

ALAWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the shareholders
Al-Awwal Capital Company
(A Saudi closed joint stock company)
Jeddah, Saudi Arabia

Qualified Opinion

We have audited the separate financial statements of Al-Awwal Capital Company (a Saudi Closed Joint Stock Company) (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying separate financial statements present fairly, in all material respects, the financial position of 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 the Saudi Organization for Auditors and Accountants ("SOCPA").

Basis for Qualified Opinion

- The separate statement of financial position as at December 31, 2025, includes a balance due from a related party (Al-Awwal Energy Fund) amounting to SAR 8,444,436 (December 31, 2024: SAR 9,249,270). Management has not recorded differences totaling SAR 6,140,000 (December 31, 2024: SAR 5,105,000), In favor of the Company, based on the direct confirmation received from the Fund. Furthermore, we were unable to obtain a reconciliation for these differences, nor were we able to determine whether any adjustments were necessary to the separate financial statements in respect of this matter.
- As described in Notes (8,9) to the financial statements, the Company's financial assets measured at fair value include investments classified within Level 3 of the fair value hierarchy valued at SR 18,204,432 as at December 31, 2025 which are valued based on net asset values and other unobservable inputs provided by third parties. We were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of the valuation of some of these investments, valued at SR 5,366,455 as of December 31, 2025, consequently, we were unable to determine whether any adjustments might have been necessary to the carrying amounts of these financial assets are necessary, and what the resulting effect would be on the statement of profit or loss, other comprehensive income, and equity. Furthermore, we were unable to obtain sufficient appropriate audit evidence regarding the adequacy and completeness of the disclosures related to Level 3 investments in accordance with International Financial Reporting Standards (IFRS).

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 Separate 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 separate financial statements and we have fulfilled our 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.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

To the shareholders

Al-Awwal Capital Company

(A Saudi closed joint stock company)

Jeddah, Saudi Arabia

Emphasis of matters

We draw attention to the following matters:

As disclosed in Note (2) to the accompanying separate financial statements, which indicates that the separate financial statements have been prepared for use by the Company's management and for submission to the Zakat, Tax and Customs Authority ("ZATCA") only. Accordingly, our report is intended solely for the use of ZATCA and the management of Al Awwal Capital Company and should not be distributed to or used by other parties. The Company's management prepares a separate set of separate financial statements in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia. Our opinion is not modified in respect of this matter.

As disclosed in Note (26) to the accompanying separate financial statements, which indicates that the comparative figures for the year ended December 31, 2024, and as at December 31, 2024, have been restated. Our opinion is not modified in respect of this matter.

Other matter

The separate financial statements of the Company for the year ended December 31, 2024 were audited by another auditor, who expressed a modified opinion on those separate financial statements in their report dated March 27, 2025.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate 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 Bylaws / Articles of Association and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

- Identify and assess the risks of material misstatement of the separate 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

To the shareholders

Al-Awwal Capital Company

(A Saudi closed joint stock company)

Jeddah, Saudi Arabia

Auditor's Responsibilities for the Audit of the Separate Financial Statements – Continued

- 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 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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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.



Crowe Solutions for Professional Consulting



Abdullah M. Alazem
License No. 335

Shawwal 25, 1447H (April 13, 2026)
Jeddah, Kingdom of Saudi Arabia

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	Note	As of December 31,	
		2025	2024 (Restated)
ASSETS			
Non-current assets			
Property and equipment - net	5	2,184,327	2,025,565
Intangible assets - net	6	332,538	347,686
Investments in subsidiaries	7	105,000	105,000
Financial assets at FVTOCI	8	2,126,728	2,214,014
Financial assets at FVTPL	9	1,771,865	1,991,045
Right-of-Use Assets	11-A	1,052,107	1,895,826
Total non-current assets		7,572,565	8,579,136
Current assets			
Due from related parties - net	10	14,882,338	12,624,622
Financial assets at FVTPL	9	52,811,023	53,477,053
Accounts receivable and other debit balances	12	4,151,813	5,746,942
Cash and cash equivalents	13	5,026,590	10,880,295
Total current assets		76,871,764	82,728,912
TOTAL ASSETS		84,444,329	91,308,048
EQUITY AND LIABILITIES			
Equity			
Share capital	14	50,000,000	50,000,000
Statutory reserve	15	-	4,105,469
Retained earnings		20,713,920	21,501,000
Reserve for revaluation of financial assets at FVTOCI	8	(780,722)	(693,436)
Total equity		69,933,198	74,913,033
LIABILITIES			
Non-current liabilities			
Lease Liabilities - non-current portion	11-B	-	878,216
Employees' defined benefit plan obligations	16	5,474,594	4,287,981
Total non-current liabilities		5,474,594	5,166,197
Current liabilities			
Lease Liabilities - current portion	11-B	878,216	737,887
Due to related parties	10	62,474	62,474
Accounts payable and other credit balances	17	1,834,250	4,738,025
Zakat payable	18	6,261,597	5,690,432
Total current liabilities		9,036,537	11,228,818
TOTAL LIABILITIES		14,511,131	16,395,015
TOTAL EQUITY AND LIABILITIES		84,444,329	91,308,048

The accompanying notes from (1) to (31) form an integral of these separate financial statements.

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	Note	For the year ended December 31,	
		2025	2024 (Restated)
Revenue	19	22,214,004	29,533,165
Cost of revenue	20	(6,150,648)	(7,453,041)
Gross profit		16,063,356	22,080,124
General and administrative expenses	21	(12,235,324)	(9,098,194)
Finance costs	22	(260,003)	(216,197)
Dividends from financial assets	9	618,847	1,532,136
Realized gains from financial assets at FVTPL	9	2,010,524	3,012,940
Unrealized losses on financial assets at FVTPL	9	(886,808)	(107,071)
Allowance of expected credit losses	10	(571,746)	(8,034,599)
Reversal of expected credit losses	10	7,823,959	-
Net profit for the year before zakat		12,562,805	9,169,139
Zakat	18	(2,000,000)	(2,200,000)
Net profit for the year		10,562,805	6,969,139
<u>Other comprehensive income</u>			
Items that will not be reclassified to profit or loss			
Actuarial (Losses)/ gains on employee benefit plan obligations	16	(455,354)	173,998
Change in the fair value of financial assets at FVTOCI	8	(87,286)	(133,640)
Total other comprehensive (loss) / other comprehensive profit for the year		(542,640)	40,358
Total comprehensive income for the year		10,020,165	7,009,497
<u>Earnings per share</u>			
Weighted average number of common shares	23	5,000,000	5,000,000
Basic and diluted earnings per share attributable to the company's common shareholders in Saudi Riyals	23	2.11	1.39

The accompanying notes from (1) to (31) form an integral part of these separate financial statements

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Reserve for revaluation of financial assets at FVTOCI</u>	<u>Total</u>
2024					
Balance at January 1, 2024	50,000,000	4,105,469	21,857,863	(559,796)	75,403,536
Net profit for the year	-	-	6,969,139	-	6,969,139
Other comprehensive loss for the year	-	-	173,998	(133,640)	40,358
Total comprehensive income for the year	-	-	7,143,137	(133,640)	7,009,497
Dividends (Note 27)	-	-	(7,500,000)	-	(7,500,000)
Balance at December 31, 2024	50,000,000	4,105,469	21,501,000	(693,436)	74,913,033
2025					
Balance at January 1, 2025	50,000,000	4,105,469	21,501,000	(693,436)	74,913,033
Net profit for the year	-	-	10,562,805	-	10,562,805
Other comprehensive loss for the year	-	-	(455,354)	(87,286)	(542,640)
Total comprehensive income for the year	-	-	10,107,451	(87,286)	10,020,165
Dividends (Note 27)	-	-	(15,000,000)	-	(15,000,000)
Transfer from statutory reserve to retained earnings (Note 15)	-	(4,105,469)	4,105,469	-	-
Balance at December 31, 2025	50,000,000	-	20,713,920	(780,722)	69,933,198

The accompanying notes from (1) to (31) form an integral part of these separate financial statements

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	For the year ended December 31,	
	2025	2024 (Restated)
OPERATING ACTIVITIES		
Net profit for the year before zakat	12,562,805	9,169,139
Adjustments:		
Depreciation of property and equipment	298,326	151,377
Depreciation of right-of-use assets	843,719	385,852
Amortization of intangible assets	116,616	126,686
Allowance of expected credit losses	571,746	8,034,599
Reversal of expected credit losses	(7,823,959)	-
Provision for employees' defined benefit plan obligations	613,679	480,535
Finance costs	260,003	216,197
Loss on disposal of property and equipment	14,109	-
Unrealized losses on financial assets at FVTPL	886,808	107,071
	8,343,852	18,671,456
Net changes in operating assets and liabilities		
Net movement on financial assets at FVTPL	(1,598)	548,613
Due from related parties	4,994,497	2,554,218
Accounts receivable and other debit balances	1,595,129	1,228,243
Accounts payable and other credit balances	(2,903,775)	1,036,478
Due to related parties	-	132
Employees' defined benefit plan obligations paid	(62,515)	(16,411)
Zakat paid	(1,428,835)	(4,259,523)
Net cash generated from operating activities	10,536,755	19,763,206
INVESTING ACTIVITIES		
Purchase of property and equipment	(471,197)	(1,277,681)
Purchase of of intangible assets	(101,468)	(201,045)
Net cash used in investing activities	(572,665)	(1,478,726)
FINANCING ACTIVITIES		
Dividends paid	(15,000,000)	(7,500,000)
Payment of lease liabilities	(817,795)	(736,016)
Net cash used in financing activities	(15,817,795)	(8,236,016)
Net change in cash and cash equivalents	(5,853,705)	10,048,464
Cash and cash equivalents at the beginning of the year	10,880,295	831,831
Cash and cash equivalents at the end of the year	5,026,590	10,880,295
NON-CASH TRANSACTIONS		
Transfer from CWIP to PP&E	-	1,910,773
Transfer from statutory reserve to retained earnings	4,105,469	-
Actuarial (Losses)/ gains on employee benefit plan obligations	455,354	(173,998)

The accompanying notes from (1) to (31) form an integral part of these separate financial statements

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES

Al-Awwal Capital Company is a Saudi closed joint stock company registered under commercial registration number 4030170788, dated 19 Jumada Al Thani 1428 H (corresponding to July 5, 2007). The establishment of the Company was announced by Ministerial Resolution No. 50 / S dated 27 Safar 1428 H (corresponding to March 17, 2007). It is a company licensed by the Capital Market Authority under license number 37-14178 dated 21 Jumada Thani 1435 H (corresponding to April 21, 2014).

The Company is mainly engaged in management, arrangement, custody and financial advisory services in accordance with the Capital Market Authority License No. 30/6022 dated 9 Jumada Al-Thani 1427 H (corresponding to July 5, 2006) and in accordance with the license of the Capital Market Authority 36/8095 of 1 Muharram 1429 H (corresponding to January 10, 2008) and the Capital Market Authority License No. 37/14178 dated 21 Jumada Al-Thani 1435 H, (corresponding to April 21, 2014).

The Company's principal address is Rusd Building - King Abdulaziz Road, Jeddah, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Auditors and Accountants ("SOCPA").

The separate financial statements for the year ended 31 December 2025 have been issued for use by management and for submission to the Zakat, Tax and Customs Authority (the "Authority") only. Consequently, our report is prepared solely for the use of the Authority and the management of AL-Awwal Capital Company and should not be distributed to or relied upon by any other parties. The company's management prepares a separate set of consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that are measured at fair value and employee benefit obligations where the actuarial's present value calculations are used.

Functional and presentation currency

The separate financial statements are prepared in Saudi riyals (SAR), which represent the Company's functional and reporting currency.

NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS:

The company has adopted the following new standards and amendments for the first time in its annual reports, effective from 1 January 2025:

Amendments to IAS 21-Lack of exchangeability

The entity is affected by the amendments when it has a transaction or operation in a foreign currency that is not exchangeable into another currency at the measurement date for a specific purpose. The adoption of the above amendments has no material impact on the separate financial statements for the year.

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

Standards issued but not yet effective

The following is a summary of new standards and amendments to standards effective for annual periods beginning on or after 1 January 2025, with early adoption permitted. The company has not applied these standards in the preparation of these separate financial statements. The company is currently assessing the potential impact of applying these standards on the separate financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Amendments:

- Clarification of the timing requirements for recognition and derecognition of certain financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarification and additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Introduction of new disclosures for certain instruments with contractual terms that may change cash flows (such as some instruments with features linked to achieving environmental, social, and governance objectives (ESG); and
- Updates to disclosures for equity instruments measured at fair value through other comprehensive income (FVTOCI).

IFRS 18, “Presentation and Disclosure in Financial Statements”

The new standard on presentation and disclosure in the financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in International Financial Reporting Standard (IFRS) 18 include:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures reported outside the entity’s financial statements (i.e., management-defined performance measures); and
- Enhanced aggregation and classification principles applicable to the primary financial statements and notes in general.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company’s separate financial statements requires management to make judgments, estimates, and assumptions that affect the amounts recognized for revenues, expenses, assets, liabilities, and related disclosures. Uncertainty regarding these assumptions and estimates may result in outcomes that require material adjustments to the carrying amount of the affected asset or liability in future periods.

The following provides a detailed explanation of the key forward-looking assumptions and other significant sources of estimation uncertainty at the reporting date, which may result in material adjustments to the carrying amounts of assets and liabilities in the subsequent financial period. The company’s assumptions and estimates are based on available indicators at the time of preparing the separate financial statements.

Changes in circumstances, assumptions, and future estimates may occur due to market developments or conditions beyond the company’s control. Such changes in assumptions are recognized when they occur.

The following are the significant judgments, apart from those involving estimates, made by management in applying the company’s accounting policies, which have the most material impact on the amounts recognized in the financial statements:

Going concern

The company’s management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue operations for the foreseeable future. Furthermore, management does not consider there to be any material uncertainty that may cast significant doubt on the company’s ability to continue as a going concern. Accordingly, these separate financial statements have been prepared on a going concern basis.

AL-AWWAL CAPITAL COMPANY
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NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
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The useful lives and residual values of property and equipment, right-of-use assets, and intangible assets

The company's management estimates the useful lives of property and equipment, right-of-use assets, and intangible assets, as well as the residual values of property and equipment. These estimates are determined by considering the expected use of the property and equipment, right-of-use assets, and intangible assets, as well as potential wear and tear and normal obsolescence. Management reviews the useful lives and residual values of property and equipment, right-of-use assets, and intangible assets annually, and adjusts future depreciation and amortization whenever management believes that the useful lives or residual values differ from those applied in prior periods.

Impairment of Non-Financial Assets

The company's management periodically reviews the carrying amounts of non-financial assets to determine whether there are any indicators that such assets may be impaired. If any indicators exist, the recoverable amount of the assets is estimated to assess the extent of any impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of the assets is estimated to be less than their carrying amount, the carrying amount of the assets is written down to their recoverable amount, and the impairment loss is recognized in the separate statement of profit or loss.

Expected credit losses

The measurement of expected credit loss (ECL) provisions for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions regarding future economic conditions and credit behavior.

There are also a number of significant provisions required in applying the accounting requirements for measuring expected credit losses, including:

- Determining the criteria for a significant increase in credit risk.
- Selecting appropriate models and assumptions to measure expected credit losses.
- Establishing a weighted view of forward-looking scenarios for each type of product/market and the associated expected credit losses.
- Grouping similar financial assets for the purpose of measuring expected credit losses.

The company recognizes provisions for expected credit losses on financial instruments measured at amortized cost.

The company recognizes a loss allowance equal to the expected credit losses over the lifetime of the financial instrument, except for the following instruments, for which the expected credit loss provision is measured over 12 months:

Financial assets with low credit risk at the reporting date, and the financial instruments for which credit risk has not increased significantly since initial recognition.

Employee benefits obligations

The costs of employee end-of-service plans and the present value of end-of-service benefit obligations are determined using actuarial valuations. These actuarial valuations involve assumptions that may differ from actual future developments. The assumptions include the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation process, the key assumptions are long-term in nature. All assumptions are reviewed at the reporting date.

Zakat

The company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "Authority") in the Kingdom of Saudi Arabia. The calculation of Zakat involves interpreting and estimating the Zakat laws and regulations to assess the impact of the Zakat liability at the end of a given period. This liability is considered an estimate until the Authority issues the final assessment, and until then, the company remains exposed to the risk of additional Zakat obligations.

AL-AWWAL CAPITAL COMPANY
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NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
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Fair value measurement

Financial instruments

The company measures financial instruments, such as derivatives, at fair value at the date of each statement of financial position.

Fair value is the amount that would be received upon the sale of an asset or paid to settle a liability in an arm's length transaction between willing parties at the measurement date. Fair value measurement assumes that the sale of the asset or transfer of the liability would occur either:

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

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

Fair value of an asset or liability is measured assuming that market participants would act in their economic best interest when pricing the asset or liability.

When measuring the fair value of non-financial assets, the ability of market participants to derive economic benefits through the asset's highest and best use, or by selling it to other market participants who would use it in its highest and best use, is considered.

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

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

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

Contingent liabilities

By their nature, contingent liabilities will only be settled upon the occurrence or non-occurrence of one or more future events. The assessment of such contingent liabilities inherently involves the exercise of significant judgment regarding future events.

Current versus non-current classification

The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the date of the separate statement of financial position, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the separate statement of financial position.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the separate statement of financial position, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the separate statement of financial position.

The Company classifies all other liabilities as non-current.

AL-AWWAL CAPITAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES

The following presents the significant accounting policies applied in the preparation of the company's separate financial statements. These policies have been applied consistently to all periods presented, unless otherwise stated.

Capital work in-progress

Capital Work in Progress (CWIP) is stated at cost, which includes construction costs, equipment, and directly attributable expenditures. These assets are not depreciated until they are available for their intended use. Upon completion and readiness for use, the asset is transferred to Property, Plant, and Equipment (PPE), and depreciation begins from that date.

Property and equipment

Property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Property and equipment, net of residual values, are depreciated over their estimated useful lives using the straight-line method. The cost of an asset includes all acquisition and directly attributable costs. Subsequent expenditures are capitalized only when they result in an increase in the future economic benefits of the asset and can be measured reliably. Borrowing costs, if any, directly attributable to the acquisition or construction of qualifying assets are also capitalized to prepare the assets for their intended use. The estimated depreciation rates for the main components of these property and equipment are as follows:

Item	Depreciation %
Vehicles	20%
Furniture and fixtures	10%
Computers	10% - 20%

Property and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognized in the statement of comprehensive income at the date of disposal. The residual values, useful lives, and depreciation methods of assets are reviewed at the end of each financial year and adjusted prospectively if required.

Intangible assets

Intangible assets are recognized in accordance with IAS 38 – Intangible Assets when it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. Capitalization of intangible assets is substantiated through formal assessment and supporting documentation demonstrating the nature of the expenditure, its direct attribution to the asset, and compliance with the recognition criteria under IAS 38.

Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and impairment losses.

Intangible assets with finite useful lives are amortized over their estimated useful lives, which are determined based on expected usage patterns, legal or contractual terms, and industry practices. The determination of useful lives and the amortization method is applied consistently across similar classes of assets and reviewed at least annually to ensure continued appropriateness.

Intangible assets with indefinite useful lives are not amortized and are tested annually for impairment, or more frequently if indicators of impairment exist, in accordance with IAS 36 – Impairment of Assets.

The estimated amortization periods for intangible assets with finite useful lives are as follows:

Item	Useful life
Computer software and systems	3-5 years

An intangible asset is derecognized upon disposal (i.e., when control is transferred to the acquirer) or when no future economic benefits are expected from its use. Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the separate statement of comprehensive income at the date of disposal.

Leases

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

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The Company as a lessee

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

• **Right-of-use assets**

The Company recognizes 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, adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives.

If ownership of the leased asset transfers to the Company at the end of the lease term, or if the cost reflects the exercise of the purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment. Refer to the accounting policies included in the "Impairment of Non-Financial Assets" paragraph.

• **Lease liabilities**

At the commencement date of the lease, the Company recognizes 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 Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense (unless it's charged for production) in the period on which the event or condition that triggers the payment occurs.

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

• **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of plant and equipment (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 that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term of contracts with renewal options

The company determines the lease term as the non-cancellable period 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. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances within its control that affects its ability to exercise (or not to exercise) the renewal option (for example, a change in business strategy).

Impairment of non-financial assets

At the reporting date of the separate financial statements, an assessment is performed to determine whether there is any objective evidence of impairment of any non-financial asset or group of non-financial assets. If such evidence exists, the estimated recoverable amount of that asset is determined and any resulting impairment loss is recognized. When it is not possible to determine the recoverable amount for each asset individually, the recoverable amount is estimated for the asset group forming the cash-generating unit.

If the recoverable amount of an asset or cash-generating unit is expected to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment losses are recognized immediately as an expense in the separate statement of profit or loss.

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Investment in subsidiaries

A subsidiary is an entity that is controlled by another entity. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

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

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

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

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The parent company takes into account the presence of the effect of future voting rights that can be exercised or transferred at the present time, including future voting rights of any other facility when assessing the facility's ability to control the financial and future policies of the subsidiary, and future voting rights are not considered viable or transfer at the current time if it is dependent on a specific date in the future or the occurrence of an event in the future.

For the purposes of these separate financial statements, investment in subsidiaries is accounted for under the equity method, under which the investment is stated initially at cost and adjusted thereafter for the post acquisition changes in the Company's share of the net assets of the investees. The Company's share in the investee's net income / (loss) for the year is included in the profit or loss. Any change in OCI of investees is presented as part of the Company's other comprehensive income ("OCI"). In addition, when there has been a change recognized directly in the equity of the subsidiary, the Company recognizes its share of any changes, when applicable, in the separate statement of changes in equity.

The carrying amount of all investments is reduced to recognize other than temporary diminution in value. Dividends from such investments are recognized when received and are credited to the investment account.

Impairment of investments in subsidiaries

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investments in its subsidiaries and associates. At each reporting date, the Company determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of income of a subsidiary or associate in the separate statement of profit or loss and other comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assists

Initial recognition and measurement

Financial assets are classified at initial recognition in debt instruments and are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through the separate statement of profit or loss.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the company's business model for managing it. Except for trade receivables that do not contain a significant financing component and to which the company applies the practical expedient, the company initially measures the financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables without a significant financing component or to which the practical expedient is applied are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on "Revenue from Contracts with Customers."

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To classify a debt instrument as measured at amortized cost or FVOCI, it must give rise to cash flows that are solely “payments of principal and interest on the principal amount outstanding.” This assessment, referred to as the “solely payments of principal and interest” (SPPI) test, is performed at the instrument level. Financial assets with cash flows that do not meet the SPPI criterion are measured at fair value through profit or loss, regardless of the business model.

The company’s business model for managing financial assets reflects how it manages its financial assets to generate cash flows. The business model determines whether cash flows arise from collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model whose objective is to hold the assets to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by law or recognized market practice (regular way trades) are recognized at the trade date, i.e., the date the company commits to purchase or sell the assets.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with recycling of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without recycling of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss

Financial Assets at Amortized Cost (Debt Instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified or impaired.

The Company’s financial assets at amortized cost includes trade and other receivables.

Financial Assets at Fair Value through OCI (Debt Instruments)

For debt instruments measured at fair value through other comprehensive income (FVOCI), interest income, foreign exchange revaluation, and impairment losses or reversals are recognized in the separate statement of profit or loss in the same manner as for financial assets measured at amortized cost. Changes in the remaining fair value are recorded in other comprehensive income. Upon derecognition, the cumulative fair value changes recognized in other comprehensive income are recycled to the separate statement of comprehensive income.

Financial Assets at Fair Value Through Other Comprehensive Income (Equity Instruments)

At initial recognition, the group may irrevocably elect to classify its investments in equity instruments as financial assets at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IFRS 32 ‘Financial Instruments’: they are issued and not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the separate statement of profit or loss. Dividends are recognized as other income in the separate statement of profit or loss when the right to receive payment arises, except when the company uses these receipts to recover part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity instruments classified at fair value through other comprehensive income are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss (FVTPL) are recognized in the separate statement of financial position at fair value, with net changes in fair value recognized in profit or loss.

This category includes derivative instruments and listed equity investments that the company has not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognized as other income in profit or loss when the right to receive payment arises.

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Derecognize

A financial asset (or part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's separate statement of financial position) when:

- The right to receive cash flows from the asset expires; or;
- The Company transfers its rights to receive cash flows from the asset or assumes an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; or
 - (a) The Company transfers substantially all the risks and rewards of the asset; or
 - (b) The Company neither transfers nor retains substantially all the risks and rewards of the asset, but transfers control of the asset.

When the Company transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it assesses whether, and to what extent, it has retained the risks and rewards of ownership, has not substantially transferred or retained all risks and rewards of the asset, and has not transferred control over the asset. The Company continues to recognize the transferred asset to the extent of its continuing involvement. In such cases, the Company also continues to recognize the liabilities associated with the asset. The associated liability and the transferred asset are measured based on the rights and obligations retained by the Company

Continuing involvement, which may take the form of a guarantee over the transferred asset, is measured at the lower of the asset's original carrying amount and the maximum amount the Company could be required to repay.

Impairment of Financial Assets

The Company recognizes an expected credit loss (ECL) provision for all debt instruments not measured at fair value through the separate statement of comprehensive income. Expected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows the Company expects to receive, discounted approximately at the original effective interest rate. Expected cash flows include cash flows from the sale of retained collateral or other credit enhancements that form an integral part of the contractual terms.

Expected credit losses are recognized in two stages, for exposures where there has not been a significant increase in credit risk since initial recognition, an ECL provision is recognized for credit losses resulting from possible default events within the next 12 months (12-month ECL). For exposures where there has been a significant increase in credit risk since initial recognition, a provision is recognized for the lifetime expected credit losses, regardless of the timing of default (lifetime ECL).

For trade receivables and other receivables, the Company applies a simplified approach to measuring expected credit losses. As a result, the Company does not track changes in credit risk but instead recognizes a provision based on the expected credit loss lifetime at the reporting date. The Company establishes a provision matrix based on historical credit loss experience, adjusted for forward-looking factors related to debtors and the economic environment.

The Company considers a financial asset to be in default when contractual payments are more than 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal and external information indicates that it is unlikely to receive the full contractual amounts due, taking into account the credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Recognition and initial measurement

At initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss – as loans, borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as applicable. All financial liabilities are initially recognized at fair value, and in the case of loans, borrowings, and payables, less directly attributable transaction costs. The Company's financial liabilities include trade payables and amounts due.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as described below. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition at fair value through profit or loss.

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Gains or losses arising from liabilities held for trading are recognized in the separate statement of profit or loss. Financial liabilities designated at initial recognition at fair value through the separate statement of comprehensive income are designated at the date of initial recognition and only if the requirements of IFRS 9 are met.

Financial Liabilities at Amortized Cost (Loans and Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the separate statement of comprehensive income upon derecognition of the liabilities and through the amortization process using the effective interest rate. The amortized cost is calculated taking into account any discount or premium on acquisition, and fees and costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is included as financing costs in the separate statement of comprehensive income.

Derecognition

A financial liability is derecognized when it is extinguished, canceled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original financial liability with recognition of a new liability. The difference between the respective carrying amounts is recognized in the separate statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts of financial assets and financial liabilities and the Company intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of Non-Financial Assets

At the reporting date, the Company assesses whether there is any indication that a non-financial asset may be impaired. If such indication exists, or if an annual impairment test is required, the Company estimates the recoverable amount of the asset. The recoverable amount is defined as the higher of the fair value of the asset or the cash-generating unit (CGU) less costs to sell, and its value in use. The assessment is performed for individual assets unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount. When determining the value in use, future cash flows are discounted to present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs to sell, recent market transactions are considered where available, or an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budgets and estimates prepared separately for each CGU to which individual assets are allocated. Typically, these detailed budgets and estimates cover a five-year period. For periods beyond five years, a long-term growth rate is applied to the projected future cash flows of the project.

Impairment losses on continuing operations—including impairment of inventories—are recognized in the separate statement of profit or loss under expense categories consistent with the function of the impaired asset.

For assets other than goodwill, at each consolidated reporting date, the Company assesses whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years. Reversals of impairment losses are recognized in the separate statement of comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprise balances held with banks, cash on hand, and cheques under collection that are convertible to cash within three months or less from the date of origination, and which are not subject to significant risk of changes in value, if any.

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Related Party Transactions

A related party is a person or entity that is related to the Company preparing the financial statements.

(a) A person is considered related if the person or any member of their immediate family has a close relationship with the Company preparing the financial statements, and they:

- Have control or joint control over the Company preparing the financial statements.
- Have significant influence over the Company preparing the financial statements.
- Are a member of the key management personnel of the Company preparing the financial statements

(b) An entity is considered related to the Company preparing the financial statements if any of the following conditions are met:

- The entity and the Company preparing the financial statements are members of the same Company.
- One entity is an associate or joint venture of the other (or an associate/joint venture of a member of the group that the other entity is a member of).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third party and the other entity is an associate of that third party.
- The Company manages a post-employment benefit plan for the benefit of employees of either entity, or a related entity of the Company preparing the financial statements. If the Company preparing the financial statements is itself the plan administrator, the sponsoring employers are also considered related parties.
- The Company is controlled, or jointly controlled, by a person identified in (a).
- The person identified in (a) has significant influence over the Company or is part of its key management personnel.
- The Company, or any member of its group, provides key management personnel services to the Company preparing the financial statements.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events, it is probable that the Company will be required to settle the obligation through an outflow of resources embodying economic benefits, and a reliable estimate of the obligation can be made. Where the Company expects to recover some or all of the provision, for example through an insurance contract, the recovery is recognized as a separate asset only when it is virtually certain. The expense relating to a provision is presented in the separate statement of comprehensive income after deducting any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee Benefits Obligations

• Short-term obligations

Short-term obligations include salaries and wages, non-monetary benefits, accrued leave, travel costs, education allowances, and furniture allowances that are expected to be settled in full within 12 months after the end of the year in which the employee renders the related service. These obligations are recognized up to the end of the reporting period of the separate financial statements and are measured at the amounts expected to be paid when the obligations are settled. They are presented as current employee benefits obligations in the separate statement of financial position.

• Defined benefit plan

A defined benefit plan is a post-employment benefit plan that is distinct from a defined contribution plan. The net obligation recognized in the separate statement of financial position in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using high-quality corporate bond interest rates, expressed in the currency in which the benefits will be paid. In countries where a deep market for such bonds does not exist, market yields on government bonds are used. The net interest cost is calculated by applying the discount rate to the net defined benefit liability and the fair value of plan assets. This cost is included in employee benefits expenses in the separate statement of comprehensive income.

Gains and losses arising from remeasurement due to past experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur in the separate statement of comprehensive income.

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Changes in the present value of the defined benefit obligation arising from plan amendments or curtailments are recognized immediately in the separate statement of comprehensive income as past service cost.

Current and past service costs of post-employment benefits are recognized immediately in the separate statement of comprehensive income, while the effect of discount rate adjustments used to settle the obligation is recognized as a finance cost. Any changes in the net obligation due to actuarial valuations and changes in assumptions are treated as remeasurements and are included in the separate statement of comprehensive income. The actuarial valuation considers labor regulations in the Kingdom of Saudi Arabia and the Company's policies.

Zakat

a) Zakat

In accordance with the Zakat Accounting Standards, zakat is calculated according to the accrual basis for each year and in accordance with the regulations applicable in the Kingdom of Saudi Arabia issued by the General Authority for Zakat and Income ("ZATCA"). Additional zakat liabilities, if any, relating to assessments submitted for previous years are calculated by the ZATCA in the period in which the final assessments are issued.

b) Value Added Tax (VAT)

The Company recognizes the expenses and revenues net of value added tax, except if it is not refundable and, in this case, it is recognized within the cost of the asset or the expense.

The net recoverable or tax payable is included in the debit or credit balances in the statement of financial position.

Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Provisions and contingencies

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

Foreign currency transactions

Transactions in foreign currencies are recorded in Saudi Riyals at the exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing at the balance sheet date. All translation differences are recognized in the statement of profit or loss.

Revenue recognition

The Company recognizes contracts with customers based on a five-step model as set out in IFRS 15 "Revenue from contracts with customers":

Step 1 - Identify the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met for each contract.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer.

The amount of consideration may vary due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items. The amount of the promised consideration may also vary if the Company's entitlement to the consideration is conditional on the occurrence or non-occurrence of a future event.

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Asset management fees revenue

Fees from investment fund and private portfolio management are recognized as revenue in proportion to the provision of services, on the basis of the applicable service contracts. Subscription fees are recognized upon subscription. Any performance fees are recognized in the period in which they achieve results (or are expected to be achieved) according to the pre-determined annual targets.

Consultancy services fees revenue

Fees from consultancy services are recognized on the basis of services provided under applicable service contracts.

Operations and custody fees revenue

Operations and archiving fees are recognized when providing services. They are included on the basis of applicable service contracts, usually on a time-proportionate basis over the period for which the service is provided.

Realized gains and losses on investments sold are recognized on an average cost basis. The increase or decrease in the difference between the cost and the market value of the Company's investment portfolio is recognized as changes in the fair value of the investments in the statement of comprehensive income.

Dividend income is recognized when the Company's right to receive the dividend is established, and the dividend is recognized in a separate item in the statement of comprehensive income regardless of the classification of the financial instrument concerned.

Expenses

- Selling and marketing expenses are the costs incurred in marketing the Company's services. All other expenses are classified as general and administrative expenses.
- Allocation of shared expenses: Shared expenses are allocated between operating costs, selling and marketing expenses, and general and administrative expenses on a consistent basis.
- Asset utilization tracking: Monitoring and controlling the use of assets.
- Modification costs.

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5. PROPERTY AND EQUIPMENT-NET

	<u>Motor vehicles</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>Work-in- progress*</u>	<u>Total</u>
<u>Cost:</u>					
As of January 1, 2024	428,912	3,147,242	792,988	770,266	5,139,408
Additions	-	83,209	53,965	1,140,507	1,277,681
Transfer from work in progress	-	1,910,773	-	(1,910,773)	-
As of December 31, 2024	428,912	5,141,224	846,953	-	6,417,089
As of January 1, 2025	428,912	5,141,224	846,953	-	6,417,089
Additions	-	171,048	300,149	-	471,197
Disposals	-	(2,800,458)	(361,884)	-	(3,162,342)
As of December 31, 2025	428,912	2,511,814	785,218	-	3,725,944
<u>Accumulated Depreciation:</u>					
As of January 1, 2024	428,911	3,055,391	755,845	-	4,240,147
Charged during the year	-	130,381	20,996	-	151,377
As of December 31, 2024	428,911	3,185,772	776,841	-	4,391,524
As of January 1, 2025	428,911	3,185,772	776,841	-	4,391,524
Charged during the year	-	260,507	37,819	-	298,326
Disposals during the year	-	(2,786,469)	(361,764)	-	(3,148,233)
As of December 31, 2025	428,911	659,810	452,896	-	1,541,617
<u>Net Book Value:</u>					
As of December 31, 2025	1	1,852,004	332,322	-	2,184,327
As of December 31, 2024	1	1,955,452	70,112	-	2,025,565

* Work in progress represents leasehold improvements that were completed and transferred to furniture and fixtures during 2024.

6. INTANGIBLE ASSETS - NET

	<u>2025</u>	<u>2024</u>
<u>Cost:</u>		
As of January 1,	2,655,766	2,454,721
Additions	101,468	201,045
As of December 31,	2,757,234	2,655,766
<u>Amortization:</u>		
As of January 1,	2,308,080	2,181,394
Amortization charged during the year	116,616	126,686
As of December 31,	2,424,696	2,308,080
<u>Net Book Value:</u>		
As of December 31,	332,538	347,686

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7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are represented in equity shares acquired by the Company in subsidiaries, which are as follows:

Company	Shareholding %		As of December 31,	
	2025	2024	2025	2024
Real Estate Wealth Management Company Limited (*)	100%	100%	100,000	100,000
Kasb Real Estate Opportunities Company	100%	100%	5,000	5,000
			105,000	105,000

(*) On 24 July 2018, a decision was issued by Al-Awwal Capital Company (the holding company) stating that it would bear all losses of the subsidiary up to 31 December 2017, while losses for subsequent periods will be borne by the subsidiary from the date of the resolution.

8. FINANCIAL ASSETS AT FVTOCI

	As of December 31,	
	2025	2024
Investments in a Private Equity Fund	1,936,588	2,023,874
Investments in the American Real Estate Company *	188,890	188,890
Investments in Tharawat Al Wataniya General Trading Company *	1,250	1,250
	2,126,728	2,214,014

The change in the fair value of financial assets at FVTOCI is as follows:

	As of December 31,	
	2025	2024
Change in the fair value of an investment in a private equity fund	(87,286)	(133,640)
	(87,286)	(133,640)

*The company has not measured other investments at fair value for American Real Estate Company and Tharwat Al Wataniya for General Trading Company, as management considers the impact of fair value measurement on these investments to be immaterial.

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9. FINANCIAL ASSETS AT FVTPL

Description	Principal activity	Place of incorporation	Investment ratio		Fair value	
			2025	2024	2025	2024
Al-Awwal Saudi Riyal Murabahat Fund	Trading in the Saudi market	Saudi Arabia	53.66%	51.99%	32,491,068	36,186,199
Al-Awwal Saudi Equity Fund	Trading in the Saudi market	Saudi Arabia	8.91%	8.46%	1,305,705	1,506,958
Al Jazeera Investment Portfolio	Trading in the Saudi market	Saudi Arabia	100%	100%	836,655	4,226,381
Al-Awwal Periodical Income Fund	Trading in the Saudi market	Saudi Arabia	52.55%	52.55%	3,871,757	4,465,331
Al-Awwal USD Trading Fund	Trading in the Saudi market	Saudi Arabia	85.40%	75.81%	271,436	2,104,114
Al-Awwal Real Estate Opportunities Fund	Trading in the Saudi market	Saudi Arabia	6.05%	6.05%	918,828	928,821
Itqan Residential Fund (formerly Rawda Villas Real Estate Fund)	Trading in the Saudi market	Saudi Arabia	1.85%	1.85%	849,143	951,697
Al-Awwal Real Estate Income Fund 1	Trading in the Saudi market	Saudi Arabia	3.55%	3.55 %	3,894	110,527
Al Awwal Direct Financing Fund	Trading in the Saudi market	Saudi Arabia	4.50%	-	2,239,603	-
Investing in a private investment portfolio with Rasd Capital	Trading in the Saudi market	Saudi Arabia	100%	100%	7,000,000	-
Investment Portfolio (Sukuk) - Tarmeez Platform	Trading in the Saudi market	Saudi Arabia	100%	-	45,000	-
Investment portfolios - Rasd Bank	Trading in the Saudi market	Saudi Arabia	100%	100%	4,749,799	4,988,070
					54,582,888	55,468,098

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The movement in financial assets at FVTPL for the year ended December 31, 2025 and December 31, 2024 is as follows:

<u>2025</u>	Fair value as of January 1, 2025	Additions	Disposals	Unrealized gains (losses)	Fair value as of December 31, 2025
Al-Awwal Saudi Riyal Murabihat Fund	36,186,199	21,000,000	(25,166,400)	471,269	32,491,068
Al-Awwal Saudi Equity Fund	1,506,958	-	-	(201,253)	1,305,705
Al Jazeera Investment Portfolio	4,226,381	4,250,156	(7,467,386)	(172,496)	836,655
Al-Awwal Periodical Income Fund	4,465,331	-	-	(593,574)	3,871,757
Al-Awwal USD Trading Fund	2,104,114	-	(1,909,772)	77,094	271,436
Al-Awwal Real Estate Opportunities Fund	928,821	-	-	(9,993)	918,828
Itqan Residential Fund (formerly Rawda Villas Real Estate Fund)	951,697	-	-	(102,554)	849,143
Al-Awwal Real Estate Income Fund 1	110,527	-	-	(106,633)	3,894
Al Awwal Direct Financing Fund	-	2,250,000	-	(10,397)	2,239,603
Investing in a private investment portfolio with Rasd Capital	-	7,000,000	-	-	7,000,000
Investment Portfolio (Sukuk) - Tarmeez Platform	-	45,000	-	-	45,000
Investment portfolios - Rasd Bank	4,988,070	-	-	(238,271)	4,749,799
	<u>55,468,098</u>	<u>34,545,156</u>	<u>(34,543,558)</u>	<u>(886,808)</u>	<u>54,582,888</u>

The movement in financial assets at FVTPL for the year ended December 31, 2024 is as follows:

<u>2024</u>	Fair value as of January 1, 2024	Additions	Disposals	Unrealized gains (losses)	Fair value as of December 31, 2024
Al-Awwal Saudi Riyal Murabihat Fund	21,295,763	35,500,000	(20,847,723)	238,159	36,186,199
Al-Awwal Saudi Equity Fund	1,285,878	7,000,000	(6,924,162)	145,242	1,506,958
Al Jazeera Investment Portfolio	4,176,268	4,586,815	(4,575,714)	39,012	4,226,381
Al-Awwal Periodical Income Fund	6,680,851	-	(2,051,922)	(163,598)	4,465,331
Al-Awwal USD Trading Fund	2,793,382	-	(539,533)	(149,735)	2,104,114
Al-Awwal Real Estate Opportunities Fund	937,573	-	-	(8,752)	928,821
Itqan Residential Fund (formerly Rawda Villas Real Estate Fund)	598,010	-	-	353,687	951,697
Al-Awwal Real Estate Income Fund 1	392,382	-	(275,000)	(6,855)	110,527
Private portfolio with Rasd Capital	7,493,781	-	(7,493,781)	-	-
Investment portfolio – Al-Awwal Capital	7,000,000	-	(7,000,000)	-	-
Investment portfolios - Rasd Bank	3,469,894	2,072,407	-	(554,231)	4,988,070
Investment portfolio – LENDO	-	100,000	(100,000)	-	-
	<u>56,123,782</u>	<u>49,259,222</u>	<u>(49,807,835)</u>	<u>(107,071)</u>	<u>55,468,098</u>

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The gains realized from the disposal of investments amounted to SAR 2.01 million (2024: SAR 3.01 million), while dividends received from financial assets totaled SAR 618 thousand (2024: SAR 1.5 million).

Investments are measured at fair value in accordance with IFRS 13 Fair Value Measurement, as required by IFRS 9 Financial Instruments, fully disclosed in Note (3). The company classified these investments at initial application of IFRS 9 as measured at fair value through profit or loss (FVTPL).

The company is exposed to credit risk, market risk, and fair value measurement risk, which are further detailed in Note (25).

Financial assets at FVTPL include current and non-current financial assets depending on the nature of the investments and can be presented as follows:

	As of December 31,	
	2025	2024
Current financial assets		
Al-Awwal Saudi Riyal Murabahat Fund	32,491,068	36,186,199
Al-Awwal Saudi Equity Fund	1,305,705	1,506,958
Al Jazeera Investment Portfolio	836,655	4,226,381
Al-Awwal Periodical Income Fund	3,871,757	4,465,331
Al-Awwal USD Trading Fund	271,436	2,104,114
Al Awwal Direct Financing Fund	2,239,603	-
Investment Portfolio (Sukuk) - Tarmeez Platform	45,000	-
Investment portfolios - Rasd Bank	4,749,799	4,988,070
Investing in a private investment portfolio with Rasd Capital	7,000,000	-
	52,811,023	53,477,053
Non-current financial assets		
Al-Awwal Real Estate Opportunities Fund	918,828	928,821
Itqan Residential Fund (formerly Rawda Villas Real Estate Fund)	849,143	951,697
Al-Awwal Real Estate Income Fund -1	3,894	110,527
	1,771,865	1,991,045
	54,582,888	55,468,098

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10. RELATED PARTY TRANSACTIONS

a) Following are the details of significant transactions with related parties and related balances:

Related party	Relationship	Nature of transaction	Amount of transaction for the year ended December 31.	
			2025	2024
Al-Awwal Saudi Riyal Murabahat Fund	Managed by the Company	Accrued Revenue	255,349	263,182
Al-Awwal Saudi Equity Fund	Managed by the Company	Accrued Revenue	324,078	205,624
Al-Awwal Periodical Income Fund	Managed by the Company	Accrued Revenue	134,486	144,890
Al-Awwal Real Estate Opportunities Fund	Managed by the Company	Payments on behalf	174,970	-
Al-Awwal Real Estate Income Fund 1	Managed by the Company	Payments on behalf	100,983	-
Al-Awwal Private Equity Fund 1	Managed by the Company	Accrued Revenue	286,555	261,258
Al-Awwal Energy Fund	Managed by the Company	Payments on behalf	56,923	-
Al-Awwal USD Trading Fund	Managed by the Company	Accrued Revenue	17,708	32,948
Al Sulaiman Business Compound Real Estate Fund	Managed by the Company	Accrued Revenue	7,395,655	1,503,335
Jazan Real Estate Investment Fund	Managed by the Company	Accrued Revenue	-	125,000
Al Hamra Real Estate Fund	Managed by the Company	Payments on behalf	-	20,543
Al Awal Direct Finance Fund	Managed by the Company	Accrued Revenue	1,508,630	80,000
Al Basha Real Estate Fund	Managed by the Company	Accrued Revenue	1,190,069	100,000
Savana Real Estate Fund	Managed by the Company	Accrued Revenue	172,500	-
Al Awal Private Equity Fund 3	Managed by the Company	Accrued Revenue	649,545	-
Jeddah International College Company	Sister Company	Accrued Revenue	-	453,372
Tajeer International Company	Sister Company	Accrued Revenue	2,427,521	13,724,800
Tajeer Financing Company	Sister Company	Accrued Revenue	-	243,367
American Real Estate Company	Sister Company	Accrued Revenue	474,831	429,163
Al Awal Private Equity Fund 4	Managed by the Company	Payments on behalf	10,000	-
Al Awal Sukuk Fund	Managed by the Company	Payments on behalf	10,000	-
Al Awal Promising Growth Fund	Managed by the Company	Payments on behalf	10,000	-

b) The following table shows the significant transactions with key executives and the board of Directors during the year:

	For the year ended December 31,	
	2025	2024
Salaries, allowances and remunerations of executive management	7,747,903	7,636,755

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c) Balances due from related parties (net) are as follows:

	As of December 31,	
	2025	2024
Al-Awwal Energy Fund	8,444,436	9,249,270
Itqan Residential Fund (formerly Rawda Villas Real Estate Fund)	591,721	6,582,022
Al-Awwal Real Estate Income Fund - 1	1,569,554	1,468,571
Al-Awwal Real Estate Development Fund	-	987,902
Itqan Real Estate Assets Fund (Real Estate Opportunities Alliance)	85,287	931,043
Tharawat Al Wataniya General Trading Company	892,518	892,519
Al Ruwais International Real Estate Development Company	673,200	673,200
Al Sulaiman Business Compound Real Estate Fund	-	634,305
Tajeer International Company	2,765,021	388,125
Al-Awwal Private Equity Fund 1	587,000	300,447
Al-Awwal Real Estate Opportunities Fund	369,911	194,941
American Real Estate Company	-	124,058
Al Awal Direct Finance Fund	146,131	80,000
Al-Awwal USD Trading Fund	76,801	59,093
Al Basha Real Estate Fund	723,570	28,000
Al-Awwal Saudi Riyal Murabahat Fund	27,333	27,076
Al-Awwal Saudi Equity Fund	22,115	26,944
Al Hamra Real Estate Fund	-	20,543
Al-Awwal Periodical Income Fund	10,842	13,249
Jazan Real Estate Investment Fund	-	10,000
Savana Real Estate Fund	10,000	-
Al Awal Private Equity Fund 4	10,000	-
Al Awal Sukuk Fund	10,000	-
Al Awal Promising Growth Fund	10,000	-
Al Awal Private Equity Fund 3	671,371	-
	17,696,811	22,691,308
(Less): Expected credit losses ("ECL")	(2,814,473)	(10,066,686)
	14,882,338	12,624,622

d) The movement in expected credit losses is as follows:

	For the year ended December 31,	
	2025	2024
Balance as of January 1,	10,066,686	2,032,087
Provision for the year	571,746	8,034,599
Reversal of allowance for credit losses	(7,823,959)	-
Balance as of December 31,	2,814,473	10,066,686

e) Due to related parties is comprised of the following:

	As of December 31,	
	2025	2024
Real Estate Wealth Management Company Limited	57,474	57,474
Kasb Real Estate Opportunities Company	5,000	5,000
	62,474	62,474

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11. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The right-of-use asset represents leased office premises. The table below summarizes the balance of the right-of-use asset along with the depreciation charged during the year:

a. Right of Use Assets:

	As of December 31,	
	2025	2024 (restated)
<u>Cost:</u>		
Balance as of January 1,	2,281,678	-
Additions during the year	-	2,281,678
Balance as of December 31,	2,281,678	2,281,678
<u>Accumulated Depreciation:</u>		
Balance as of January 1,	385,852	-
Charged during the year (Note 21)	843,719	385,852
Balance as of December 31,	1,229,571	385,852
Net book value as at 31 December	1,052,107	1,895,826

b. Lease Liabilities

	As of December 31,	
	2025	2024 (restated)
Balance as of January 1,	1,616,103	-
Additions during the year	-	2,281,678
Finance cost during the year	79,908	70,441
Payments made during the year	(817,795)	(736,016)
Balance as of December 31,	878,216	1,616,103
Current portion of lease liabilities	878,216	737,887
Non-current portion of lease liabilities	-	878,216
	878,216	1,616,103
- Analysis of Lease Liabilities Maturities:		
Less than one year	899,574	817,795
One to five years	-	899,574
	899,574	1,717,369

The weighted average incremental borrowing rate applied to lease liabilities was 7.2% (2024: 7.2%). Total interest expenses on lease liabilities for the year ended 31 December 2025 amounted to SAR 79,908, compared to SAR 70,441 for the year ended 31 December 2024 - Note (22).

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12. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	As of December 31,	
	2025	2024
Trade receivables	1,277,387	2,939,670
Employee's receivables	2,608,849	2,191,399
Other debit balances- investments	12,778	12,778
Prepaid expenses	153,714	402,412
Other debit balances	99,085	200,683
	4,151,813	5,746,942

13. CASH AND CASH EQUIVALENTS

	As of December 31,	
	2025	2024
Cash in banks - current accounts	4,612,095	10,602,690
Cash in investment portfolio	414,495	277,605
	5,026,590	10,880,295

14. SHARE CAPITAL

As of 31 December 2022, the company's share capital amounted to SAR 50,000,000, divided into 5,000,000 shares with a par value of SAR 10 per share. The share capital is fully paid and owned, and is distributed among the shareholders as follows:

Shareholder	Number of shares	Shareholding %	Amount
Dr. Saleh Jamil Saleh Malaikah	4,250,000	85	42,500,000
Mr. Adnan Mohamed Abdel-Majid Talmecani	250,000	5	2,500,000
Rasd International Holding Group	250,000	5	2,500,000
RUSD Around the World Company for Commercial and Real Estate Investments	250,000	5	2,500,000
	5,000,000	100	50,000,000

On 15 January 2023, the company submitted a request to the Capital Market Authority (CMA) to amend the company's shareholder register. During the year, the company obtained approval from the Capital Market Authority, and the Articles of Association were amended. Accordingly, the company's shares were distributed among the shareholders as follows, as of 31 December 2023:

Shareholder	Number of shares	Shareholding %	Amount
Al-Rasd Investment Company	4,250,000	85	42,500,000
Mr. Adnan Mohamed Abdel-Majid Talmesani	250,000	5	2,500,000
Rasd International Holding Company	250,000	5	2,500,000
RUSD Around the World Company for Commercial and Real Estate Investments	250,000	5	2,500,000
	5,000,000	100	50,000,000

On 13 August 2024, the company submitted a request to the Capital Market Authority (CMA) to amend the company's shareholder register. During the year, the company obtained approval from the Capital Market Authority, and the Articles of Association were amended. Accordingly, the company's shares were distributed among the shareholders as follows, as of 31 December 2024:

Shareholder	Number of shares	Shareholding %	Amount
Al-Rasd Investment Company	4,500,000	90	45,000,000
Mr. Adnan Mohamed Abdel-Majid Talmesani	250,000	5	2,500,000
Rasd International Holding Group	250,000	5	2,500,000
	5,000,000	100	50,000,000

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On 24 November 2025, the company submitted a request to the Capital Market Authority (CMA) to amend the company's shareholder register. During the year, the company obtained approval from the Capital Market Authority, and the Articles of Association were amended. Accordingly, the company's shares were distributed among the shareholders as follows, as of 31 December 2025:

Shareholder	Number of shares	Shareholding %	Amount
Al-Rasd Investment Company	4,750,000	95	47,500,000
Mr. Adnan Mohamed Abdel-Majid Talmesani	250,000	5	2,500,000
	5,000,000	100	50,000,000

15. STATUTORY RESERVE

According to the company's amended By-Law, the company is not required to establish a statutory reserve. Therefore, the company's management decided to transfer the balance of the statutory reserve to retained earnings during the year ended December 31, 2025.

16. EMPLOYEE BENEFIT PLAN OBLIGATIONS

The movement in employee benefit plan obligations is as follows:

	As of December 31,	
	2025	2024
Balance as of January 1,	4,287,981	3,852,099
Statement of profit and loss		
Current service cost	613,679	480,535
Interest cost	180,095	145,756
	793,774	626,291
Statement of comprehensive income		
Remeasurement of employees' benefit plan obligations	455,354	(173,998)
Benefits paid	(62,515)	(16,411)
Balance as of December 31,	5,474,594	4,287,981

The main actuarial assumptions as of December 31 are as follows:

	As of December 31,	
	2025	2024
Discount rate	4.85%	4.20%
Salary growth rate	5.50%	2.50%

The sensitivity of employee benefit plan obligations to changes in the key weighted assumptions is as follows:

	Discount rate			Salary growth rate		
	Base	Decrease	Increase	Base	Increase	Decrease
		by 1%	by 1%		by 1%	by 1%
December 31, 2025	4.85%	5,857,308	5,127,128	5.50%	5,837,181	5,151,328
December 31, 2024	4.20%	4,481,005	4,092,873	2.50%	4,464,981	4,061,266

17. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	As of December 31,	
	2025	2024
Accrued expenses	1,472,886	1,378,449
VAT payable	345,805	3,358,886
Accounts payable	15,559	690
	1,834,250	4,738,025

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18. ZAKAT PAYABLE

(a) Zakat calculation for the year

The principal elements of the Zakat base are as follows:

	December 31, 2025	December 31, 2024
Non-current assets	7,572,565	6,683,310
Non-current liabilities	5,474,594	4,287,981
Opening balance of equity	76,257,269	75,403,536
Net profit for the year	12,562,805	9,169,139

(b) Movement of zakat provision for the year:

	For the year ended December 31,	
	2025	2024
As of January 1,	5,690,432	7,749,955
Zakat provision charged for the year	2,000,000	2,200,000
Payment during the year	(1,428,835)	(4,259,523)
As of December 31,	6,261,597	5,690,432

(c) Zakat status

Years 2009 and 2010

The Company submitted its zakat declaration for the relevant years and paid the zakat due, obtaining the zakat certificate. Zakat, Tax and Customs Authority (ZATCA) initially issued an assessment for SR 835,780. The Company filed an objection, and an amended assessment was issued by the Authority for SR 819,558, of which SR 58,580 was paid. The Company further appealed the remaining amount, and a decision was issued on 22/02/1438 H rejecting the appeal, following which the letter of guarantee was released.

Years 2011 and 2012

The Company submitted its zakat declaration for the relevant years and paid the zakat due, obtaining the zakat certificate. The Zakat, Tax and Customs Authority (ZATCA) issued an assessment for SR 1,226,483. The Company filed an objection and submitted it to the Appeal Committee with a bank guarantee for the disputed amount. The Committee issued its decision rejecting the objection, and the bank guarantee was released.

Years 2013 and 2018

The Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment of SAR 11,844,690. The Company paid SAR 4,990,204 and filed an objection for the remaining amount, which was submitted to the Secretariat of the Zakat and Tax Committees. On 16/11/2023, the Appeal Committee issued its final decision, resulting in a reduction of SAR 3,142,020. The Company subsequently paid SAR 3,712,466 on 11/03/2024.

Year 2019

On 27/06/2024, the Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment of SAR 1,900,274. The Company paid SAR 941,400 through its zakat declaration and filed an objection for the remaining amount of SAR 958,874, providing SAR 99,085 as a bank guarantee. On 28/11/2024, a partial objection was accepted, and the assessed amount was adjusted to SAR 517,744. On 23/12/2024, the objection was escalated to the Secretariat of the Zakat and Tax Committees. On 15/04/2025, the First Committee issued a decision rejecting the objection. The Company submitted an appeal against this decision on 26/05/2025, and the appeal is currently pending before the Appeal Committee.

Year 2020

The Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment of SAR 1,960,391. The Company paid SAR 944,417 through its zakat declaration and filed an objection for the remaining amount of SAR 1,015,974, which was submitted to the Secretariat of the Zakat and Tax Committees. A bank guarantee of SAR 101,598 was provided for the disputed amount. On 17/10/2024, the Appeal Committee issued its final decision. On 16/12/2025, an adjustment letter was issued reducing the disputed amount by SAR 306,311. The Company settled SAR 608,065 in addition to the guarantee.

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Year 2021:

The Company submitted its zakat declaration and paid the due zakat, obtaining the final zakat certificate. On 22/10/2025, the Company received an initial assessment notice indicating a difference of SAR 682,758. The Company filed an objection on 27/10/2025, and no further correspondence has been received from the Zakat, Tax and Customs Authority (ZATCA) to date.

Year 2022:

The Company submitted its zakat declaration and paid the due zakat, obtaining the final zakat certificate. On 22/10/2025, the Company received an initial assessment notice indicating a difference of SAR 1,090,191. The Company filed an objection on 27/10/2025, and no further correspondence has been received from the Zakat, Tax and Customs Authority (ZATCA) to date.

Year 2023:

The Company submitted its zakat declaration and paid the due zakat, obtaining the final zakat certificate. To date, no further correspondence has been received from the Zakat, Tax and Customs Authority (ZATCA).

Year 2024:

The Company submitted its zakat declaration and paid the due zakat, and obtained the final zakat certificate. To date, no correspondence has been issued by the Zakat, Tax and Customs Authority (ZATCA).

19. REVENUE

	For the year ended December 31,	
	2025	2024
Consulting services (a)	2,810,888	16,996,028
Asset management (b)	18,515,793	11,836,845
Operations and custody (c)	887,323	700,292
	22,214,004	29,533,165

a) Consultancy services fees revenue

Fees from consultancy services are recognized on the basis of services provided under applicable service contracts.

b) Asset management fees revenue

Fees from investment fund and private portfolio management are recognized as revenue in proportion to the provision of services, on the basis of the applicable service contracts. Subscription fees are recognized upon subscription. Any performance fees are recognized in the period in which they achieve results (or are expected to be achieved) according to the pre-determined annual targets.

c) Operations and custody fees revenue

Operations and archiving fees are recognized when providing services. They are included on the basis of applicable service contracts, usually on a time-proportionate basis over the period for which the service is provided.

20. COST OF REVENUE

	For the year ended December 31,	
	2025	2024 (restated)
Wages and related benefits	5,245,036	6,257,381
Professional consultancy	905,612	1,195,660
	6,150,648	7,453,041

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21. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended December 31,	
	2025	2024 (restated)
Wages and related benefits	6,420,624	4,569,471
Incentive rewards	2,273,564	840,999
Professional and legal fees	656,455	464,000
IT expenses	354,124	379,827
Government expenses	130,221	321,908
Depreciation and amortization (notes 5,6 & 11)	1,258,661	663,915
Systems and software expenses	252,578	224,527
Professional insurance	200,354	210,900
Advertising and Marketing	35,241	162,934
Rent	-	158,526
Others	653,502	1,101,187
	12,235,324	9,098,194

22. FINANCE COSTS

	For the year ended December 31,	
	2025	2024
Interest charged to employee benefit obligations (Note 16)	180,095	145,756
Interest expense on lease liabilities (Note 11)	79,908	70,441
	260,003	216,197

23. EARNINGS PER SHARE

Basic profit or loss per share is calculated by dividing the net profit or loss for the year by the weighted average number of shares during the year:

	For the year ended December 31,	
	2025	2024
Income for the year	10,562,805	6,969,139
Weighted average number of shares	5,000,000	5,000,000
Basic earnings per share - Saudi Riyals per share	2.11	1.39

Diluted earnings per share are calculated by dividing the distributable profit attributable to common shareholders by the weighted average number of outstanding ordinary shares during the year, after adjusting for the potential dilutive effect of ordinary shares, if any. During the year, there were no issued or dilutive shares; therefore, diluted earnings per share do not differ from basic earnings per share.

24. OPERATING AND GEOGRAPIC SEGMENT

The presentation of the main business segments has been determined based on the principle that the risks and benefits associated with the Company are significantly affected by differences in the products of those segments. These segments are organized and managed separately according to the nature of their services and products, with each segment constituting a distinct unit. The operating segments presented below are identified based on differences in business activities from which the Company earns revenues and incurs costs.

The economic characteristics of the segments are reviewed, and operating segments are grouped according to the structure applied by the chief operating decision-maker at least quarterly, which is further reviewed by the Group's senior management.

The Company operates in the Kingdom of Saudi Arabia through the following main business sectors:

- Consulting services
- Operations and Custody
- Asset management

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	<u>Asset management</u>	<u>Consulting services</u>	<u>Operations and Custody</u>	<u>Total</u>
2025				
Operating revenue (note 19)	18,515,793	2,810,888	887,323	22,214,004
Cost of operations (note 20)	<u>(3,500,153)</u>	<u>(1,538,193)</u>	<u>(1,112,302)</u>	<u>(6,150,648)</u>
Gross profit / (loss)	<u>15,015,640</u>	<u>1,272,695</u>	<u>(224,979)</u>	<u>16,063,356</u>
2024				
Operating revenue (note 19)	11,836,845	16,996,028	700,292	29,533,165
Cost of operations (note 20)	<u>(3,859,256)</u>	<u>(2,499,993)</u>	<u>(1,093,792)</u>	<u>(7,453,041)</u>
Gross profit / (loss)	<u>7,977,589</u>	<u>14,496,035</u>	<u>(393,500)</u>	<u>22,080,124</u>

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to various financial risks including credit risk, liquidity risk, market risk and concentration risk. Management monitors these risks on an ongoing basis to ensure exposures remain within acceptable limits.

Credit Risk

Credit risk arises primarily from receivables from related parties, including Al Awwal Energy Fund (SAR 8.44 million), as well as investments in funds and portfolios (Note 9). Balances due from related parties' amount to SAR 14.88 million. Management monitors recoverability through aging, settlement trends, and expected cash flows. Expected credit losses are assessed in accordance with IFRS 9. Further details are disclosed in Notes 9, 10.

The significant movement in expected credit losses during the year reflects updated assessments of recoverability.

Liquidity Risk

Liquidity risk is managed through monitoring expected cash flows and maintaining sufficient liquidity. Financial liabilities are primarily short-term. Further details are disclosed in Notes 17.

To achieve this goal, it seeks to maintain cash balances to meet projected requirements for a period of at least 30 days.

	<u>Carrying amount</u>	<u>On demand or less than a year</u>	<u>Less than one year</u>
2025			
Financial liabilities:			
Accounts payable and other credit balances	1,834,250	1,834,250	-
	<u>1,834,250</u>	<u>1,834,250</u>	<u>-</u>
	<u>Carrying amount</u>	<u>On demand or less than a year</u>	<u>Less than one year</u>
2024			
Financial liabilities:			
Accounts payable and other credit balances	4,738,025	4,738,025	-
	<u>4,738,025</u>	<u>4,738,025</u>	<u>-</u>

Market Risk

Market risk arises mainly from financial assets at FVTPL amounting to approximately SAR 54 million. These are subject to changes in market values and underlying performance. Further details are disclosed in Notes 9.

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Foreign currency risk

Foreign currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in foreign exchange rates. The Company is not exposed to foreign exchange rate fluctuations, commission rate risk, or other price risks.

Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market commission rates.

The Company's exposure to commission rate risk is not considered material at the reporting date.

Other price risk

Other price risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in market prices because of factors other than movements in foreign exchange rates and commissions.

Price risk arises primarily from uncertainty about the future prices of the Company's financial instruments. The Company manager closely monitors the price movements of its financial instruments listed on the Saudi and Gulf money/stock markets.

Fair value risk

The fair value of financial instruments traded in active markets depends on the market prices listed at the end of trading at the reporting date. Instruments that have not been reported for sale are valued at the latest bid price. An active market is a market in which assets and liabilities are traded with frequency and volume sufficient to provide pricing information on an ongoing basis. The carrying amount less the provision for impairment, if any, of financial instruments carried at amortized cost is assumed to approximate its fair value.

The fair value hierarchy contains the following levels:

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

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.

Operational risk

Operational risks represent the potential for direct or indirect losses resulting from factors related to processes, systems, or infrastructure, whether internal or external, as well as other external factors such as legal and regulatory requirements. The company manages these risks through effective operational risk management practices as part of its daily activities at all management levels, with the aim of protecting its assets and reducing the risk of financial loss.

Capital management risk

The company's capital management aims to ensure its continued operation as a going concern, generate appropriate returns for shareholders, maintain investor and creditor confidence, and support future growth. The company strives to maintain a sufficient capital base to cover all inherent risks and comply with capital adequacy requirements.

Valuation Risk

The Company is exposed to valuation risk in respect of unquoted investments and funds measured based on NAV and other techniques. These involve estimation uncertainty. Further disclosures are included in Notes 3, 9.

Due to the nature of investments measured based on NAV and unobservable inputs provided by fund managers, performing a quantitative sensitivity analysis is not practicable. However, changes in these inputs may have a material impact on the reported fair values.

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Concentration Risk

A significant portion of the Company's financial assets is concentrated in investment funds and a limited number of counterparties, including related parties. This includes financial assets at FVTPL of approximately SAR 54 million. Management monitors these exposures on an ongoing basis. Further details are disclosed in Notes 9, 10.

26. PRIOR YEAR ADJUSTMENTS

During the current year, the Company made an adjustment related to the application of IFRS 16 - Leases, as a result of recalculating a three-year lease agreement. Consequently, the following adjustments were made, including the restatement of comparative figures for the financial year ended 31 December 2024. The Company did not classify the lease as a finance lease; therefore, it did not recognize depreciation on the right-of-use asset over the asset's useful life or the lease term on a straight-line basis, nor did it record finance costs for the year ended 31 December 2024.

26.1 Impact of restating comparative figures on the statement of financial position as of December 31, 2024:

	<u>Balance Before Adjustment</u>	<u>Adjustments</u>	<u>Balance After Adjustment</u>
Right of use assets	-	1,895,826	1,895,826
Accounts receivable and other debt balances	6,026,665	(279,723)	5,746,942
Lease Liabilities - Current portion	-	(737,887)	(737,887)
Lease Liabilities - Non-Current portion	-	(878,216)	(878,216)

26.2 Impact of restating comparative figures on the statement of profit or loss and other comprehensive income for the year ended December 31, 2024:

	<u>Balance Before Adjustment</u>	<u>Adjustments</u>	<u>Balance After Adjustment</u>
Cost of Revenue	(8,087,143)	634,102	(7,453,041)
General and Administrative Expenses	(16,569,132)	7,470,938	(9,098,194)
Finance Costs	(145,756)	(70,441)	(216,197)
Allowance for Expected Credit Losses	-	(8,034,599)	(8,034,599)

27. DIVIDENDS

On 4 Muharram 1447H (corresponding to 29 June 2025), the Company's shareholders, at the Ordinary General Assembly meeting, approved the Board of Directors' recommendation for dividends to shareholders for the year ended 31 December 2025 amounting to SR 15,000,000, representing 30% of the Company's capital, in respect of the profits for the year 2024.

On 8 Shawwal 1445H (corresponding to 17 April 2024), the Company's shareholders, at the Extraordinary General Assembly meeting, approved the Board of Directors' recommendation for dividends to shareholders for the year ended 31 December 2024 amounting to SR 7,500,000, representing 15% of the Company's capital, in respect of the profits for the year 2023.

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28. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Book Value		Fair Value			Total
	Amortized Cost	Fair Value	Level (1)	Level (2)	Level (3)	
<u>December 31, 2025:</u>						
<u>Financial Assets</u>						
Financial assets at FVTOCI	-	2,126,728	-	-	2,126,728	2,126,728
Financial assets at FVTPL	-	54,582,888	38,505,184	-	16,077,704	54,582,888
Due from related parties - net	14,882,338	-	-	-	-	14,882,338
Accounts receivable and other debit balances	3,998,099	-	-	-	-	3,998,099
Cash and cash equivalents	5,026,590	-	-	-	-	5,026,590
	23,907,027	56,709,616	38,505,184	-	18,204,432	80,616,643
<u>Financial Liabilities</u>						
Due to related parties	62,474	-	-	-	-	62,474
Accounts payable and other credit balances	1,834,250	-	-	-	-	1,834,250
	1,896,724	-	-	-	-	1,896,724
	Book Value		Fair Value			Total
	Amortized Cost	Fair Value	Level (1)	Level (2)	Level (3)	
<u>December 31, 2024 (restated):</u>						
<u>Financial Assets</u>						
Financial assets at FVTOCI	-	2,214,014	-	-	2,214,014	2,214,014
Financial assets at FVTPL	-	55,468,098	46,384,869	-	9,083,229	55,468,098
Due from related parties - net	12,624,622	-	-	-	-	12,624,622
Accounts receivable and other debit balances	5,344,530	-	-	-	-	5,344,530
Cash and cash equivalents	10,880,295	-	-	-	-	10,880,295
	28,849,447	57,682,112	46,384,869	-	11,297,243	86,531,559
<u>Financial Liabilities</u>						
Due to related parties	62,474	-	-	-	-	62,474
Accounts payable and other credit balances	4,738,025	-	-	-	-	4,738,025
	4,800,499	-	-	-	-	4,800,499

All investments at fair value in the Company are classified within Level 3 of the fair value hierarchy, as the valuation techniques applied incorporate significant unobservable inputs.

The Company's investment portfolio primarily consists of investment funds and managed portfolios. The fair values of these investments are mainly determined based on the net asset value (NAV) as reported by the respective fund managers, representing the Company's proportionate share in the underlying net assets. Where applicable, other valuation

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techniques, including discounted cash flow models (DCF) and market-based approaches, are applied depending on the nature and structure of the investment.

Significant unobservable inputs used in the valuation process include, but are not limited to, discount rates, expected growth rates, liquidity considerations, and investment-specific risk factors. These inputs vary across the portfolio depending on the characteristics of the underlying investments, their structure, and associated risk profiles.

The measurement of fair value for these investments involves significant judgment and estimation in respect of unobservable inputs. Accordingly, changes in these inputs may affect the reported fair values of these investments. The extent of such impact varies depending on the nature, characteristics, and risk profile of each investment.

Unrealized gains and losses arising from fair value measurements are recognized in profit or loss or other comprehensive income, according to classification of the underlying financial instruments.

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the year.

29. REGULATORY REQUIREMENTS AND THE CAPITAL ADEQUACY RATIO

The Capital Market Authority (“CMA”) issued the Financial Adequacy Rules (the “Rules”) on December 30, 2012 (corresponding to 17 Safar 1434 H). Pursuant to these Rules, CMA has set the framework and guidelines for the minimum capital requirements and the calculation methodology as stipulated in the Rules. In accordance with this methodology, the Company calculated its minimum required share capital and capital adequacy ratios as follows:

	As of December 31,	
	2025	2024
Capital base		
Tier 1 Capital	69,600,662	74,565,347
Tier 2 Capital	-	-
Total capital base	69,600,662	74,565,347
Risk-Weighted Assets:		
Credit risk	122,279,403	99,181,184
Operational risk	61,478,359	76,962,603
Market risk	78,788,224	90,272,517
Concentration Risk	34,832,608	35,089,724
Total Risk-Weighted Assets:	297,378,594	301,506,028
Capital adequacy ratio:		
Capital surplus	45,810,374	50,444,865
Financial adequacy rate	23.40%	24.73%

30. SUBSEQUENT EVENTS

No significant events have occurred after December 31, 2025 up to the date of approval of the separate financial statements.

31. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

The separate financial statements were approved by the Company’s Board of Directors and issued on Shawwal 25, 1447H (April 13, 2026).