>69,154,829</u>
	<u>31 December 2024</u>
Share capital base:	
Main capital	97,142,342
Total capital base	<u>97,142,342</u>
Risk-weighted assets	
Market risk	10,106,374
Credit risks	212,280,266
Operational risks	116,765,268
Concentrations risks	39,465,212
Total	<u>378,617,120</u>
Capital adequacy ratio:	
Total capital ratio	25.66%
Tier 1 capital ratio	25.66%
Capital surplus	<u>66,852,972</u>

- a) The Company's capital base consists of Tier-1 capital (including capital and accumulated profits or losses).The Company does not have Tier-2 capital, in accordance with the provisions of the financial adequacy rules.
- b) The objectives of the Company in managing the capital adequacy are to adhere to the capital requirements set by the Capital Market Authority(“ CMA”) to maintain the Company's ability to continue as going concern and maintain a strong capital base.
- c) According to article 6 (g) of the Authorized Persons Regulations issued by the Capital Market Authority(“ CMA”) in the Kingdom of Saudi Arabia, the minimum capital required for the activities of the Company is SAR 50 million.

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26. SEGMENT INFORMATION

The Company consists of the following main business sectors:

a. investment

The investment sector manages the ownership of the investments in the Company.

b. Assets management

The asset management sector manages the assets in the investment portfolios of the Company's clients, as well as managing the assets of investment and real estate funds managed by the Company.

The operating sector is related to the Company's activities through which it generates revenues and incurs expenses, including revenues and expenses related to transactions with any other elements within the Company. Operating sectors are presented in a manner consistent with the internal reports provided to the chief operating decision-maker, who is identified as the Board of Directors, responsible for making the Company's operational decisions.

The Company relies on an employee headcount methodology to allocate shared expenses across different operating sectors. This methodology is periodically updated to ensure that the actual costs for each sector are fairly reflected.

The following is a statement of the segment information as of 31 December 2025, 2024:

	<u>Investment</u>	<u>Assets Management</u>	<u>Total</u>
<u>As at 31 December 2025</u>			
Total operating income	5,486,009	36,907,826	42,393,835
Total operating expenses	(1,749,215)	(20,737,632)	(22,486,847)
Net operating income	3,736,794	16,170,194	19,906,988
Finance cost	(72,223)	(794,458)	(866,681)
Other revenue	35,020	385,218	420,238
Net Income before zakat	3,699,591	15,760,954	19,460,545
Total assets	69,873,671	50,590,441	120,464,112
Total liabilities	1,802,821	20,029,005	21,831,826
<u>As at 31 December 2024</u>			
Total operating income	2,483,828	43,697,961	46,181,789
Total operating expenses	(1,744,959)	(18,192,265)	(19,937,224)
Net operating income	738,869	25,505,696	26,244,565
Finance cost	(77,141)	(848,549)	(925,690)
Other revenue	58,922	648,140	707,062
Net Income before zakat	720,650	25,305,287	26,025,937
Total assets	62,579,289	50,984,952	113,564,241
Total liabilities	1,385,115	14,953,163	16,338,278

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26. SEGMENT INFORMATION (CONTINUED)

The following presents the geographical concentration of assets, liabilities, revenues, and expenses of the disclosed segments based on the location of the held assets.

	<u>KSA</u>	<u>USA</u>	<u>Europe</u>	<u>Total</u>
<u>As at 31 December 2025</u>				
<u>ASSETS</u>				
Property and equipment	3,855,990	-	-	3,855,990
Intangible assets	55,931	-	-	55,931
Right-of-use assets	11,161,583	-	-	11,161,583
Investments at FVOCI	5,896,613	-	-	5,896,613
Investments at FVPL	36,910,010	16,961,077	701,239	54,572,326
Due from related parties – Funds Managed by the Company	35,585,527	-	-	35,585,527
Due from related parties – Others	1,506,584	-	-	1,506,584
Prepayments and other receivables	1,285,743	-	-	1,285,743
Cash and cash equivalents	1,782,038	-	4,761,777	6,543,815
Total Assets	<u>98,040,019</u>	<u>16,961,077</u>	<u>5,463,016</u>	<u>120,464,112</u>
<u>LIABILITIES</u>				
Accrued expenses and other payables	5,190,880	-	-	5,190,880
Zakat provision	2,723,377	-	-	2,723,377
Lease liabilities	12,436,747	-	-	12,436,747
Employee defined benefits plan obligation	1,480,822	-	-	1,480,822
Total liabilities	<u>21,831,826</u>	<u>-</u>	<u>-</u>	<u>21,831,826</u>
<u>OPERATING INCOME</u>				
Income from investment services and asset management	36,907,826	-	-	36,907,826
Realized (losses) / gains on sale of investments through FVPL	403,457	-	-	403,457
Unrealized (losses) / gains on investments through FVPL	(3,430,157)	7,107,672	17,183	3,694,698
Dividends income	1,172,293	-	33,651	1,205,944
Special commission income	-	-	181,910	181,910
Total Operating Income	<u>35,053,419</u>	<u>7,107,672</u>	<u>232,744</u>	<u>42,393,835</u>

All operating expenses are essentially concentrated in the Kingdom of Saudi Arabia (“KSA”).

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26. SEGMENT INFORMATION (CONTINUED)

	KSA	USA	Europe	Total
<u>As at 31 December 2024</u>				
ASSETS				
Property and equipment	4,139,683	-	-	4,139,683
Intangible assets	83,619	-	-	83,619
Right-of-use assets	6,181,945	-	-	6,181,945
Investments at FVOCI	4,537,882	1,780,040	-	6,317,922
Investments at FVPL	34,038,458	9,853,405	684,056	44,575,919
Due from related parties – Funds Managed by the Company	38,915,176	-	-	38,915,176
Due from related parties – Others	5,878,245	-	-	5,878,245
Prepayments and other receivables	2,761,614	-	-	2,761,614
Cash and cash equivalents	350,490	-	4,359,628	4,710,118
Total Assets	<u>96,887,112</u>	<u>11,633,445</u>	<u>5,043,684</u>	<u>113,564,241</u>
LIABILITIES				
Due to related parties	2,828	-	-	2,828
Accrued expenses and other payables	4,798,527	-	-	4,798,527
Zakat provision	3,537,225	-	-	3,537,225
Lease liabilities	6,960,525	-	-	6,960,525
Employee defined benefits plan obligation	1,039,173	-	-	1,039,173
Total liabilities	<u>16,338,278</u>	<u>-</u>	<u>-</u>	<u>16,338,278</u>
OPERATING INCOME				
Income from investment services and asset management	43,697,961	-	-	43,697,961
Realized (losses) / gains on sale of investments through FVPL	693,350	-	(9,637)	683,713
Unrealized (losses) / gains on investments through FVPL	(1,571,049)	1,796,919	(4,459)	221,411
Dividends income	1,242,621	-	29,936	1,272,557
Special commission income	35,688	-	270,459	306,147
Total Operating Income	<u>44,098,571</u>	<u>1,796,919</u>	<u>286,299</u>	<u>46,181,789</u>

All operating expenses are essentially concentrated in the Kingdom of Saudi Arabia (“KSA”).

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27. IMPORTANT EVENTS

On 10 February 2025, the General Assembly approved the election of the Board of Directors members from among the candidates for the upcoming term, which will start on 11 March 2025, and last for 4 calendar years, ending on 10 March 2029. The following members were elected:

- a. Mr. Ibrahim bin Mohammed Al-Hodithi.
- b. Mr. Sultan bin Mohammed Al-Hodithi.
- c. Mr. Mutlaq bin Mohammed Al-Mutlaq.
- d. Mr. Mazen bin Abdulaziz Al-Humaid.
- e. Mr. Majed bin Suleiman Al-Nafea.
- f. Mr. Ziad bin Bandar Al-Yousef.

28. COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 December 2025, the Company does not have any material commitments or contingent liabilities that have not been disclosed in these financial statements.

29. SUBSEQUENT EVENTS

During March 2026, Board of Directors recommendation to the Extraordinary General Assembly to increase the Company's capital through granting bonus shares by capitalizing SAR 12 million from retained earnings. Granting one bonus share for each 6.5 shares owned.

In the opinion of management, there have been no significant subsequent events after December 31, 2025, up to the date of approval of these financial statements that could have a material impact on the financial statements as of December 31, 2025.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 19 March 2026 (corresponding to 30 Ramadan 1447H).