

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)






REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(1/3)

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Arbah Capital Company (the “Company”) as at December 31, 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 December 31, 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 QUALIFIED OPINION

The financial statements for the year ended December 31, 2024 were audited by another auditor, who expressed a qualified opinion regarding the valuation of the Company's foreign investments amounting to ₪ 17.45 million due to his inability to obtain sufficient appropriate audit evidence supporting its fair values at that date. As part of our audit for the current year, we obtained sufficient appropriate audit evidence regarding the fair values of these investments as at December 31, 2025. However, due to lack of appropriate underlying supporting information, we were also unable to obtain sufficient appropriate audit evidence regarding the opening carrying amounts of these investments as at January 1, 2025 and any related fair value gain or loss recorded in the statement of profit or loss for the year ended December 31, 2025. Consequently, we were unable to determine whether any adjustments to these amounts were necessary to the opening carrying amounts of these investments, or to the related fair value movements recognised during the current year.

We conducted our audit in accordance with 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 of 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 Company's 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 qualified opinion.

EMPHASIS OF MATTER

We draw attention to note 30 to the accompanying financial statement which describe the adjustments applied to amend December 31, 2024 and January 1, 2024 financial statements. As part of our audit of December 31, 2025 financial statements, we also audited the adjustments described in note 30 that were applied to amend December 31, 2024 and January 1, 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to December 31, 2024 and January 1, 2024 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any form of assurance on December 31, 2024 and January 1, 2024 financial statements taken as a whole. Our opinion is not modified in respect of this matter.

OTHER MATTER

The financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed a qualified opinion dated March 31, 2025 corresponding to Shawwal2, 1446H regarding the valuation of certain foreign investments carried at fair value.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(2/3)

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 SOCPA and Regulations for Companies and the Company's By-laws 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 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.

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 misstatements, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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's 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 ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(3/3)

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.

For PKF Albassam Chartered Accountants



Ahmed Abdul Majeed Mohandis
Certified Public Accountant
License No. 477
Khobar, Kingdom of Saudi Arabia.
Shawwal 7, 1447 H
Corresponding to: March 26, 2026



ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		December 31, 2025	December 31, 2024	January 1, 2024
	Note	ﷲ	ﷲ (Restated – Note 30)	ﷲ (Restated – Note 30)
ASSETS				
Current assets				
Cash and cash equivalents	6	9,603,267	2,436,992	10,113,830
Accounts receivables and other assets	7	8,959,830	3,817,437	4,753,279
Prepayments	8	963,264	615,955	811,565
Due from related parties	9	39,598,833	28,486,550	19,199,442
Property for development	10	-	19,093,000	19,093,000
Investment in financial instruments	11	1,468,849	3,147,817	3,931,200
		<u>60,594,043</u>	<u>57,597,751</u>	<u>57,902,316</u>
Non-current assets				
Accounts receivables and other assets	7	-	2,035,460	651,594
Right-of-use assets	12	748,318	1,247,196	1,746,074
Property and equipment	13	1,359,316	1,836,674	2,096,307
Intangible assets	14	26,600	34,269	41,938
Investment property	15	38,375,420	40,942,160	52,372,631
Investment in financial instruments	11	60,035,337	48,858,325	64,321,243
		<u>100,544,991</u>	<u>94,954,084</u>	<u>121,229,787</u>
TOTAL ASSETS		<u>161,139,034</u>	<u>152,551,835</u>	<u>179,132,103</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Current liabilities				
Accounts payable, accruals and other liabilities	16	8,677,015	5,952,153	5,690,018
Zakat provision	17	7,601,157	7,165,097	10,638,867
Bank credit facilities	18	3,650,000	3,703,911	2,913,333
Lease liabilities	12	906,574	521,650	415,090
Due to a related party	9	36,300	70,800	99,900
		<u>20,871,046</u>	<u>17,413,611</u>	<u>19,757,208</u>
Non-current liabilities				
Lease liabilities	12	-	907,275	1,469,762
Bank credit facilities	18	6,125,000	9,625,000	13,125,000
Employees' defined benefit liabilities	19	3,833,054	4,711,294	4,705,663
		<u>9,958,054</u>	<u>15,243,569</u>	<u>19,300,425</u>
TOTAL LIABILITIES		<u>30,829,100</u>	<u>32,657,180</u>	<u>39,057,633</u>
EQUITY				
Share capital	1	142,780,000	142,780,000	142,780,000
Statutory reserve	20	5,145,454	5,145,454	5,145,454
Accumulated losses		(17,066,862)	(27,515,344)	(7,453,934)
Fair value reserve of financial assets at FVOCI		(548,658)	(515,455)	(397,050)
TOTAL EQUITY		<u>130,309,934</u>	<u>119,894,655</u>	<u>140,074,470</u>
TOTAL LIABILITIES AND EQUITY		<u>161,139,034</u>	<u>152,551,835</u>	<u>179,132,103</u>



(Chief Financial Officer)



(Chief Executive Officer)

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

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	December 31, 2025	December 31, 2024
Note	#	# (Restated – Note 30)
REVENUES		
Asset management income	21	11,150,835
Investment banking services		9,961,099
Fair value loss on investment property	15	20,268,645
Fair value Gain / (loss) on financial assets at FVTPL	11	(2,566,740)
Rental and hospitality income		(11,430,471)
Advisory income		8,041,214
Brokerage commission		(14,888,291)
Murabaha Income		3,976,966
Dividends income		4,189,437
Loss on disposal of property for development	10	1,047,000
Total revenue		675,000
		1,096,412
		3,620,230
		1,081,009
		-
		6,244,885
EXPENSES		
Employees' cost		(19,382,302)
Other general and administration expenses	22	(15,233,998)
Cost of rental and hospitality income	23	(7,757,916)
Marketing expenses		(6,856,899)
Profit / (loss) from operations		(2,301,406)
		(136,381)
		11,912,143
		(18,193,061)
Finance costs	24	(1,341,583)
Finance income		(1,731,599)
Other income, net	25	25,975
Profit / (loss) before zakat		80,005
		1,042,441
		(18,802,214)
Zakat	17	(1,308,334)
PROFIT / (LOSS) FOR THE YEAR		(1,800,000)
		10,383,556
		(20,602,214)
OTHER COMPREHENSIVE INCOME / (LOSS)		
<i>Item that will not be subsequently reclassified in profit or loss:</i>		
Remeasurements gain on employees' defined benefits liabilities	19	64,926
Loss on investments classified as fair value through other comprehensive income	11.2	540,804
Other comprehensive income for the year		(33,203)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		422,399
		31,723
		10,415,279
		(20,179,815)
Earnings / (loss) per share		
Basic and diluted earnings / (loss) per share	26	0.73
		(1.44)



(Chief Financial Officer)



(Chief Executive Officer)

The accompanying notes form an integral part of these financial statements

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital ﷲ	Statutory reserve ﷲ	Accumulated losses ﷲ	Fair value reserve of financial assets at FVOCI ﷲ	Total ﷲ
January 1, 2024 – as previously stated	142,780,000	5,145,454	(17,527,302)	(397,050)	130,001,102
Adjustments for restatement (note 30)	-	-	10,073,368	-	10,073,368
January 1, 2024 – restated	142,780,000	5,145,454	(7,453,934)	(397,050)	140,074,470
Loss for the year - restated	-	-	(20,602,214)	-	(20,602,214)
Other comprehensive income	-	-	540,804	(118,405)	422,399
Total comprehensive loss – restated	-	-	(20,061,410)	(118,405)	(20,179,815)
December 31, 2024 – Restated	142,780,000	5,145,454	(27,515,344)	(515,455)	119,894,655
Income for the year	-	-	10,383,556	-	10,383,556
Other comprehensive income	-	-	64,926	(33,203)	31,723
Total comprehensive income	-	-	10,448,482	(33,203)	10,415,279
December 31, 2025	142,780,000	5,145,454	(17,066,862)	(548,658)	130,309,934



(Chief Financial Officer)




(Chief Executive Officer)

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

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		December 31, 2025	December 31, 2024
	Note	S	S
			(Restated – Note 30)
OPERATING ACTIVITIES			
Income / (loss) before zakat		11,691,890	(18,802,214)
Adjustments for:			
Loss on disposal of property for development	10	2,052,671	-
Fair value (Gain) / loss on financial assets at FVTPL	11	(8,041,214)	14,888,291
Depreciation of right-of-use assets	12	498,878	498,878
Depreciation of property and equipment	13	509,597	504,426
Gain on disposal of property and equipment	13	-	(1,003)
Amortization of intangible assets	14	7,669	7,669
Fair value (gain) / loss on investment property	15	2,566,740	11,430,471
Current service cost for employees' defined benefit liabilities	19	570,558	495,903
Finance costs	24	1,341,583	1,731,599
Write back of accounts payable and accrued expenses	25	(474,501)	(325,000)
Finance income		(25,975)	(80,005)
Reversal of impairment of accounts receivables and other assets	25	-	(321,264)
		10,697,896	10,027,751
Working capital adjustments:			
Due from / to related parties, net		(11,146,783)	(9,316,208)
Prepayments		(347,309)	195,610
Accounts receivables and other assets		(3,106,933)	(126,760)
Accounts payable, accruals and other liabilities		3,199,363	587,135
Cash (used in) / generated from operations		(703,766)	1,367,528
Zakat paid	17	(872,274)	(5,273,770)
Employees' defined benefit liabilities paid	19	(1,631,690)	(164,094)
Finance cost received		25,975	80,005
Finance cost paid		(1,147,676)	(1,601,395)
Net cash used in operating activities		(4,329,431)	(5,591,726)
INVESTING ACTIVITIES			
Acquisition of investments in financial assets at FVTPL	11	(8,451,842)	(15,658,806)
Proceeds from disposal of property for development	10	17,040,329	-
Proceeds from sale of investments in financial assets at FVTPL	11	6,961,809	16,898,411
Purchase of property and equipment	13	(32,239)	(246,816)
Proceeds from disposal of property and equipment	13	-	3,026
Net cash generated from investing activities		15,518,057	995,815
FINANCING ACTIVITIES			
Loans received during the year	18	-	1,181,046
Loans repaid during the year		(3,500,000)	(3,806,046)
Payment of lease liabilities	12	(522,351)	(455,927)
Net cash used in financing activities		(4,022,351)	(3,080,927)
Net increase in cash and cash equivalents		7,166,275	(7,676,838)
Cash and cash equivalents as at January 1.		2,436,992	10,113,830
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,		9,603,267	2,436,992
NON-CASH TRANSACTIONS			
Remeasurements gain on employees' defined benefits liabilities		64,926	540,804
Loss on investments classified as fair value through other comprehensive income		(33,203)	(118,405)


(Chief Financial Officer)


(Chief Executive Officer)

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

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. ORGANIZATION AND ACTIVITY

Arbah Capital Company (the "Company") is a Saudi Joint Stock Company (unlisted), incorporated in Khobar, Kingdom of Saudi Arabia under commercial registration number 2050059020 (unified number 7001547202) dated Rabie Al Awwal 4, 1429H (corresponding to March 12, 2008). The Company is mainly engaged in conducting the securities business under CMA license no. 7083-37 dated Sha'ban 1, 1428H such as dealing in securities, arranging for securities, providing advice in securities and custody in securities. The registered office of the Company is situated in Noura Tower, Building no 6311, Prince Turki Road, Al Kurnaish District, Al Khobar, Kingdom of Saudi Arabia. The capital is divided into 14,278,000 shares (2024: 14,278,000 shares) of ﷲ 10 with total value of ﷲ 142,780,000 (2024: ﷲ 142,780,000).

The ownership of the Company is as follows:

Name of the shareholders	2025		2024	
	Ownership		Ownership	
	%	ﷲ	%	ﷲ
International Investors Holding Company	15.91	22,715,000	15.91	22,715,000
Abdullah Rushaid Al Rushaid & Son Company (Al Rushaid Investment Company)	11.14	15,900,500	11.14	15,900,500
Al Kifah Holding Company	10	14,278,000	10	14,278,000
Majd Company for Development and Investment	9.09	12,980,000	9.09	12,980,000
Al Ansari Investment Company	9.09	12,980,000	-	-
Al Yamama Investment Company	9.09	12,980,000	-	-
Abdulhadi Al Qahtani & Partners for Marine and Oil Field Services Company	6.82	9,735,000	6.82	9,735,000
Hamad Saleh Salem Al Wabel	4.55	6,490,000	4.55	6,490,000
Nasser Mohammed AlNabit & Sons Company	4.55	6,490,000	4.55	6,490,000
Abdullah Saleh Aba Hussein	2.27	3,245,000	2.27	3,245,000
Abdulmohsen Rashed Abdulrahman Al Rashed	2.27	3,245,000	2.27	3,245,000
Salem Balhammer Real Estate Company	2.27	3,245,000	2.27	3,245,000
Sons of Abdullah Ahmed Al Mohaish Holding Co.	2.27	3,245,000	2.27	3,245,000
Al Amwaj International Company Limited	2.27	3,245,000	2.27	3,245,000
Abdullah Hamad Ammar Al Ammar	-	-	9.09	12,980,000
Abdulrazzak bin Mohammed bin Qanbar Al Ansari Trading Company Limited	-	-	9.09	12,980,000
Others*	8.41	12,006,500	8.41	12,006,500
	100	142,780,000	100	142,780,000

* Represents shareholders holding individually less than 2% of the share capital.

During the year, certain changes occurred in the Company's shareholding structure. Accordingly, the By-laws of the Company were updated to reflect the revised ownership structure.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The financial statement has been prepared on going concern under the historical cost convention, unless it is allowed by the IFRS to be measured at other valuation method as illustrated in material accounting policies note 4.

2.2 Preparation of the financial statements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in financial statements. The estimates that are material to the financial statements are disclosed in note 4.

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

2. BASIS OF PREPARATION (Continued)

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal (ﷲ), which is the functional and presentation currency. Figures have been rounded off to nearest ﷲ, unless otherwise stated.

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

3.1 New standards, amendments to standards and interpretations

A new amendment to standard, enlisted below, is effective this year but this does not have a material effect on the Company's financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	January 1, 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.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period.

3.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting year ended December 31, 2025, and have not been early adopted by the Company:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment	Management assessment
IFRS 7	Classification and Measurement of Financial Instruments	January 1, 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.	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements are not expected to be significantly affected.

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (Continued)

3.2 Standards and amendments issued but not yet effective (Continued)

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 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.	Based on the nature of the Company's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Company's financial statements upon initial application.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 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 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.	Management is currently assessing the impact of the IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply the 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.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of material accounting policies applied by the Company.

4.1 Property and equipment

Property and equipment are carried at the historical cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the statement of profit or loss, using the straight-line method to allocate the costs of the related assets less their residual values over the following estimated economic useful lives.

<u><i>Class of assets</i></u>	<u><i>No. of Years</i></u>
Motor vehicles	4
Furniture, fixtures and office equipment	4-10
Computers	5

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of profit or loss.

Derecognition of property and equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

4.2 Intangible assets

Intangible assets anticipated to provide identifiable future benefits are classified as non-current assets. Intangible assets comprise of computer software are amortized over 10 years period from the date it is fully implemented.

4.3 Impairment of tangible and intangible assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible 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 (if any). 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 (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.3 Impairment of tangible and intangible assets (Continued)

If 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 in statement of profit or loss.

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 in statement of profit or loss.

4.4 Investment property

Investment property is non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property whose fair value can be measured reliably is recorded initially at its cost. The cost comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Investment property is subsequently measured at each reporting year at its fair value, derived from the current market prices for comparable real estate which is determined annually by external qualified valuer. The valuer uses the prices in binding sale agreements or recent transactions for identical or similar assets, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset, and for any changes in economic circumstances between the measurement date and the date of the agreement or the transaction. Changes in fair value are recognized in statement of profit or loss.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

The Company engages external, independent and qualified valuers to determine the fair value of the Company's properties at the end of every financial year based on the properties' highest and best use.

Investment property is derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss in the period of derecognition. Expenses incurred for replacing component of investment property items, which are accounted for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment property. All other expenses are recognized in statement of profit or loss when incurred.

Assets in the course of construction or development are capitalized in the capital work-in-progress ("CWIP") account. The asset under construction or development is transferred to the appropriate category in investment property (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction / development cost and any other cost directly attributable to the construction or acquisition of an item of CWIP intended by management.

Transfers are made from investment property to property for development only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the property at the date of transfer.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.5 Property for development

Property for development is initially measured at acquisition cost and subsequently measured and accounted for lower of cost and net realizable value. Property for development principally consists of projects under progress and land parcels for development and sale in the ordinary course of business, rather than to be held for rental or capital appreciation. Cost comprises all directly attributable cost including land cost, direct material cost, direct labor costs, borrowing costs and those overheads that have been incurred in bringing the development property to its present location and condition. Impairment is tested comparing with net realizable value, which represents the estimated selling price less all estimated costs to complete and selling costs to be incurred.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with the bank, all of which have original maturities of 90 days or less and are available for use by the Company unless otherwise stated.

4.7 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, they are recorded in the statement of financial position under accounts payable, accruals and other liabilities. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4.8 Earnings / (loss) per share

The Company shows basic and diluted earnings / (loss) per share information for its common stock. Basic earnings / (loss) per share is calculated by dividing the Company's income or loss by the weighted average number of ordinary shares outstanding during the year, and the special shares held. Diluted earnings / (loss) per share are determined by adjusting the Company's income or loss and the weighted average number of ordinary shares outstanding, and special shares held, for the effects of all diluted potential ordinary shares.

4.9 Accounts payable, accruals and other liabilities

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

4.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and un-certainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.11 Fair value measurement

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

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

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

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

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

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

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

4.12 Qualification as an investment entity

The Company is an investment entity in accordance with IFRS 10 and, as such, does not consolidate the investee entities where it may have control. The Company applies the control model in IFRS 10 that focuses on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In case control is established, the Company determines whether a subsidiary is providing investment related services, in which case that entity is consolidated. Other controlled subsidiaries which do not provide investment related services, are measured at fair value through profit or loss. The Company does not have subsidiaries providing investment management related services.

ARBAH CAPITAL COMPANY
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4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.12 Qualification as an investment entity (Continued)

The fair value of these subsidiaries corresponds to the fair value of the underlying investments, which are disclosed in notes 11. The details of the Company's subsidiaries, their principal place of business, their respective objective and proportion of ownership are as follows:

Name of Subsidiary	Country of incorporation	Legal ownership	
		2025	2024
Sorouh Al Arbah Real Estate Company	Kingdom of Saudi Arabia	100%	100%
Dar Assaeyel Real Estate	Kingdom of Saudi Arabia	100%	100%

4.13 Financial instruments

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Company classified its investments in unquoted equity securities under fair value through other comprehensive income.

Classification of financial assets

Financial Asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.13 Financial instruments (Continued)

Assessments whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with profit margin. Financial assets measured at fair value, gains and losses will be recorded in statement of profit or loss.

Financial assets at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and profit, are measured at fair value through other comprehensive income (FVOCI).

Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in statement of profit or loss and presented net within other income in the period in which it arises.

Classification of financial liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate (EIR).

De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in statement of profit or loss.

Financial liabilities

The Company derecognizes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

The Company adopted forward-looking expected credit loss (ECL) approach to record an allowance for ECL for all receivables and other financial assets not held at FV. The impairment methodology is generally dependent on whether there has been a significant increase in credit risk. For accounts receivable that do not contain a significant financing component, the Company has applied the IFRS 9 simplified approach and has calculated ECL based on lifetime expected credit losses.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

As a practical expedient of IFRS 9, the Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.13 Financial instruments (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Effective interest rate method

The effective interest rate (EIR) method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The results of discontinued operations are presented separately in the statement of profit or loss. Non-current assets (or disposal group) are classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This is the case when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and the sale is considered to be highly probable.

4.14 Foreign currency translations

Transactions denominated in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

4.15 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and restoration costs. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over underlying asset's useful life. Right-of-use assets are subject to impairment.

4.16 Lease liabilities

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.16 Lease liabilities (Continued)

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. Incremental rate is the rate that the individual lessee would pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce constant periodic rate of finance cost on the remaining balance of the liability of each year.

Short-term leases and leases of low-value assets

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

4.17 Employee benefits

Short term employees' benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations within accruals in the statement of financial position.

Employees' end of service benefits (EOSB)

The employees' end of service benefits obligation is calculated annually by independent actuaries using the projected unit credit method. The liability recognized in statement of financial position in respect of employee benefits is the present value of employees' end of service benefits obligation at the end of reporting period.

The present value of the employees' end of service benefits obligation is determined by discounting the estimated future cash outflows using profit rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

Service cost

Service costs includes current service cost and past service cost are recognized immediately in statement of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit or loss as past service costs.

Finance cost

Finance cost is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. This cost is included in employee's cost in the statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.17 Employee benefits (Continued)

Re-measurement gains or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

4.18 Trade date accounting

All regular way purchases and sales of financial assets are recognised / derecognised on the trade date (i.e. the date that the Company commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the market place.

4.19 Revenue from contract with customers

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15. This includes:

- a) Identification of a contract with a customer, i.e., agreements with the Company that creates enforceable rights and obligations.
- b) Identification of the performance obligations in the contract, i.e., promises in such contracts to transfer products or services.
- c) Determination of the transaction price which shall be the amount of consideration the Company will expect to be entitled to in exchange for fulfilling its performance obligations (and excluding any amounts collected on behalf of third parties).
- d) Allocation of the transaction price to each identified performance obligation based on the relative stand-alone estimated selling price of the products or services provided to the customer.
- e) Recognition of revenue when/as a performance obligation is satisfied, i.e., when the promised products or services are transferred to the customer and the customer obtains control. This may be over time or at a point in time.

Revenue shall be measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described above must also be met before revenue is recognized. Where there are no specific criteria, above policy will apply and revenue is recorded as earned and accrued.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Company performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Company performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.19 Revenue from contract with customers (Continued)

The Company recognises revenue from managing mutual funds, providing consultation and safekeeping services for securities business, murabaha income on deposits over the time when service is provided, and dividend income is recognized when the right to receive dividend is established.

- Assets management fees are recognised based on a fixed percentage of net assets under management ("asset-based"), or a percentage of returns from net assets ("returns-based") subject to applicable terms and conditions and service contracts with customers and funds. The Company attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Company's efforts to transfer the services for that year. As asset management fees are not subject to clawback, the management does not expect any material reversal of revenue previously recognised.
- Investment banking services revenue is recognised based on services rendered under the applicable service contracts, and including arrangement fees for investments.
- Revenue from subscription fee is recognised upon subscription to the fund, revenue is recognized at a point of time (subscription time).
- Revenue from Custody fee is recognised based on the applicable management agreements and recognised as they are earned over time. Custody fees is earned on daily basis for an annual percentage of the Net Assets Value (NAV) of the funds managed by the Company.
- Dividends income from investments are recognised when the right to receive dividends is established.
- Brokerage income is recognised when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.
- Murabaha income is recognised on an accrual basis. Profit earned on murabaha financing is recognised as unearned income and amortised into the statement of profit or loss account over the term of the Murabaha financing.
- Rental and hospitality income comprises of revenue from rooms, food and beverages and other associated services provided. The revenue is recognized net of discount, applicable taxes and municipality fees on an accrual basis when the services are rendered. Performance obligations are satisfied over time for rental income / at a point in time for hospitality, and revenue from hotel services is recognized on a daily basis, as the rooms are occupied, and services are rendered to the extent of Company's share in investment property.

4.20 Other income

Other income is recognized when the performance obligation to the customer is satisfied.

4.21 Borrowing costs

Borrowing costs are recognised in statement of profit or loss in the period in which these are incurred except to the extent of borrowing costs on long term finances that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised, during the period of time that is required to complete and prepare the asset for its intended use.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.22 Zakat and income tax

ZATCA issued the new Regulations for zakat calculation (“the Revised ZATCA Regulations”) which is applicable from fiscal years starting on or after January 1, 2024 and accordingly, the Company calculated the zakat base in accordance with the Revised ZATCA Regulations. Zakat is payable at 2.578% on all components of the zakat base, subject to a minimum and maximum limit as prescribed in the Revised ZATCA regulations.

(a) Withholding tax

The Company withhold taxes on certain transactions with non-resident parties in the KSA, as required under Saudi Arabian Income Tax Law.

(b) Value added tax

Expenses and assets are recognized net of the amount of value added tax, except:

- when the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.23 Expenses

All the Company's expenses except for employee's cost, Cost of revenue, cost of rental and hospitality income, marketing expenses and finance costs are classified as general and administrative expenses in accordance with consistent allocation factors determined as appropriate by the Company.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, which are described in note 4, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5.1 Critical accounting judgments

The following are the critical judgements that have most significant effects on the amounts recorded in the financial statements.

i. Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Company's financial statements continue to be prepared on the going concern basis.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

5.1 Critical accounting judgments (Continued)

ii. Determining the classification of property between property and equipment and investment property

Management exercises judgment in determining whether a property is classified as property and equipment or investment property, based on its intended use. Property held for rental income or capital appreciation are classified as investment property, while those used in operations are classified as property and equipment. As the hotel's primary income is derived from rental income rather than hospitality services, it has been classified as an investment property.

iii. Qualification as an investment entity

The Company's management has made material judgments when determining that the Company qualifies as an investment entity.

The Company has the following characteristics of an investment entity:

- It has more than one investment;
- It has more than one investor;
- It has investors that are not related parties;
- It has ownership in the form of equity or similar interests.

The Company's purposes are to invest its capital solely for returns from capital appreciation and investment income. To meet this objective, The Company has built a strategy on two pillars: the direct investments and the investment funds. The direct investments are made with a medium to long-term perspective. Each of our pillars has an exit strategy designed by the Board of Directors, who is composed by a majority of independent members and who will take the decision in the best interest of the Company.

An essential element of the definition of an investment entity is that it measures and evaluates the performance of substantially all of its investments on a fair value basis, because using fair value results in more relevant information than, for example, consolidating its subsidiary or using the equity method for its interests in associates or joint ventures. In order to demonstrate that it meets this element of the definition, an investment entity:

- a. Provides investors with fair value information and measures substantially all of its investments at fair value in its financial statements whenever fair value is required or permitted in accordance with IFRSs; and
- b. Reports fair value information internally to the entity's key management personnel (as defined in IAS 24), who use fair value as the primary measurement attribute to evaluate the performance of substantially all of its investments and to make investment decisions.

In order to meet these requirements, an investment entity would:

- a. Elect to account for any investment property using the fair value model in IAS 40 Investment Property if permitted to use fair value model by law;
- b. Elect the exemption from applying the equity method in IAS 28 for its investments in associates and joint ventures; and
- c. Measure its financial assets at fair value using the requirements in IFRS 9.

iv. Assessment of control over investment funds (Company acts as fund manager)

The Company exercises significant judgement in determining whether it controls certain investment funds in which it holds an interest and for which it acts as the fund manager. This assessment requires an evaluation of whether the Company has:

- power over the relevant activities of the fund;
- exposure, or rights, to variable returns from its involvement with the fund; and
- the ability to use its power to affect those returns.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

5.1 Critical accounting judgments (Continued)

iv. Assessment of control over investment funds (Company acts as fund manager) (Continued)

As the appointed fund manager for these funds, the Company has decision-making authority over the management and operation of the funds. In assessing whether this authority results in control, management considered:

- whether the Company is acting as a principal or an agent in its capacity as fund manager;
- the substantive rights held by other investors, including removal and participating rights;
- the magnitude and variability of variable returns to the Company (including management fees, performance fees, and any direct interests in the funds);
- the purpose and design of the funds, including whether they were established primarily to provide investment opportunities for third-party investors; and
- the extent to which the Company's decision-making rights are constrained by contractual terms designed to protect investors.

Based on this analysis, management concluded that although the Company acts as fund manager and directs the relevant activities of the funds, it does so as an agent on behalf of the investors. The level of exposure to variable returns, whether through fee arrangements or fund interests, was not considered sufficient to indicate that the Company is acting as a principal. Furthermore, the investors hold substantive rights that limit the Company's ability to direct the funds' relevant activities for its own benefit.

Accordingly, the Company determined that it does not control the funds and therefore does not consolidate them. The Company's interests in these funds are accounted for under IFRS 9 or IAS 28, as appropriate.

Management continuously monitors any changes in the fund structures, contractual arrangements, or investor rights that may affect this conclusion.

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Impairment of non-financial assets

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-current assets other than intangible assets and that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

5.2 Key sources of estimation uncertainty (Continued)

(b) Impairment of financial assets including accounts receivable

The loss allowances for accounts receivables are based on assumptions about risk of default and unexpected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. These are disclosed in note 7 to these financial statements.

(c) Estimation of defined benefit obligation

The cost of defined benefit obligation and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. These are disclosed in note 4 to these financial statements.

(d) Provision for zakat

Zakat is provided for in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. Management periodically evaluates positions taken in zakat returns with respect to situations in which applicable Zakat regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA.

(e) Valuation of investments in unquoted securities

Fair value of unquoted investments is determined using valuation techniques, including discounted cash flow analysis and market comparables, where applicable. Significant inputs such as discount rates, projected cash flows, and market assumptions are based on management's best estimates and available data. Given the inherent uncertainty in such valuations, fair value estimates may differ from actual transaction prices.

(f) Provisions and contingencies

A provision for incurred liabilities is recognized when the Company has a present legal or constructive obligations as a result of past events and it is more likely than not that an outflow of resource will be required to settle the obligation and the amount has been reliably estimated.

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability; assessed at each statement of financial position date and disclosed in the Company's financial statements under contingent liabilities. Contingencies are disclosed in note 32 to these financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

5.2 Key sources of estimation uncertainty (Continued)

(g) Useful lives of property and equipment

The management determines the estimated useful lives of property and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods. These are disclosed in note 13 to these financial statements.

(h) Determination of discount rate for present value calculations

Discount rate represents the current market assessment of the risks specific to the Company, taking into consideration the tenure of the agreement and the individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of the Company.

(i) Leases

In case the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of profit that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market profit rates) when available and is required to make certain entity specific estimates.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. These are disclosed in note 12 to these financial statements.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise balances held in bank current accounts only that are readily available for use by the Company. Gross carrying amounts represents Company's maximum exposure to credit risk which are categorized under investment grade and stage 1. As at December 31, 2025 and December 31, 2024, the ECL allowance on such financial asset is immaterial

ARBAH CAPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

7. ACCOUNTS RECEIVABLE AND OTHER ASSETS

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
		(Restated – note 30)	(Restated – note 30)
Receivable from sale of financial instrument	3,554,769	1,063,925	1,163,925
Investment banking service fee receivable – current	3,373,808	193,891	-
Advances to investee companies	938,342	1,665,338	1,643,921
Asset management income	620,598	412,573	1,498,073
Rent receivable	355,379	268,448	308,515
Dividends receivable	86,086	174,052	170,482
Other receivables	30,848	39,210	289,627
	8,959,830	3,817,437	5,074,543
Investment banking service fee receivable – non-current portion	-	2,035,460	651,594
Provision for impairment	-	-	(321,264)
	8,959,830	5,852,897	5,404,873

Movement of provision for impairment of accounts receivables and other assets is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
Balance as at	-	321,264	-
Reversal of provision	-	(321,264)	321,264
Balance as at	-	-	321,264

8. PREPAYMENTS

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
Prepaid medical insurance	316,749	249,280	342,877
Prepaid expenses	646,515	366,675	468,688
	963,264	615,955	811,565

9. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties consist of major shareholders, parties controlled and influenced by them, Board of Directors and key management personnel, funds managed by the Company. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Company's management.

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

9. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Related parties and their relationships are as follows:

<u>Name</u>	<u>Relationship</u>
Sorouh Al Arbah Real Estate Company	Subsidiary
Dar Assaeyel Real Estate	Subsidiary
Arbah Tharawa Town Residential Fund	Fund managed by the Company
Arbah KSA Infrastructure Fund 4 - Al Taif	Fund managed by the Company
Luxury Beach Fund - Al Khobar	Fund managed by the Company
Marsa 2 Fund	Fund managed by the Company
Arbah Direct Financing Fund	Fund managed by the Company
Araka Al-Diriyah Fund	Fund managed by the Company
Arbah Direct Financing Fund II	Fund managed by the Company
Arbah Daily Liquidity Fund	Fund managed by the Company
Arbah Indirect Financing Fund	Fund managed by the Company
Luxury Beach Fund II - Al Khobar	Fund managed by the Company
Arbah Jeddah Real Estate Fund	Fund managed by the Company
Arbah Al Aziziya Residential Fund	Fund managed by the Company
Arbah Awan Real Estate Fund I	Fund managed by the Company
Mada Arbah Residential Fund	Fund managed by the Company
Arbah KSA Infrastructure Fund 3 - Al Ahsa	Fund managed by the Company

Related parties' transactions

During the year, the Company transacted with its related parties, the terms of which are approved by management of the Company in the ordinary course of business.

The following are the details of major related parties' transactions:

<u>Name</u>	<u>Nature of transactions</u>	<u>2025</u>	<u>2024</u>
		<u>ﷲ</u>	<u>ﷲ</u>
Dar Assaeyel Real Estate	Fund transfer	6,980,737	6,601,008
Luxury Beach Fund II - Al Khobar	Structuring fee income	5,000,000	-
Arbah Jeddah Real Estate Fund	Structuring fee income	5,000,000	-
Arbah Al Aziziya Residential Fund	Structuring fee income	4,000,000	-
	Expenses paid on behalf of the fund	11,200	-
Araka Al-Diriyah Fund	Management fee income	3,314,706	2,393,138
	Expenses paid on behalf of the fund	598,956	-
Arbah Direct Financing Fund II	Management fee income	1,890,495	2,711,699
	Administration fee income	621,783	-
	Expenses paid on behalf of the fund	24,000	-
Mada Arbah Residential Fund	Structuring fee income	2,220,000	-
	Subscription fee income	156,522	-
	Expenses paid on behalf of the fund	16,625	-
Arbah Direct Financing Fund	Management fee income	1,590,562	1,812,820
	Administration fees income	574,000	584,795
	Expenses paid on behalf of the fund	24,000	-
Arbah Tharawa Town Residential Fund	Structuring fee income	-	5,750,000
	Arrangement fee income	1,255,000	-
	Expenses paid on behalf of the fund	26,155	-
Marsa 2 Fund	Expenses paid on behalf of the fund	342,429	150
Arbah Indirect Financing Fund	Management fee income	332,317	-
	Arrangement fee income	219,565	-
	Expenses paid on behalf of the fund	28,000	-
Arbah Awan Real Estate Fund I	Structuring fee income	250,000	-
Arbah Daily Liquidity Fund	Management fee income	144,068	277,818
	Admin and registration fees income	6,549	12,628
	Expenses paid on behalf of the fund	24,000	-

ARBAH CAPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

9. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Related parties' transactions (Continued)

The following are the details of major related parties' transactions (Continued):

Name	Nature of transactions	2025	2024
		ﷲ	ﷲ
Luxury Beach Fund - Al Khobar	Structuring fee income	-	1,150,000
	Expenses paid on behalf of the fund	74,285	-
Arbah KSA Infrastructure Fund 3 - Al Ahsa	Expenses paid on behalf of the fund	3,650	-
Arbah KSA Infrastructure Fund 4 - Al Taif	Expenses paid on behalf of the fund	1,825	-
	Structuring fee income	-	3,450,000

In addition to above, one of the funds (Marsa 2) under the Company management has obtained a loan through the Company with an outstanding amount of ﷲ 36.63 million as at December 31, 2025 (December 31, 2024: ﷲ 26.57 million), the loan is secured by mortgage on Company's assets. This is an off-balance sheet balance and are not included in the financial statements (note 28).

Related parties' balances

The breakdowns of amounts due from / to related parties are as follows:

Due from related parties

	December 31, 2025	December 31, 2024	January 1, 2024
	ﷲ	ﷲ	ﷲ
Marsa 2 Fund	18,457,267	18,114,838	18,114,688
Luxury Beach Fund II - Al Khobar	5,750,000	-	-
Arbah Jeddah Real Estate Fund	5,750,000	-	-
Arbah Al Aziziya Residential Fund	4,612,880	-	-
Arbah KSA Infrastructure Fund 4 - Al Taif	1,726,825	3,450,000	-
Araka Al-Diriyah Fund	1,310,049	-	620,771
Luxury Beach Fund - Al Khobar	1,150,000	1,150,000	-
Arbah Direct Financing Fund II	305,021	-	234,252
Arbah Awan Real Estate Fund I	287,500	-	-
Arbah Indirect Financing Fund	96,177	-	-
Arbah Direct Financing Fund	77,706	-	202,180
Arbah Daily Liquidity Fund	35,453	21,712	27,551
Arbah Tharawa Town Residential Fund	26,155	5,750,000	-
Mada Arbah Residential Fund	13,800	-	-
	39,598,833	28,486,550	19,199,442

The Company's due from related parties balances primarily comprise receivables from funds managed by the Company, arising from management, structuring, and subscription fees. The Company monitors the credit risk of these balances on an ongoing basis and considers them to have low credit risk, given its involvement in managing and overseeing the underlying funds and the short-term nature of the receivables.

As at December 31, 2025 and December 31, 2024, the ECL allowance on such financial assets is immaterial.

Due to a related party

	December 31, 2025	December 31, 2024	January 1, 2024
	ﷲ	ﷲ	ﷲ
		(Restated – note 30)	(Restated – note 30)
Sorouh Al Arbah Real Estate Company	36,300	70,800	99,900

ARBAH CAPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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9. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Remuneration of key management personnel

Key management personnel include Chief Executive Officer and Board of Directors of the Company, Compensation of key management personnel of the Company which has been charged to general and administrative expenses (note 22), is as follows:

	December 31, 2025	December 31, 2024
	ﷲ	ﷲ
Short term benefits	4,425,743	3,717,343
Board of Directors' compensation and bonus	621,000	697,500
Long term benefits	218,336	155,821
	<u>5,265,079</u>	<u>4,570,664</u>

10. PROPERTY FOR DEVELOPMENT

The movement in the property for development is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	ﷲ	ﷲ	ﷲ
Balance as at	19,093,000	19,093,000	19,093,000
Disposal during the year	(19,093,000)	-	-
Balance as at	<u>-</u>	<u>19,093,000</u>	<u>19,093,000</u>

10.1 Property for development was valued at December 31, 2024 by Century 21 as accredited by TAQEEM, having license numbers 1210000038 respectively, which were independent professionally qualified valuers. The fair value of property for development as at December 31, 2024 was ﷲ 22.6 million.

In determining the valuation, the valuers referred to current market conditions and recent sales transactions of similar properties adjusted, if necessary, for any difference in the nature, location or condition of the specific asset, and for any changes in economic circumstances between the measurement date and the date of the agreement or the transaction. In estimating the fair value of the property, the highest and best use of the property has considered as their current use.

During the year 2025, the Company sold property for development and recognized loss on disposal of property for development as below:

	December 31, 2025
	ﷲ
Proceeds from disposals	17,040,329
Carrying value	19,093,000
Realised loss	<u>2,052,671</u>

11. INVESTMENT IN FINANCIAL INSTRUMENTS

	Note	Current ﷲ	Non-Current ﷲ	Total ﷲ
December 31, 2025				
Investments at FVTPL	11.1	1,468,849	57,381,818	58,850,667
Investments at FVOCI	11.2	-	2,653,519	2,653,519
Investment in financial instruments		<u>1,468,849</u>	<u>60,035,337</u>	<u>61,504,186</u>
December 31, 2024 (Restated – note 30)				
Investments at FVTPL	11.1	3,147,817	46,171,603	49,319,420
Investments at FVOCI	11.2	-	2,686,722	2,686,722
		<u>3,147,817</u>	<u>48,858,325</u>	<u>52,006,142</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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11. INVESTMENT IN FINANCIAL INSTRUMENTS (Continued)

	Note	Current #	Non-Current #	Total #
January 1, 2024 (Restated – note 30)				
Investments at FVTPL	11.1	3,931,200	61,516,116	65,447,316
Investments at FVOCI	11.2	-	2,805,127	2,805,127
		<u>3,931,200</u>	<u>64,321,243</u>	<u>68,252,443</u>

11.1 This represents quoted and unquoted investment. All these investments are classified as fair value through profit or loss. The movements in investments at FVTPL is as below:

		December 31, 2025 #	December 31, 2024 #
			(Restated – note 30)
Balance as at		49,319,420	65,447,316
Additions		1,471,105	9,057,798
Financial support		6,980,737	6,601,008
Disposals		(6,961,809)	(16,898,411)
Fair value Gain / (loss) on financial assets at FVTPL	11	8,041,214	(14,888,291)
Balance as at		<u>58,850,667</u>	<u>49,319,420</u>

During the year 2025, the Company earned dividend income amounts to # 0.39 million (2024: # 1.08 million).

The investments in the Kingdom of Saudi Arabia was valued at December 31, 2025 by Century 21 as accredited by TAQEEM, having license number 1210000038, which is independent professionally qualified valuers.

The investments outside the Kingdom of Saudi Arabia were valued as at 31 December 2025 by independent, professionally qualified valuers (CBRE, Newmark, and JLL), accredited by the State Board of Certified Real Estate Appraisers, holding license numbers GA003727, RS312185, and 20165903, respectively.

11.2 This represents investment in a private sector securities. Such investment is classified as fair value through other comprehensive income. The Company holds less than 1% of such company and such investment is irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature. The movements in investment at FVOCI is presented below:

	2025 #	2024 #
January 1,	2,686,722	2,805,127
Fair value loss	(33,203)	(118,405)
December 31,	<u>2,653,519</u>	<u>2,686,722</u>

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

12.1 Right-of-use assets

Right-of-use assets are being depreciated on a straight-line basis for a period of 5 years. Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Note	December 31, 2025 #	December 31, 2024 #	January 1, 2024 #
<u>Cost</u>				
Balance as at		2,244,952	2,244,952	2,244,952
<u>Accumulated depreciation</u>				
Balance as at		997,756	498,878	-
Charge for the year	22	498,878	498,878	498,878
Balance as at		<u>1,496,634</u>	<u>997,756</u>	<u>498,878</u>
<u>Net book value</u>				
Balance as at		<u>748,318</u>	<u>1,247,196</u>	<u>1,746,074</u>

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12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

12.2 Lease liabilities

Below are the carrying amounts of lease liabilities and the movements during the year:

	December 31, 2025	December 31, 2024	January 1, 2024
	ﷲ	ﷲ	ﷲ
Balance as at	1,428,925	1,884,852	2,300,526
Finance cost	123,623	167,773	208,026
Payments	(645,974)	(623,700)	(623,700)
Balance as at	906,574	1,428,925	1,884,852
Current	906,574	521,650	415,090
Non-current	-	907,275	1,469,762

As at December 31, the contractual lease payments and finance cost related to lease liabilities are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	ﷲ	ﷲ	ﷲ
Within one year	1,002,376	645,975	623,700
From two to five years	-	1,002,375	1,648,350
Minimum lease payments	1,002,376	1,648,350	2,272,050
Less: deferred finance cost	(95,802)	(219,425)	(387,198)
Net minimum lease payments	906,574	1,428,925	1,884,852

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

	Note	2025	2024
		ﷲ	ﷲ
Depreciation expense of right-of-use assets	22	498,878	498,878
Finance cost on lease liabilities	24	123,623	167,773

13. PROPERTY AND EQUIPMENT

	Motor vehicles	Furniture, fixtures and office equipment	Computers	Total
	ﷲ	ﷲ	ﷲ	ﷲ
Cost				
At January 1, 2024	45,283	2,253,726	1,294,475	3,593,484
Additions	-	211,517	35,299	246,816
Disposal	-	-	(4,786)	(4,786)
At December 31, 2024	45,283	2,465,243	1,324,988	3,835,514
Additions	-	2,641	29,598	32,239
At December 31, 2025	45,283	2,467,884	1,354,586	3,867,753
Accumulated depreciation:				
At January 1, 2024	27,170	522,195	947,812	1,497,177
Charge for the year (note 22)	11,321	360,527	132,578	504,426
Disposal	-	-	(2,763)	(2,763)
At December 31, 2024	38,491	882,722	1,077,627	1,998,840
Charge for the year (note 22)	6,792	390,730	112,075	509,597
At December 31, 2025	45,283	1,273,452	1,189,702	2,508,437
Net book value:				
At December 31, 2025	-	1,194,432	164,884	1,359,316
At December 31, 2024	6,792	1,582,521	247,361	1,836,674

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14. INTANGIBLE ASSETS

	December 31,	December 31,	January 1,
	2025	2024	2024
Note	#	#	#
<u>Cost</u>			
Balance as at	76,675	76,675	76,675
<u>Accumulated amortization</u>			
Balance as at	42,406	34,737	27,068
Charge for the year	22 7,669	7,669	7,669
Balance as at	50,075	42,406	34,737
<u>Net book value</u>			
Balance as at	26,600	34,269	41,938

This represents acquired software for operational use having useful life of 10 years.

15. INVESTMENT PROPERTY

	December 31,	December 31,
	2025	2024
	#	#
Balance as at – previously stated	40,942,160	52,372,631
Fair value loss	(2,566,740)	(11,430,471)
Balance as at	38,375,420	40,942,160

15.1 Investment property represents a service apartment jointly owned by the Company and a third party with respective share of 73.23% and 26.77% respectively. It is located in the Kingdom of Saudi Arabia. Intended use for the property is to earn rental income. The third party has provided, during prior years, the land and transferred the ownership to the Company as a guarantee for the managing of the building activities. The Company recognized in the financial statements its portion from the fair value.

15.2 The investment property was valued at December 31, 2025 by Century 21 as accredited by TAQEEM, having license number 1210000038 respectively, which is independent professionally qualified valuers.

15.3 In determining the valuation, the valuer used discounted cash flows and terminal capitalization rate of similar properties adjusted, if necessary, for any difference in the nature, location or condition of the specific property, and for any changes in economic circumstances between the measurement date and the date of the agreement or the transaction. In estimating the fair value of the property, the highest and best use of the property has considered as their current use.

During the year 2022, The Company had obtained a medium-term bank credit facility (Bai Al Ajal) (note 18) amounted to # 15.75 million at prevailing market rates from a local commercial bank. This facility is repayable in 4.5 years with 1.5 year grace period. Outstanding bank credit facilities as at December 31, 2025 is # 9.63 million (December 31, 2024: # 13.12 million). This facility is principally secured by a mortgage on the investment property with a minimum 200% coverage of the facility amount.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

16. ACCOUNTS PAYABLE, ACCRUALS AND OTHER LIABILITIES

	December 31, 2025	December 31, 2024	January 1, 2024
	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
		(Restated – note 30)	(Restated – note 30)
Employee related expenses	3,815,911	1,707,007	998,283
Value added tax	2,998,326	1,553,882	396,016
Accounts payable	730,780	1,155,024	1,957,553
Dividend payable	640,563	640,563	640,563
Accrued expenses	321,572	725,814	737,681
Unearned custody fee	169,863	169,863	-
Accrued bonus	-	-	727,602
Advance from a customer	-	-	232,320
	<u>8,677,015</u>	<u>5,952,153</u>	<u>5,690,018</u>

17. ZAKAT

Charge for the year

The Company is subject to zakat at the approximate rate of 2.578% (2024: 2.578%) of zakat base calculated in accordance with zakat regulations enforced in the Kingdom of Saudi Arabia by Zakat, Tax, and Customs Authority (ZATCA).

Movement in zakat provision

	2025	2024
	<u>ﷲ</u>	<u>ﷲ</u>
January 1,	7,165,097	10,638,867
Provision for the year	1,308,334	1,800,000
Paid during the year	(872,274)	(5,273,770)
December 31,	<u>7,601,157</u>	<u>7,165,097</u>

Status of assessment

The Company has filed the zakat returns and received zakat certificate for the years up to 2024 with the Zakat, Tax, and Customs Authority ("ZATCA").

During the year 2023, the ZATCA had issued a final assessment for the year 2019 with an additional zakat liability of ﷲ 2.13 million, for which the Company paid an amount of ﷲ 1.25 million and filed an appeal against the remaining amount of ﷲ 0.88 million with Tax Violations and Disputes Resolution Committee (TVDRC). An amount of ﷲ 0.09 million was paid to ZATCA to submit the appeal which finally was rejected during the year and the Company has subsequently settled the remaining liability of ﷲ 0.79 million. The management of the company believes it had a sufficient provision in its statement of financial position, hence, no further provisions were recorded.

Zakat assessments have not yet been issued by the ZATCA for the years from 2020 to 2024.

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18. BANK CREDIT FACILITIES

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
		(Restated – note 30)	(Restated – note 30)
Medium-term bank credit facility	9,775,000	13,328,911	16,038,333

Movement in borrowings is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
		(Restated – note 30)	(Restated – note 30)
Balance as at	13,328,911	16,038,333	19,953,669
Loans obtained during the year	-	1,181,046	3,444,880
Payments made during the year	(4,524,053)	(5,239,668)	(8,957,128)
Finance costs accrued during the year, net	970,142	1,349,200	1,596,912
Balance as at	9,775,000	13,328,911	16,038,333

The maturity profile of medium-term borrowings is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
		(Restated – note 30)	(Restated – note 30)
Current portion	3,650,000	3,703,911	2,913,333
Non-current portion	6,125,000	9,625,000	13,125,000
	9,775,000	13,328,911	16,038,333

18.1 During the year 2022, The Company had obtained a medium-term bank credit facility (Bai Al Ajal) amounted to # 15.75 million at prevailing market rates from a local commercial bank, bank credit facility is repayable in 4.5 years after 1.5 years grace period. This facility is principally secured by a mortgage on the investment property (note 15) with a minimum 200% coverage of the facility amount. The Company is required to maintain certain covenants under the agreement. As at December 31, 2025, the Company is compliant with all loan covenants.

19. EMPLOYEES' DEFINED BENEFIT LIABILITIES

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
Present value of defined benefit	3,833,054	4,711,294	4,705,663

Movement in employees' define benefit liabilities during the year is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	#	#	#
January 1,	4,711,294	4,705,663	4,569,972
Expense charged for the year	818,376	710,529	857,751
Re-measurement gain charged to other comprehensive income	(64,926)	(540,804)	(84,083)
Paid during the year	(1,631,690)	(164,094)	(637,977)
December 31,	3,833,054	4,711,294	4,705,663

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19. EMPLOYEES' DEFINED BENEFIT LIABILITIES (Continued)

Charged to statement of profit or loss for the year:

	2025	2024
	ﷲ	ﷲ
Current service cost	570,558	519,126
Finance cost	247,818	214,626
Past service cost	-	(23,223)
	<u>818,376</u>	<u>710,529</u>

Charged to statement of other comprehensive income for the year:

	2025	2024
	ﷲ	ﷲ
Actuarial loss / (gain) due to change in financial assumptions	583	(457,810)
Actuarial gain due to experience adjustments	(65,509)	(82,994)
	<u>(64,926)</u>	<u>(540,804)</u>

Principal actuarial assumptions

	2025	2024
Discount factor used	4.60%	5.25%
Salary increase rate	4.60%	5.00%

Weighted average duration of the defined benefit obligation is 5.56 years as at December 2025 (2024: 4.43 years).

Sensitivity analysis on present value of defined benefit obligations plan are as below:

	2025		2024	
	Percentage	Amount ﷲ	Percentage	Amount ﷲ
Discount rate				
Increase	+0.5%	3,729,140	+0.5%	4,609,369
Decrease	-0.5%	3,942,658	-0.5%	4,818,410
Expected rate of salary				
Increase	+0.5%	3,915,702	+0.5%	4,786,237
Decrease	-0.5%	3,753,786	-0.5%	4,639,450

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the end of service benefits to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees end-of-service benefits recognized within the statement of financial position.

20. STATUTORY RESERVE

In accordance with the previous applicable By-laws and Regulations for Companies in the Kingdom of Saudi Arabia, which were effective until January 2023, the Company was required to allocate 10% of its annual net profit to a statutory reserve until it reached 30% of the share capital. However, with the implementation of new Regulations for Companies in the KSA, the requirement for maintaining a statutory reserve has been rescinded. The Company amended its By-laws to comply with the new Companies Regulation, which no longer requires transfer of net profit to a statutory reserve. However, statutory reserve has not been transferred to retained earnings or other general reserves as shareholders of the Company have yet to pass a resolution concerning the transfer of statutory reserve.

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21. ASSET MANAGEMENT INCOME

	December 31, 2025	December 31, 2024
	#	#
		(Restated – note 30)
Management fees	9,706,974	8,564,416
Admin and registration fees	1,206,361	1,269,046
Custody fees	237,500	127,637
	<u>11,150,835</u>	<u>9,961,099</u>

21.1 During the year 2025, the Company earned management fee income from local clients amounting to # 7,304,104 (2024: # 6,540,287), calculated at annual rates ranging between 1.25% and 1.95% of Net Asset Value.

The Company also earned management fee income from foreign clients totaling # 1,419,647 (2024: # 938,194) in accordance with fixed contractual terms. In addition, income from discretionary portfolio management services amounted to # 983,223 (2024: # 1,085,936), based on fee rates ranging between 1.5% and 2.5% of the base value.

22. OTHER GENERAL AND ADMINISTRATION EXPENSES

		December 31, 2025	December 31, 2024
	Note	#	#
			(Restated – note 30)
Professional services		1,418,598	1,136,541
Subscription fees		1,405,542	1,501,827
Board of Directors' compensation and bonus	9	621,000	697,500
Depreciation of property and equipment	13	509,597	504,426
Depreciation of right-of-use assets	12	498,878	498,878
Shariah committee remuneration		466,700	341,100
Information technology		478,835	302,978
Travel and accommodation		424,943	371,072
Utilities		313,937	325,881
Communication		297,601	275,107
Insurance		137,806	188,942
Value added tax		126,868	260,292
Repair and maintenance		76,734	63,038
Amortisation of intangible assets	14	7,669	7,669
Other expense		973,208	381,648
		<u>7,757,916</u>	<u>6,856,899</u>

23. COST OF RENTAL AND HOSPITALITY INCOME

	December 31, 2025	December 31, 2024
	#	#
		(Restated – note 30)
Hotel operational expenses	931,634	919,088
Salaries of hotel staff	760,778	893,196
Management fees	399,153	416,002
Other expenses	96,120	73,120
	<u>2,187,685</u>	<u>2,301,406</u>

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24. FINANCE COSTS

		December 31, 2025	December 31, 2024
	Note	#	#
Finance cost on bank credit facilities	18	970,142	1,349,200
Finance cost on employees' defined benefit liabilities	19	247,818	214,626
Finance cost on lease liabilities	12	123,623	167,773
		<u>1,341,583</u>	<u>1,731,599</u>

25. OTHER INCOME, NET

		December 31, 2025	December 31, 2024
	Note	#	#
Write back of accounts payable and accrued expenses	25.1	474,501	325,000
Government incentives	25.2	213,900	232,360
Recovery of prior year expense		187,872	-
Foreign exchange gain		6,082	12,213
Reversal for impairment of accounts receivables		-	321,264
Gain on disposal of property and equipment		-	1,003
Others		213,000	150,601
		<u>1,095,355</u>	<u>1,042,441</u>

25.1 During the year 2025, the Company reversed accounts payable and other accrued expenses amounting to # 0.47 million (2024: # 0.33 million) as other income, since the Company has no more obligation against these liabilities.

25.2 During the year 2025, government incentives of # 0.21 million (2024: # 0.23 million) were received from Human Resource Development Fund (HRDF) as part of government's initiative under Vision 2030, Tawteen program, to support the efforts in developing and recruiting the national workforce.

26. EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share amounts are calculated by dividing the income / (loss) for the period attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the year.

	December 31, 2025	December 31, 2024
		(Restated –note 30)
Income / (loss) for the period attributed to shareholders (#)	10,383,556	(20,602,214)
Weighted average number of shares	14,278,000	14,278,000
Earnings / (loss) per share (#)	<u>0.73</u>	<u>(1.44)</u>

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's objective in managing risk is the creation and protection of shareholder value. Risk management is an ongoing process which requires continuous identification, analysis, mitigation and monitoring of risks and controls.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has a dedicated Risk and Compliance function. Day-to-day risk management activities are managed within each respective business unit. The Board of Directors meets on a quarterly basis and is updated on all relevant aspects of the business, including risk management matters.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Currency risk
- Fair value risk
- Liquidity risk
- Real estate risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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

- Cash and cash equivalents
- Accounts receivables and other assets
- Due from related parties
- Investment in financial instrument
- Accounts payable, accruals and other liabilities
- Bank credit facilities
- Lease liabilities
- Due to a related party

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority to the management for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The most significant financial risks to which the Company is exposed are described below.

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk from its operating activities, primarily due from related parties and its customers, for which their investment is pledged against the receivables as a collateral. Its Company's policy to enter into financial instrument contracts with reputable counterparties. The Company seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The credit risk against banks is generally managed on the basis of external credit grading of the bank. The Company is dealing with commercial banks with sound credit ratings.

Cash are substantially placed with commercial banks with sound credit ratings the amount of expected credit loss is immaterial.

The maximum exposure to direct credit risk at reporting date is the carrying amount of amounts due from related parties and accounts receivables. No assets are past due or impaired.

The Company has determined that balances with related parties and other debit balances are collectible and fully recoverable and that the financial position of the related entities and accounts receivables is good.

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27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

27.1 Credit risk (Continued)

Balances with related parties, guarantees issued on behalf of related parties and accounts receivables generally considered to have low credit risk based on history of default and the impairment provision assessment is made by the management based on the simplified approach allowed by IFRS 9, where applicable.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	Note	December 31, 2025 ﷲ	December 31, 2024 ﷲ (Restated – note 30)	January 1, 2024 ﷲ (Restated – note 30)
Rated at least A -				
Cash and cash equivalents	6	9,603,267	2,436,992	10,113,830
Unrated				
Considered unsecured				
Due from related parties	9	39,598,833	28,486,550	19,199,442
Accounts receivables and other assets	7	8,959,830	5,852,897	5,404,873
		<u>48,558,663</u>	<u>34,339,447</u>	<u>24,604,315</u>

Based on management assessment, the Company has limited exposure to credit risk in accounts receivables, since balances are majorly recovered subsequently prior to the approval of the financial statements.

27.2 Market risk

It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in profit rates (profit rate risk), foreign exchange rates (foreign currency risk) or other market factors (other market price risk). The details related to these risks are more fully described below:

Equity price risk

The Company's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Investments in listed equity instruments:

The following table demonstrates the sensitivity to a reasonably possible change in Company's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. With all other variables held constant, the Company's profit before zakat is affected through the impact on change in market price, as follows:

Year	Increase / decrease in basis point	Effect on profit before zakat ﷲ
2025	+100	41,224
2025	-100	(41,224)
2024	+100	58,345
2024	-100	(58,345)
2023	+100	67,363
2023	-100	(67,363)

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27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

27.2 Market risk (Continued)

Investments in unlisted equity instruments:

The following table demonstrates the sensitivity to a reasonably possible change in the Company's unquoted equity investments are susceptible to fair value risk arising from uncertainties about future values of the investment securities. With all other variables held constant, the Company's profit before zakat is affected through the impact on change in price, as follows:

Year	Increase / decrease in basis point	Effect on profit before Zakat ﷲ
2025	+100	573,818
2025	-100	(573,818)
2024	+100	461,716
2024	-100	(461,716)
2023	+100	615,161
2023	-100	(615,161)

27.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company's does not have any other significant foreign currency exposure as transactions are principally carried out in Saudi Riyals, US Dollars and GBP. Kingdom of Saudi Arabia has a fixed exchange rate regime, with a united states dollar peg, accordingly there is minimal associated currency risk. Moreover, the risk associated with fluctuation in price of the United Arab Emirates dirham is minimal.

27.4 Fair value risk

The Company is exposed to market risk with respect to its investments. The Company limits market risks by diversification of its investments and monitoring continuously the developments in the stock and international funds markets. In addition, the key factors that affect the equity are monitored including analysis of the operational and financial performance of investees.

The table below shows the maximum exposure to market risk for the components of the statement of financial position.

	Note	December 31, 2025 ﷲ	December 31, 2024 ﷲ	January 1, 2024 ﷲ
Financial assets at fair value through other comprehensive income – equity investments	11	2,653,519	2,686,722	2,805,127
Financial assets at fair value through profit and loss – equity investments	11	58,850,667	49,319,420	65,447,316
		<u>61,504,186</u>	<u>52,006,142</u>	<u>68,252,443</u>

27.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

27.5 Liquidity risk (Continued)

The table below summarise the maturity profile of the Company's financial assets:

December 31, 2025	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Cash and cash equivalents	9,603,267	-	9,603,267
Investment in financial instruments	1,468,849	60,035,337	61,504,186
Accounts receivables and other assets	-	8,959,830	8,959,830
Due from related parties	39,598,833	-	39,598,833
Prepayments	963,264	-	963,264
	51,634,213	68,995,167	120,629,380

December 31, 2024	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Cash and cash equivalents	2,436,992	-	2,436,992
Investment in financial instruments	3,147,817	48,858,325	52,006,142
Accounts receivables and other assets	3,817,437	2,035,460	5,852,897
Due from related parties	28,486,550	-	28,486,550
Prepayments	615,955	-	615,955
	38,504,751	50,893,785	89,398,536

January 1, 2024	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Cash and cash equivalents	10,113,830	-	10,113,830
Investment in financial instruments	3,931,200	64,321,243	68,252,443
Accounts receivables and other assets	4,753,279	651,594	5,404,873
Due from related parties	19,199,442	-	19,199,442
Prepayments	811,565	-	811,565
	38,809,316	64,972,837	103,782,153

The table below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

December 31, 2025	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Bank credit facilities	4,225,639	6,659,682	10,885,321
Lease liabilities	1,002,375	-	1,002,375
Due to a related party	36,300	-	36,300
Accounts payable, accruals and other liabilities	5,508,826	-	5,508,826
	10,773,140	6,659,682	17,432,822

December 31, 2024	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Bank credit facilities	4,524,053	10,885,321	15,409,374
Lease liabilities	645,975	1,002,375	1,648,350
Due to a related party	70,800	-	70,800
Accounts payable, accruals and other liabilities	4,228,408	-	4,228,408
	9,469,236	11,887,696	21,356,932

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27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

27.5 Liquidity risk (Continued)

January 1, 2024	less than year	1 to 5 years	Total
	ﷲ	ﷲ	ﷲ
Bank credit facilities	4,058,622	15,409,375	19,467,997
Lease liabilities	623,700	1,648,350	2,272,050
Due to a related party	99,900	-	99,900
Accounts payable, accruals and other liabilities	5,321,002	-	5,321,002
	<u>10,103,224</u>	<u>17,057,725</u>	<u>27,160,949</u>

Changes in liabilities arising from financing activities:

The table below summarize the changes in liabilities arising from financing activities:

December 31, 2025	Opening	Cash outflow	Others / Cash inflow	Closing
	ﷲ	ﷲ	ﷲ	ﷲ
Bank credit facilities	13,328,911	(4,524,053)	970,142	9,775,000
Lease liabilities	1,428,925	(522,351)	-	906,574
Dividend payable	640,563	-	-	640,563
	<u>15,398,399</u>	<u>(5,046,404)</u>	<u>970,142</u>	<u>11,322,137</u>

December 31, 2024	Opening	Cash outflow	Others / Cash inflow	Closing
	ﷲ	ﷲ	ﷲ	ﷲ
Bank credit facilities	16,038,333	(5,239,668)	2,530,246	13,328,911
Lease liabilities	1,884,852	(455,927)	-	1,428,925
Dividend payable	640,563	-	-	640,563
	<u>18,563,748</u>	<u>(5,695,595)</u>	<u>2,530,246</u>	<u>15,398,399</u>

27.6 Real Estate Risk

The fair value of real estate property may increase or decrease based on the assumptions used in the valuation. The Company uses certified real estate appraisers in the Kingdom of Saudi Arabia and reviews the assumptions used by the valuer in order to reduce the risks that may arise in the valuation process.

28. ASSETS HELD UNDER MANAGEMENT

The assets held under management represents assets being managed by the Company amounting to ﷲ 274 million as at December 31, 2025. (December 31, 2024: ﷲ 361 million).

According to the regulations of the Capital Market Authority for authorized persons, and in line with the Company's accounting policy, such balances are not included in the Company's financial statements.

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29. CAPITAL ADEQUACY

The CMA has issued Prudential Rules (the "Rules") dated Safar 17, 1434H (corresponding to December 30, 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated Jumada II 4, 1444H (Corresponding to December 28, 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required Current year figures are presented based on amended regulations issued by CMA effective from April 1, 2023, and applied prospectively.

Capital adequacy ratio are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	# in '000	# in '000 (Restated – note 30)	# in '000 (Restated – note 30)
Capital base:			
Tier 1 Capital	130,283	119,860	140,033
Tier 2 Capital	-	-	-
Total capital base	130,283	119,860	140,033
Minimum capital requirement			
Credit risk	651,487	619,447	638,862
Market risk	8,402	11,398	14,680
Operational risk	79,210	82,941	95,237
Concentration risk	49,339	83,555	61,975
Total minimum capital required	788,438	797,341	810,754
Capital adequacy ratio			
Total capital ratio (percentage)	16.52%	15.03%	17.27%
Surplus in capital	67,208	56,073	75,172

30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS

During the year, the Company changed its presentation of assets and liabilities in the statement of financial position from a liquidity based presentation to a current/non-current classification. Management determined that the current/non-current presentation provides information that is more relevant and reliable to users of the financial statements and to enhance comparability with other entities with in the same industry. This change in presentation has been applied retrospectively. Comparative figures have been reclassified to conform with the current year's presentation. The change in presentation does not affect the Company's total assets, total liabilities, equity, or net profit for any of the periods presented.

The following tables summarize the impact of the below-mentioned restatements, reclassifications and presentation on the Company's statement of financial position, the statement of changes in equity as of December 31, 2024 and January 1, 2024, the statement of profit or loss, and the statement of cash flows for the year ended December 31, 2024:

30.1 Effects of correction of errors and reclassifications on the statement of financial position:

		December 31, 2024			
	Note	Balance as previously stated #	Impact of reclassifications #	Impact of correction of #	Restated Balance #
ASSETS					
Current assets					
Cash and cash equivalents	30.4.C.	2,439,092	-	(2,100)	2,436,992
Accounts receivables and other assets	30.4.D	5,932,823	(2,115,386)	-	3,817,437
Prepayments		615,955	-	-	615,955
Due from related parties		28,486,550	-	-	28,486,550
Properties for development		19,093,000	-	-	19,093,000
Investment in financial instruments		3,147,817	-	-	3,147,817
Total current assets		59,715,237	(2,115,386)	(2,100)	57,597,751
Accounts receivables and other assets	30.4.D	-	2,035,460	-	2,035,460
Right-of-use assets		1,247,196	-	-	1,247,196
Property and equipment		1,836,674	-	-	1,836,674
Intangible assets		34,269	-	-	34,269
Investment property	30.4.E	39,795,040	-	1,147,120	40,942,160
Investment in financial instruments	30.4.F	48,802,675	-	55,650	48,858,325
Total non-current assets		91,715,854	2,035,460	1,202,770	94,954,084
TOTAL ASSETS		151,431,091	(79,926)	1,200,670	152,551,835
LIABILITIES AND EQUITY					
LIABILITIES					
Accounts payable, accruals and other liabilities	30.4.G	6,253,240	(283,837)	(17,250)	5,952,153
Zakat provision		7,165,097	-	-	7,165,097
Bank credit facilities	30.4.H	3,500,000	203,911	-	3,703,911
Lease liabilities		521,650	-	-	521,650
Due to related parties	30.4.I	-	-	70,800	70,800
Total current liabilities		17,439,987	(79,926)	53,550	17,413,611
Lease liabilities		907,275	-	-	907,275
Bank credit facilities		9,625,000	-	-	9,625,000
Employees' defined benefit liabilities		4,711,294	-	-	4,711,294
Total non-current liabilities		15,243,569	-	-	15,243,569
TOTAL LIABILITIES		32,683,556	(79,926)	53,550	32,657,180
EQUITY					
Share capital		142,780,000	-	-	142,780,000
Statutory reserve		5,145,454	-	-	5,145,454
Accumulated losses	30.3	(28,662,464)	-	1,147,120	(27,515,344)
Fair value reserve of financial assets at FVOCI		(515,455)	-	-	(515,455)
TOTAL EQUITY		118,747,535	-	1,147,120	119,894,655
TOTAL LIABILITIES AND EQUITY		151,431,091	(79,926)	1,200,670	152,551,835

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30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

30.1 Effects of correction of errors and reclassifications on the statement of financial position (Continued):

January 1, 2024					
Note	Balance as previously stated ﷲ	Impact of reclassification s ﷲ	Impact of correction of errors ﷲ	Restated Balance ﷲ	
ASSETS					
Current assets					
Cash and cash equivalents	30.4.C.	10,115,930	-	(2,100)	10,113,830
Accounts receivables and other assets	30.4.D	5,404,873	(651,594)	-	4,753,279
Prepayments		811,565	-	-	811,565
Due from related parties		19,199,442	-	-	19,199,442
Property for development		19,093,000	-	-	19,093,000
Investment in financial instruments		3,931,200	-	-	3,931,200
Total current assets		58,556,010	(651,594)	(2,100)	57,902,316
Accounts receivables and other assets	30.4.D	-	651,594	-	651,594
Right-of-use assets		1,746,074	-	-	1,746,074
Property and equipment		2,096,307	-	-	2,096,307
Intangible assets		41,938	-	-	41,938
Investment property	30.4.E	42,299,263	-	10,073,368	52,372,631
Investment in financial instruments	30.4.F	64,246,243	-	75,000	64,321,243
Total non-current assets		110,429,825	651,594	10,148,368	121,229,787
TOTAL ASSETS		168,985,835	-	10,146,268	179,132,103
LIABILITIES AND EQUITY					
LIABILITIES					
Accounts payable, accruals and other liabilities	30.4.G	6,005,351	(288,333)	(27,000)	5,690,018
Zakat provision		10,638,867	-	-	10,638,867
Bank credit facilities	30.4.H	2,625,000	288,333	-	2,913,333
Lease liabilities		415,090	-	-	415,090
Due to related parties	30.4.I	-	-	99,900	99,900
Total current liabilities		19,684,308	-	72,900	19,757,208
Lease liabilities		1,469,762	-	-	1,469,762
Bank credit facilities		13,125,000	-	-	13,125,000
Employees' defined benefit liabilities		4,705,663	-	-	4,705,663
Total non-current liabilities		19,300,425	-	-	19,300,425
TOTAL LIABILITIES		38,984,733	-	72,900	39,057,633
EQUITY					
Share capital		142,780,000	-	-	142,780,000
Statutory reserve		5,145,454	-	-	5,145,454
Accumulated losses	30.3	(17,527,302)	-	10,073,368	(7,453,934)
Fair value reserve of financial assets at FVOCI		(397,050)	-	-	(397,050)
TOTAL EQUITY		130,001,102	-	10,073,368	140,074,470
TOTAL LIABILITIES AND EQUITY		168,985,835	-	10,146,268	179,132,103

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30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

30.2 Effect of correction of error on the statement of profit or loss:

	Note	December 31, 2024			Restated Balance #
		Balance as previously stated #	Reclassifications #	Impact of correction of error #	
Asset management income	30.4.J.2	15,959,289	(5,998,190)	-	9,961,099
Investment banking services	30.4.J.2	9,562,500	2,377,960	-	11,940,460
Fair value loss on investment property	30.4.J	-	-	(11,430,471)	(11,430,471)
Fair value loss on financial assets at FVTPL	30.4.J	(14,868,941)	(19,350)	-	(14,888,291)
Rental and hospitality income		4,189,437	-	-	4,189,437
Advisory income		675,000	-	-	675,000
Brokerage commission		936,167	160,245	-	1,096,412
Murabaha Income	30.4.J.2	-	3,620,230	-	3,620,230
Dividends income		1,081,009	-	-	1,081,009
Total revenue	30.4.J	17,534,461	140,895	(11,430,471)	6,244,885
Employees' cost		(15,233,998)	-	-	(15,233,998)
Other general and administration expenses	30.4.K	(6,716,004)	(140,895)	-	(6,856,899)
Cost of rental and hospitality income	30.4.L	(4,805,629)	-	2,504,223	(2,301,406)
Marketing expenses		(45,643)	-	-	(45,643)
Loss from operations		(9,266,813)	-	(8,926,248)	(18,193,061)
Finance costs		(1,731,599)	-	-	(1,731,599)
Finance income		80,005	-	-	80,005
Other income, net		1,042,441	-	-	1,042,441
Loss before zakat		(9,875,966)	-	(8,926,248)	(18,802,214)
Zakat		(1,800,000)	-	-	(1,800,000)
Loss for the year		(11,675,966)	-	(8,926,248)	(20,602,214)
Other comprehensive income for the year		422,399	-	-	422,399
Total Comprehensive loss for the year		(11,253,567)	-	(8,926,248)	(20,179,815)
Basic and diluted earnings / (loss) per share		(0.82)	-	(0.62)	(1.44)

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30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

Following are detail of matters restated in the Financial statements:

30.3 Effect of correction of error on the statement of changes in equity:

	December 31, 2024 ﷲ	January 1, 2024 ﷲ
Total equity – as previously stated	<u>(28,662,464)</u>	<u>(17,527,302)</u>
Adjusting errors of previous years effect:		
Reversal of depreciation on building classified in investment property	3,965,020	1,460,797
Fair value loss on investment property	(2,817,900)	8,612,571
Total adjustments	<u>1,147,120</u>	<u>10,073,368</u>
Total equity restated	<u>(27,515,344)</u>	<u>(7,453,934)</u>

30.4.A. Measurement of investment property from cost to fair value

During the year, management reassessed the accounting treatment of the Company’s investment property to ensure compliance with IFRS and alignment with the Company’s investment entity definition as per IFRS 10. As part of this reassessment, certain adjustments were identified relating to fair value measurement, depreciation and asset classification, Accordingly, the comparative financial information has been restated.

Furthermore previously, investment property was carried under cost model and included certain assets that did not meet the definition of investment property under IAS 40. The investment property of Company has been restated to measure it on fair value model, as a result of this, the accumulated depreciation has been reversed amounting to ﷲ 3,965,020 and ﷲ 1,460,797 as at December 31, 2024 and as at January 1, 2024, respectively. A fair value adjustment has been recognized, resulting in a fair value loss and gain of ﷲ 2,817,900 and ﷲ 8,612,571 as at December 31, 2024 and as at January 1, 2024, respectively in accordance with IAS 40, with changes in fair value recognized in statement of profit or loss.

As a result of these adjustments, the carrying amount of investment property has been restated to ﷲ 40,942,160 and ﷲ 52,372,631 as at December 31, 2024 and as at January 1, 2024, respectively.

30.4.B. Deconsolidation of Sorouh Al Arbah Real Estate Company

During the year ended December 31, 2025, management reassessed the Company’s accounting treatment for its subsidiary. As the Company had applied exemption for consolidation under investment entity, only those subsidiaries can be consolidated that provide services that related to group main activity. Sorouh Al Arbah was not engaged in any such activity. In accordance with IFRS requirements applicable to investment entities, investments are required to be measured at fair value through profit or loss (FVTPL).

Previously, the financial statements included the consolidation of Sorouh Al Arbah Real Estate Company, a wholly owned subsidiary, which management determined was not consistent with the requirements applicable to investment entities. Accordingly, the comparative financial information has been restated to remove the consolidation of Sorouh Al Arbah Real Estate Company from the Company’s financial statements.

Following is the impact as a result of the restatement:

As a result of restatement, the cash and cash equivalents has been reduced by an amount of ﷲ 2,100 as at December 31, 2024 and January 1, 2024. The accounts payable, accruals and other liabilities has been reduced by an amount of ﷲ 17,250 and ﷲ 27,000 respectively, Due to related parties has been increased by an amount of ﷲ 70,800 and ﷲ 99,900 as at December 31, 2024 and January 1, 2024, respectively and reclassification of expense amounting to ﷲ 19,350 to gain on financial assets at FVTPL as at December 31, 2024.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

Following are detail of matters restated in the Financials: (Continued)

30.4.C. Cash and cash equivalents assets “Deconsolidation of Sorouh Al Arbah Real Estate Company”

	December 31, 2024	January 1, 2024
Note	#	#
Balance as presented previously	2,439,092	10,115,930
Adjusting errors of previous years effect:		
Deconsolidation of cash and cash equivalent of Sorouh Al Arbah Real Estate Company from Company	30.4.B (2,100)	(2,100)
Balance – Restated	<u>2,436,992</u>	<u>10,113,830</u>

30.4.D. Accounts receivables and other assets “Reclassification of VAT from other receivables to VAT payables”

	December 31, 2024	January 1, 2024
Note	#	#
Balance as presented previously	5,932,823	5,404,873
Reclassification Impact		
Reclassification of VAT balance to account payables, accruals and other liabilities	30.4.D.1 (79,926)	-
Investment banking service fees receivable into non-current	30.4.D.2 (2,035,460)	(651,594)
Total adjustment	<u>(2,115,386)</u>	<u>(651,594)</u>
Balance – Restated	<u>3,817,437</u>	<u>4,753,279</u>

30.4.D.1) The company has reclassified the VAT receivable from Accounts receivables and other assets to Accounts payable, accruals and other liabilities with the amount of # 79,926.

30.4.D.2) As per note 26 of audited financial statements for year ended December 31, 2024, the Company had classified the accounts receivables and other assets into current assets. However, during the year, the Company has classified certain receivables into non-current assets with the amounts of # 2,035,460 and # 651,594 for year December 31, 2024 and January 1, 2024 respectively as these are scheduled to be received during the year 2026.

30.4.E. Investment property “Measurement of investment property from cost to fair value”

	December 31, 2024	January 1, 2024
Note	#	#
Balance as presented previously	39,795,040	42,299,263
Adjusting errors of previous years effect:		
Reversal of accumulated depreciation investment property	3,965,020	1,460,797
Fair value (loss) / gain	30.4.A (2,817,900)	8,612,571
Total adjustment	<u>1,147,120</u>	<u>10,073,368</u>
Balance – Restated	<u>40,942,160</u>	<u>52,372,631</u>

ARBAH CAPITAL COMPANY
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30. ADJUSTMENTS OF PREVIOUS YEARS ERRORS (Continued)

Following are detail of matters restated in the Financials (Continued):

30.4.F. Investment in financial instruments “Deconsolidation of Sorouh Al Arbah Real Estate Company”

	December 31, 2024	January 1, 2024
Note	ﷲ	ﷲ
Balance as presented previously	48,802,675	64,246,243
Adjusting errors of previous years effect:		
Deconsolidation of cash and cash equivalent	2,100	2,100
Deconsolidation of accrual and other payables Due to Sorouh Al Arbah Real Estate Company on deconsolidation	30.4.B (17,250)	(27,000)
Total adjustment	70,800	99,900
Balance – Restated	<u>48,858,325</u>	<u>64,321,243</u>

30.4.G. Accounts payable, accruals and other liabilities “Deconsolidation of Sorouh Al Arbah Real Estate Company and reclassification of accrued finance cost and VAT”

	December 31, 2024	January 1, 2024
Note	ﷲ	ﷲ
Balance as presented previously	6,253,240	6,005,351
Adjusting errors of previous years effect:		
Reversal of accrual and other payables related to Sorouh Al Arbah Real Estate Company	30.4.B (17,250)	(27,000)
Reclassification Impact:		
Reclassification of accrued finance cost to Bank credit facility	30.4.G.1 (203,911)	(288,333)
Reclassification of VAT balance from trade and other receivables	30.4.D.1 (79,926)	-
Total adjustment	(283,837)	(288,333)
Balance – Restated	<u>5,952,153</u>	<u>5,690,018</u>

30.4.G.1) The company has reclassified the accrued finance cost from Accounts payable, accruals and other liabilities to Bank Credit facilities with an amount of ﷲ 203,911 and ﷲ 288,333 for year December 31, 2024 and January 1, 2024 respectively.

30.4.H. Bank credit facilities “Reclassification of accrued finance cost from Accounts payable, accruals and other liabilities to bank credit facilities”

	December 31, 2024	January 1, 2024
Note	ﷲ	ﷲ
Balance as presented previously	3,500,000	2,625,000
Adjusting errors of previous years effect:		
Reclassification of accrued finance cost to bank credit facility	30.4.G.1 203,911	288,333
Balance – Restated	<u>3,703,911</u>	<u>2,913,333</u>

ARBAH CAPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

Following are detail of matters restated in the Financials:(Continued)

30.4.I. Due to related parties “Deconsolidation of Sorouh Al Arbah Real Estate Company”

	December 31, 2024	January 1, 2024
Note	ﷲ	ﷲ
Balance as presented previously	-	-
Adjusting errors of previous years effect:		
Accrual and other payables related to Sorouh Al Arbah Real Estate Company	30.4.B 70,800	99,900
Balance – Restated	<u>70,800</u>	<u>99,900</u>

30.4.J. Revenue “Adjustment of fair value of property for development and investment property and reclassification impact of deconsolidation of Sorouh Al Arbah Real Estate Company and brokerage income”

	December 31, 2024
Note	ﷲ
Balance as presented previously	<u>17,534,461</u>
Adjusting errors of previous years effect:	
Fair value loss on investment property	30.4.A <u>(11,430,471)</u>
Reclassification Impact:	
Reclassification of expense from brokerage income to cost of revenue	30.4.J.1 160,245
Reversal of expenses due to deconsolidation of Sorouh Al Arbah Real Estate Company	30.4.B <u>(19,350)</u>
Net reclassification impact	<u>140,895</u>
Balance – Restated	<u>6,244,885</u>

30.4.J.1) The company has reclassified expense related to brokerage income from revenue to cost of revenue with an amount of ﷲ 160,245.

30.4.J.2) The company has reclassified income from asset management to investment banking services and Murabaha income amounting to ﷲ 2,377,960 and ﷲ 3,620,230.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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30. ADJUSTMENTS OF PRIOR YEARS RECLASSIFICATION AND ERRORS (Continued)

Following are detail of matters restated in the Financials:(Continued)

30.4.K. General and administration expenses “Reclassification of expense from brokerage income and impact of deconsolidation of Sorouh Al Arbah Real Estate Company”

	December 31, 2024
	Note
Balance as presented previously	<u>6,716,004</u>
Adjusting errors of previous years effect:	
Reversal of expenses due to deconsolidation of Sorouh Al Arbah Real Estate Company	30.4.B (19,350)
Reclassification Impact:	
Reclassification of expense from brokerage income to General and administration expenses	<u>160,245</u>
Balance – Restated	<u><u>6,856,899</u></u>

30.4.L. Cost of rental and hospitality income “Reversal of depreciation on investment property due to measurement of investment property at from cost to fair value”

	December 31, 2024
	Note
Balance as presented previously	<u>4,805,629</u>
Adjusting errors of previous years effect:	
Reversal of depreciation on investment property	30.4.A <u>(2,504,223)</u>
Balance – Restated	<u><u>2,301,406</u></u>

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales was reported on the valuation day are valued at the most recent bid price. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. When measuring the fair value the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs), using the adjusted net asset method and the latest available financial information.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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31. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Financial assets				
December 31, 2025	Level 1	Level 2	Level 3	Total
FVOCI	-	-	2,653,519	2,653,519
FVTPL	1,468,849	-	57,381,818	58,850,667
Financial assets				
December 31, 2024	Level 1	Level 2	Level 3	Total
FVOCI	-	-	2,686,722	2,686,722
FVTPL	3,147,817	-	46,171,603	49,319,420
Financial assets				
January 1, 2024	Level 1	Level 2	Level 3	Total
FVOCI	-	-	2,805,127	2,805,127
FVTPL	3,931,200	-	61,516,116	65,447,316

Classification of financial instruments

	December 31,	December 31,	January 1,
	2025	2024	2024
Financial assets measured at fair value through profit or loss		(Restated – note 30)	(Restated – note 30)
Quoted investments in the Kingdom of Saudi Arabia	1,468,849	3,147,817	3,931,200
Unquoted Investments in the Kingdom of Saudi Arabia	40,263,461	28,717,063	39,414,148
* Unquoted Investments outside the Kingdom of Saudi Arabia	17,118,357	17,454,539	22,101,968
	58,850,667	49,319,419	65,447,316
Financial assets measured at fair value through OCI			
Unquoted equity Investments in the GCC	2,653,519	2,686,722	2,805,127
	61,504,186	52,006,141	68,252,443

Specific valuation techniques used by the Company to value financial instruments in level 3, are as follows:

- **Discounted cashflows (“DCF”) method:** The DCF valuation is derived by discounting the future operating cash flows of the investee companies to their present values using a weighted average cost of capital as the discount rate (“WACC”). The value derived from such analysis results in a value for the enterprise (the “Enterprise Value”). The Enterprise Value includes all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets (“Net Debt”). In order to arrive to an equity value of an investee company (the “Equity Value”), the Net Debt is subtracted from the Enterprise Value; and

The below table shows significant unobservable inputs used in the valuation of level 3 investments.

Unobservable inputs	Range of inputs	
	December 31, 2025	December 31, 2024
Revenue growth rate	2% - 7%	1.6% - 7%
WACC	7.75% - 12%	8.75% - 16%
Overall Capitalization Rate	6.5% - 7.5%	6.75% - 8.1%

ARBAH CAPITAL COMPANY
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31. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

	Interest rate	December 31, 2025	December 31, 2024	January 1, 2024
			(Restated – note 30)	(Restated – note 30)
Current interest-bearing bank credit facilities				
Bank credit facilities - current portion	3M SIBOR + 3% per annum	3,650,000	3,703,911	2,913,333
Non - current interest-bearing bank credit facilities				
Bank credit facilities – non-current portion	3M SIBOR + 3% per annum	6,125,000	9,625,000	13,125,000
		9,775,000	13,328,911	16,038,333

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, due from related parties, trade receivables and other assets, bank credit facilities, accounts payable, accruals and other liabilities. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

32. DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives revenue from the transfer of services at a point in time and over time in the following major services.

	At a point in time	Over time	December 31, 2025
	ﷲ	ﷲ	ﷲ
Asset management income	-	11,150,835	11,150,835
Investment banking services	18,937,206	1,331,439	20,268,645
Fair value loss on investment property	(2,566,740)	-	(2,566,740)
Fair value gain on financial assets at FVTPL	8,041,214	-	8,041,214
Rental and hospitality income	-	3,976,966	3,976,966
Advisory income	-	1,047,000	1,047,000
Brokerage commission	-	611,153	611,153
Murabaha Income	-	513,868	513,868
Dividends income	386,157	-	386,157
Loss on disposal of property for development	(2,052,671)	-	(2,052,671)
	22,745,166	18,631,261	41,376,427
	At a point in time	Over time	December 31, 2024
	ﷲ	ﷲ	ﷲ
Asset management income	-	9,961,099	9,961,099
Investment banking services	9,562,500	2,377,960	11,940,460
Fair value loss on investment property	(11,430,471)	-	(11,430,471)
Fair value loss on financial assets at FVTPL	(14,888,291)	-	(14,888,291)
Rental and hospitality income	-	4,189,437	4,189,437
Advisory income	-	675,000	675,000
Brokerage commission	-	1,096,412	1,096,412
Murabaha income	-	3,620,230	3,620,230
Dividends income	1,081,009	-	1,081,009
	(15,675,253)	21,920,138	6,244,885

ARBAH CAPITAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

33. CONTINGENCIES AND COMMITMENT

One of the funds under the Company's management, Marsa 2, has obtained a loan amounting to ₪ 36.63 million (2024: ₪ 26.57 million) through the Company. In addition, Dar Assayel Real Estate Company, a wholly owned subsidiary of the Company, has obtained a loan amounting to ₪ 21 million (2024: ₪ 23 million) through the Company.

The loans are secured by certain assets of the Company. As the loans were obtained through the Company, the Company may be liable for the settlement of the outstanding balance in the event of default by respective entities (note 9).

34. SUBSEQUENT EVENTS

There have been no significant subsequent events since the year ended December 31, 2025 that would have a material impact on the financial position of the Company as reflected in these financial statements.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on Shawwal 6, 1447H, corresponding to March 25, 2026.