

MERAK CAPITAL COMPANY
(Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the
INDEPENDENT AUDITOR'S REPORT

MERAK CAPITAL COMPANY
(Joint Stock Company)
Independent Auditor's Report and Consolidated Financial Statements
For the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MERAK CAPITAL COMPANY
JOINT STOCK COMPANY

(1 /3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

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

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

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

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent from the Group 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 consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements dated 27 March 2025.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MERAK CAPITAL COMPANY
JOINT STOCK COMPANY

(2 /3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF MERAK CAPITAL COMPANY
JOINT STOCK COMPANY**

(3 /3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

PKF Al-Bassam
Chartered Accountants



Ibrahim Al-Bassam
Certified Public Accountant
License No. 337
Riyadh, Kingdom of Saudi Arabia
12 Shawwal 1447H
Corresponding to: 31 March 2026




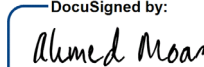
MERAK CAPITAL COMPANY
(Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Saudi Arabian Riyals)

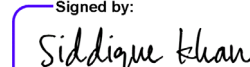
	<i>Note</i>	31 December <u>2025</u>	31 December <u>2024</u>
ASSETS			
Non-current assets			
Investment carried at fair value through profit or loss	(11)	11,708,080	4,382,892
Advance for investment	(13)	4,000,000	-
Investment in associate	(12)	5,000	-
Property and equipment, net	(8)	3,146,200	1,986,035
Intangible assets	(9)	119,371	119,371
Right of use assets	(10)	1,614,163	885,469
Total non-current assets		<u>20,592,814</u>	<u>7,373,767</u>
Current assets			
Cash and cash equivalents	(4)	22,901,965	8,877,937
Accounts receivable	(5)	615,250	8,740,000
Due from related parties	(7)	4,175,732	2,396,878
Prepayments and other current assets	(6)	12,549,212	1,909,977
Total current assets		<u>40,242,159</u>	<u>21,924,792</u>
TOTAL ASSETS		<u>60,834,973</u>	<u>29,298,559</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		6,000,000	6,000,000
Retained earnings		24,185,184	12,342,941
Other reserve	(29)	480,045	480,045
TOTAL EQUITY		<u>30,665,229</u>	<u>18,822,986</u>
Non-current liabilities			
Lease liability	(10.2)	804,699	404,621
Defined benefit obligation	(19)	2,087,846	1,131,687
Total non-current liabilities		<u>2,892,545</u>	<u>1,536,308</u>
Current liabilities			
Accounts payable	(14)	1,064,849	215,027
Accrued expenses and other liabilities	(15)	5,142,785	5,492,658
Provision for zakat	(17)	712,943	441,183
Deferred revenue	(16)	19,578,142	2,208,114
Lease liability	(10.2)	778,479	582,283
Total current liabilities		<u>27,277,199</u>	<u>8,939,265</u>
Total liabilities		<u>30,169,744</u>	<u>10,475,573</u>
TOTAL LIABILITIES AND EQUITY		<u>60,834,973</u>	<u>29,298,559</u>

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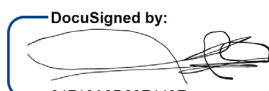
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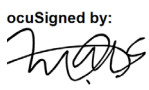
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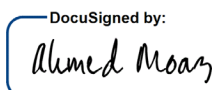
The accompanying notes (1) to (32) form an integral part of these consolidated financial statements.

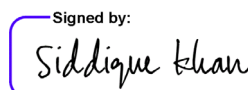
MERAK CAPITAL COMPANY
(Joint Stock Company)
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
For the year ended 31 December 2025
(Saudi Arabian Riyals)

	<i>Note</i>	31 December 2025	31 December 2024
Revenue	(20)	48,163,788	28,461,440
Other Income		2,116,148	299,280
Unrealized gain on financial assets at FVTPL	(11)	123,740	230,672
Operating expenses			
General and administrative expenses	(21)	(35,071,944)	(17,790,760)
Depreciation expense	(8,10)	(1,514,170)	(1,061,682)
Marketing and advertising expenses		(787,534)	(406,950)
Operating profit		13,030,028	9,732,000
Finance cost	(10)	(128,957)	(62,839)
Profit before zakat		12,901,071	9,669,161
Zakat expense	(17)	(713,231)	(468,114)
Profit for the year		12,187,844	9,201,047
<i>Other comprehensive income for the year</i>			
<i>Items that will not be classified subsequently to profit or loss</i>			
Re-measurement loss on employees benefit liabilities	(19)	(345,596)	(360,908)
Total other comprehensive loss for the year		(345,596)	(360,908)
Total comprehensive income for the year		11,842,248	8,840,139

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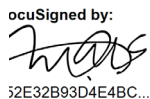
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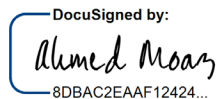
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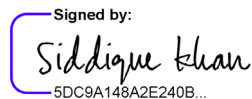
MERAK CAPITAL COMPANY
(Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025
(Saudi Arabian Riyals)

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Statutory Reserve</u>	<u>Total</u>
Balance as at 1 January 2024	6,000,000	3,502,802	480,045	9,982,847
Profit for the year	-	9,201,047	-	9,201,047
Transfer to other reserves	-	-	-	-
Other comprehensive loss for the year	-	(360,908)	-	(360,908)
Total comprehensive income for the year	-	8,840,139	-	8,840,139
Balance as at 31 December 2024	<u>6,000,000</u>	<u>12,342,941</u>	<u>480,045</u>	<u>18,822,986</u>
Balance as at 1 January 2025	6,000,000	12,342,941	480,045	18,822,986
Profit for the year	-	12,187,844	-	12,187,844
Transfer to other reserves	-	-	-	-
Other comprehensive loss for the year	-	(345,596)	-	(345,596)
Total comprehensive income for the year	-	11,842,248	-	11,842,248
Balance as at 31 December 2025	<u>6,000,000</u>	<u>24,185,184</u>	<u>480,045</u>	<u>30,665,229</u>

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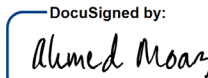
MERAK CAPITAL COMPANY
(Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Saudi Arabian Riyals)

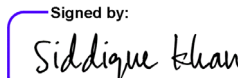
	<u>Note</u>	31 December 2025	31 December <u>2024</u>
Cash flows from operating activities			
Profit before zakat		12,901,071	9,669,161
Adjustments for:			
Depreciation of property and equipment	(8)	523,295	508,442
Depreciation of right of use assets	(10)	990,875	553,240
Finance cost on lease liability	(10)	128,957	62,839
Defined benefit expense	(19)	642,248	277,838
Unrealized gain on investment at FVTPL	(11)	<u>(123,740)</u>	<u>(230,672)</u>
		15,062,706	10,840,848
Changes in operating assets and liabilities:			
Accounts receivables	(5)	8,124,750	9,690,979
Prepayments and other current assets	(6)	(10,639,235)	(888,999)
Due from related parties	(7)	(1,778,854)	(4,447,615)
Accounts payable		849,822	172,758
Accrued expenses and other current liabilities		(349,872)	(3,187,876)
Due to related parties		19,353,400	3,309,040
Deferred revenue		(1,983,372)	(5,589,419)
Cash generated from operating activities		28,639,345	9,899,716
Defined benefit obligation paid	(19)	(31,685)	(29,328)
Zakat paid	(18)	(441,471)	(268,903)
Net cash generated from operating activities		28,166,189	9,601,485
Cash flows from investing activities			
Investment carried at fair value through profit or loss	(11)	(7,201,448)	(2,881,028)
Advance for investment	(13)	(4,000,000)	-
Investment in associate	(12)	(5,000)	-
Addition to property and equipment	(8)	(1,683,461)	(1,138,770)
Addition to intangible asset	(9)	-	(42,950)
Net cash used in investing activities		(12,889,909)	(4,062,748)
Cash flows from financing activities			
Payment of lease liability – Principal	(10)	(1,123,295)	(472,365)
Payment of lease liability – Finance cost	(10)	(128,957)	(66,661)
Net cash used in financing activities		(1,252,252)	(539,026)
Net increase in cash and cash equivalents		14,024,028	4,999,711
Cash and cash equivalents at beginning of the year	(4)	8,877,937	3,878,226
Cash and cash equivalents at end of the year	(4)	22,901,965	8,877,937

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The accompanying notes (1) to (32) form an integral part of these consolidated financial statements

MERAK CAPITAL COMPANY
(Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Saudi Arabian Riyals)

1. ORGANIZATION AND ITS ACTIVITIES

Merak Capital Company ("the Company") is a Joint Stock Company incorporated in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010501220 dated 24 Rabi' II 1440H (corresponding to 31 December 2018). The principal activities of the Company include managing non-real estate private mutual funds, managing experienced sophisticated investment portfolios, and advising on securities business under the license of the Capital Market Authority No. 18194-32 dated 3 Rabi' I 1440H (corresponding to 11 November 2018).

The head office of the Company is located at 6959 Prince Turki Bin Abdulaziz Al Awwal Rd - Al Mohammadiyah Dist. Unit No 65, Riyadh 12364 - 2848 Kingdom of Saudi Arabia. On 27 September 2024 (corresponding to 24 Rabi' I 1446H), the Company established a fully owned subsidiary, Exel First Business Solution (Limited Liability Company), with a capital of SR 100,000 to provide professional, consulting, scientific, and technical services. The subsidiary is registered under Commercial Registration number 1009107218. Its head office is in Riyadh, Kingdom of Saudi Arabia. The consolidated financial statements comprise the financial statements of Merak Capital Company and its subsidiary (collectively referred to as the "Group").

Subsidiary:

Exel First Business Services Company (the "Company") is a Saudi company incorporated in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1009107218 dated 24 Rabi' Al-Awwal 1440H (corresponding to 27 September 2024). The principal activities of the Company include providing management consultancy services, rehabilitation and restructuring of the administrative, financial and operational processes of establishments, and delivering integrated administrative support services to businesses.

The head office of the Company is located at 6959 Prince Turki Bin Abdulaziz Al Awwal Rd – Al Mohammadiyah District, Unit No. 65, Riyadh 12364 – 2848, Kingdom of Saudi Arabia. The Company and Subsidiary constitute the "Group".

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). In lieu of full compliance of Law, the Company has amended its articles during the year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for measurement of Investment at fair value through profit or loss which is measured at fair value and end of service benefits which are measured using projected unit credit method under IAS-19, using the accrual basis of accounting and the going concern concept.

MERAK CAPITAL COMPANY
(Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Saudi Arabian Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2.3 *Functional and presentation currency*

These consolidated financial statements are presented in Saudi Arabian Riyals (SR), which is the functional and presentation currency of the Company.

2.4 *Significant accounting estimates and judgement*

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its fully owned subsidiary. The financial statements of the subsidiary are prepared for the same reporting year as that of the Company, using consistent accounting policies.

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the investee, exposure to variable returns from its involvement, and the ability to use its power to affect those returns. The financial statements of subsidiaries are included from the date control commences until it ceases. All inter-group balances, transactions, income and expenses are eliminated in full.

The Company acts as Fund Manager to a number of investment funds. Determining whether the Company controls such an investment fund usually focuses on assessment of the aggregate economic interests of the Company in the Fund (comprising any carried profit and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Company has concluded that it acts as an agent for the investors in all cases and therefore has not consolidated these funds.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following material accounting policies to all periods presented in these consolidated financial statements. In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of material, rather than significant accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

MERAK CAPITAL COMPANY
(Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities at FVTPL are initially recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated. Financial assets and financial liabilities at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognised at fair value plus / (minus) transaction costs that are directly attributable to their acquisition or issue.

Classification and subsequent measurement

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

MERAK CAPITAL COMPANY
(Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Saudi Arabian Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) *Financial instruments (continued)*

Financial assets – Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to statement of profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial instruments

Financial assets

The Company derecognises a financial asset when:

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

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments (continued)

Classification and subsequent measurement (continued)

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the off taker is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments (continued)

Classification and subsequent measurement (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

b) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand and short term highly liquid deposits with an original maturity of three months or less, which are available to the Company without any restrictions. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

c) Revenue recognition

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

- i. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met;
- ii. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;
- iii. 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;

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

- iv. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates 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: and
- v. Recognize revenue when (or as) the Company satisfies a performance obligation at a point time or over time.

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

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

Where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

The Company recognises fees from Funds as per the agreement with Funds. These include:

- Management fee recognized over time.
- Subscription fee is recognised at point in time based on subscription agreement.
- Formation fee is recognised at point in time based on agreement with funds.

d) Property and equipment

Items of Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition of these assets, including the cost of purchase and any other costs directly attributable to bring the assets to a working condition for their intended use.

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of the asset is included in the profit or loss when the asset is derecognized.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their residual values, on a straight-line basis over the estimated useful lives and is generally recognized in profit or loss.

At each reporting date, the Company reviews the carrying amounts of the Property and equipment to determine whether there is any indication of impairment. If any indication exists, then the assets recoverable amount is estimated.

e) Intangible assets

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or the process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resource to complete development and to use or sell the asset.

Intangible assets pertains to digital investor portal software.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) *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/commission rate method.

g) *Impairment of non-financial assets*

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit ("CGU") exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

h) *Zakat*

The Company is subject to Zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia which is subject to interpretations. Zakat is recognized in the statement of profit or loss and other comprehensive income. Zakat is levied at a fixed rate of 2.5% of the zakat base as defined in the regulations.

i) *Employee benefits*

The defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- re-measurements.

The Company presents the first two components of defined benefit costs (i.e. service cost and interest expense) in profit or loss in relevant line items.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

j) Leases

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

As a lessee

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The material accounting policies and risk management policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated

3.1 New standards, interpretations and amendments

a) New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Company

The following standards, interpretations, or amendments are effective from the beginning of the current year and are adopted by the Company. The management has assessed that the amendments have no significant impact on the Company's financial statements:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period.

b) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Group intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the financial statements of the Group.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements are not expected to be significantly affected.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 New standards, interpretations and amendments (continued)

b) *New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective (continued)*

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Company's operations and contractual arrangements, management does not expect these amendments to have a impact on the Company's financial statements upon initial application.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management has assessed the impact of IFRS 19 and concluded that the standard is not applicable to the Company, as the relevant criteria for its application are not met.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss before profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.

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4. CASH AND CASH EQUIVALENTS

	<u>Notes</u>	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Cash at banks	4.1	3,685,049	8,714,170
Prepaid card balance		216,916	163,767
Time Deposit		19,000,000	-
		<u>22,901,965</u>	<u>8,877,937</u>

4.1 Bank balances are held in current accounts with local banks. The company does not earn profit on these accounts.

5. ACCOUNTS RECEIVABLES

	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Subscription Fees	701,500	86,250
Less: Allowance for impairment (Note 5.1)	<u>(86,250)</u>	<u>(86,250)</u>
	615,250	-
Accelerator services fee	-	8,740,000
	<u>615,250</u>	<u>8,740,000</u>

5.1 The movement of allowance for allowance for impairment loss.

	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Opening balance	86,250	86,250
Charge for the year	-	-
Closing balance	<u>86,250</u>	<u>86,250</u>

6. PREPAYMENTS AND OTHER CURRENT ASSETS

	<u>Notes</u>	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Advance to suppliers		316,381	859,404
Employee Loan		21,300	-
Others		120,017	52,328
Prepaid - Insurance		576,625	318,578
Prepaid - Licenses & Subscriptions		686,473	374,314
Prepaid - Government & Regulatory Fees Expenses		51,126	94,985
Professional services		212,178	64,724
Staff advances		80,000	145,644
Accrued Revenue	6.1	10,119,916	-
Advance to Mentors		92,679	-
VAT Input		272,517	-
		<u>12,549,212</u>	<u>1,909,977</u>

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6. PREPAYMENTS AND OTHER CURRENT ASSETS (CONTINUED)

6.1 ACCRUED REVENUE

Accrued revenue represents revenue entitled to the Company from the execution of its performance obligations under contracts with customers for which no invoice has been issued as at the date of the financial statements. The major parties and the amounts outstanding against them are:

	31 December 2025	31 December 2024
MGF	334,584	-
MPEF IV	1,496,745	-
MFF	1,296,774	-
MPEF V	6,711,259	-
Accrued Interest on Time Deposits	280,554	-
	<u>10,119,916</u>	<u>-</u>

7. DUE FROM RELATED PARTIES

	31 December 2025	31 December 2024
Receivables from Funds under management	3,685,571	2,128,134
Receivable from Sadeef	490,161	268,744
	<u>4,175,732</u>	<u>2,396,878</u>

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Furniture & Fixture	Electronics & Equipment	Vehicles	Total
COST:					
Balance as at 31 December 2024	1,609,987	795,486	630,665	200,630	3,236,768
Additions during the year	822,067	411,781	449,613	-	1,683,461
Balance as at 31 December 2025	<u>2,432,054</u>	<u>1,207,267</u>	<u>1,080,278</u>	<u>200,630</u>	<u>4,920,229</u>
ACCUMULATED DEPRECIATION:					
Balance as at 31 December 2024	(800,744)	(178,994)	(248,569)	(22,427)	(1,250,734)
Depreciation charge for the year	(212,503)	(120,946)	(149,720)	(40,126)	(523,295)
Balance as at 31 December 2025	<u>(1,013,247)</u>	<u>(299,940)</u>	<u>(398,289)</u>	<u>(62,553)</u>	<u>(1,774,029)</u>
Net Book Value as at 31 December 2025	<u>1,418,807</u>	<u>907,327</u>	<u>681,989</u>	<u>138,077</u>	<u>3,146,200</u>
Net Book Value as at 31 December 2024	809,244	616,492	382,096	178,203	1,986,035

9. INTANGIBLE ASSET

Intangible assets comprise internally developed software relating to the Company's digital investor portal amounting to SR 119,371 (2024: SR 119,371). The software is currently under development and has not yet been completed or made available for use as at the reporting date. In accordance with IAS 38 Intangible Assets, assets that are not yet available for use are not amortized. Management assesses such assets annually for indicators of impairment.

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10. RIGHT OF USE ASSET AND LEASE LIABILITY

The Company operates in a leased premises in relation to which the Company has recognized a right of use asset and corresponding lease liability as follows:

	<u>2025</u>	<u>2024</u>
Right of use Asset		
Balance at the beginning of the year	885,469	1,438,709
Additions	1,719,569	-
Depreciation charge for the year	<u>(990,875)</u>	<u>(553,240)</u>
Balance at the end of the year	<u><u>1,614,163</u></u>	<u><u>885,469</u></u>
	<u>2025</u>	<u>2024</u>
Lease Liability		
Balance at the beginning of the year	986,904	1,463,091
Additions	1,719,569	-
Finance cost	128,957	62,839
Payments	<u>(1,252,252)</u>	<u>(539,026)</u>
Balance at the end of the year	<u><u>1,583,178</u></u>	<u><u>986,904</u></u>

10.1 Amounts recognized in statement of profit or loss

	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Depreciation charge for the year	990,875	553,240
Finance cost	<u>128,957</u>	<u>62,839</u>
	<u><u>1,119,832</u></u>	<u><u>616,079</u></u>

10.2 Amounts recognized in statement of financial position

	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Current liability	778,479	582,283
Non-current liability	<u>804,699</u>	<u>404,621</u>
Total lease liability	<u><u>1,583,178</u></u>	<u><u>986,904</u></u>

11. INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

11.1 Merak Technology Ventures Fund

The Company has subscribed to 8 units of the Merak Technology Ventures Fund at the price of SR 250,000 per unit. The Company has paid SR 544,568 (2024: SR 432,049) in the current year for the subscription amount called by the Fund. The investment is carried at Fair value through profit or loss.

	<u>31 December</u> <u>2025</u>	31 December <u>2024</u>
Carrying value	1,933,912	1,271,192
Addition	544,568	432,048
Unrealized gain	<u>209,266</u>	<u>230,672</u>
Balance at the end of the year	<u><u>2,687,746</u></u>	<u><u>1,933,912</u></u>

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**11. INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS
(CONTINUED)**

11.2 Merak Gaming Fund

The Company has subscribed to 612,245 units of the Merak Gaming Fund at the price of SR 10 per unit. The Company has paid SR 2,448,980 for the subscription amount called by the Fund. The investment is carried at Fair value through profit or loss, and incurred a loss on remeasurement in the current year.

	31 December 2025	31 December 2024
Carrying value	2,448,980	-
Addition	-	2,448,980
Unrealized loss	(251,020)	-
Balance at the end of the year	<u>2,197,960</u>	<u>2,448,980</u>

11.3 Merak Private Equity Fund IV

The Company has subscribed to 65,688 units of the Merak Private Equity Fund IV at the price of SR 10 per unit. The Company has paid SR 656,880 (2024: SR Nil) in the current year for the subscription amount called by the Fund. The investment is carried at Fair value through profit or loss and incurred a gain on remeasurement in the current year.

	31 December 2025	31 December 2024
Carrying value	-	-
Addition	656,880	-
Unrealized gain	38,037	-
Balance at the end of the year	<u>694,917</u>	<u>-</u>

11.4 Merak Private Murabaha Fund

The Company has subscribed to 6,000 units of the Merak Private Murabaha Fund at the price of SR 1,000 per unit. The Company has paid SR 6,000,000 for the subscription amount called by the Fund. The investment is carried at Fair value through profit or loss.

	2025	2024
Carrying value	-	-
Addition	6,000,000	-
Unrealized gain	127,457	-
Balance at the end of the year	<u>6,127,457</u>	<u>-</u>

12. INVESTMENT IN ASSOCIATE

12.1 Asas Sadeef

Asas Sadeef is an investee incorporated on 21 May 2025 in which the Company holds a 50% equity interest; no transactions were undertaken during the year other than the initial capital contribution.

	31 December 2025	31 December 2024
Opening balance	-	-
Addition	5,000	-
Impairment	-	-
Balance at the end of the year	<u>5,000</u>	<u>-</u>

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13. ADVANCE FOR INVESTMENT

	31 December 2025	31 December 2024
Carrying value		-
Addition	4,000,000	
Unrealized gain/(loss)		-
Balance at the end of the year	4,000,000	-

13.1 Advance against units (3,916.8) to be issued in January 2026.

14. ACCOUNTS PAYABLE

	31 December 2025	31 December 2024
Trade payables	1,064,849	215,027
	1,064,849	215,027

15. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2025	31 December 2024
Accrued and other liabilities	550,499	585,210
Incentive to employees on fund revenue	473,836	872,658
Salaries and employee related expenses payables	1,844,183	1,751,563
Withholding tax payable	148,416	-
Investment payable	944,500	-
Incentive on fund revenue	687,490	737,290
VAT payable	493,861	1,545,937
	5,142,785	5,492,658

16. DEFERRED REVENUE

	31 December 2025	31 December 2024
Deferred revenue MTVF (Note 16.1)	224,742	224,742
Deferred revenue MGF (Note 16.2)	19,353,400	1,983,372
	19,578,142	2,208,114

16.1 The balance represents deferred revenue arising from management fees charged to Merak Technology Ventures Fund (MTVF) (2024: SR 224,742).

16.2 The balance represents deferred revenue arising from accelerator Service fee and management fees billed/received in advance in accordance with the fund management and accelerator services agreement but relate to service that will be rendered in subsequent reporting period.

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17. ZAKAT

a) Zakat status

The Company has filed its zakat return up to 31 December 2024 with the Zakat, Tax and Customs Authority (“ZATCA”). No assessments have been raised by ZATCA.

b) Zakat base

Significant components of Zakat base as of 31 December are as follows:

	31 December 2025	31 December 2024
Profit for the year	12,187,844	9,201,047
Adjustments to net profit	478,717	-
Adjusted profit for the year	12,320,965	9,201,047
Shareholders' equity	6,000,000	6,000,000
Retained earnings	24,185,184	12,342,941
Reserves	480,045	480,045
Zakat adjustments	478,717	1,236,621
Provisions - Closing balance	712,943	-
Non Current Liabilities	686,128	-
Right of use assets	(1,614,163)	(885,469)
Property and equipment	(3,265,571)	(2,105,406)
Investment in Associate	(5,000)	-
Zakat base	27,658,283	17,068,732
Estimated zakat charge for the year	712,943	468,114
Zakat expense	712,943	468,114
Provision for zakat	712,943	441,183

c) Provision for Zakat movement

The movement in Zakat provision for the year ended 31 December was as follows:

	31 December 2025	31 December 2024
Balance at beginning of the year	441,183	241,972
Zakat expense for the year	713,231	468,114
Payments made during the year	(441,471)	(268,903)
Balance as of 31 December	712,943	441,183

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19. DEFINED BENEFIT OBLIGATION

	31 December 2025	31 December 2024
Balance at the beginning of the year	1,131,687	522,269
<i>Included in profit or loss</i>		
Current service cost	564,195	249,282
Past service cost	5,529	-
Interest cost	72,524	28,556
	642,248	277,838
<i>Included in other comprehensive income</i>		
Re-measurement (gain) / loss:		
Actuarial (gain) / loss arising from:		
- Financial assumptions	89,588	105,826
- experience adjustment	256,008	255,082
	345,596	360,908
Other		
Benefits paid	(31,685)	(29,328)
Balance at the end of the year	2,087,846	1,131,687

The most recent actuarial valuation was performed by an independent and qualified actuary using the projected unit credit method.

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2025	31 December 2024
Discount rate (%)	4.90 - 6.20	5.30
Future salary growth (%)	6.20 - 6.90	6.80
Duration of liabilities (years)	7.85 - 16.97	7.57

a) Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability.

	31 December 2025		31 December 2024	
	Increase by 1%	Decrease by 1%	Increase by 0.5%	Decrease by 0.5%
Discount rate	2,004,372	2,177,843	1,081,699	1,166,834
Future salary growth	2,177,370	2,003,883	1,158,314	1,089,244

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20. REVENUE

<u>Types of services</u>	For the year ended 31 December 2025	For the year ended 31 December 2024
Asset management fee	25,185,173	19,566,503
Formation, accelerator & subscription fees	22,978,615	8,894,937
	48,163,788	28,461,440

<u>Timing of revenue recognition</u>	For the year ended 31 December 2025	For the year ended 31 December 2024
Services transferred over time	25,185,173	19,566,503
Services transferred at point in time	22,978,615	8,894,937
	48,163,788	28,461,440

21. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2025	31 December 2024
Government and subscriptions fees	270,562	189,540
Insurance expense	834,204	468,496
IT subscriptions and other expense	1,729,534	923,513
License and CMA Fee	74,576	57,980
Office Expenses	1,036,445	362,058
Other expenses	563,643	822,461
Professional and legal fees	4,025,667	2,407,024
Salaries and employee related expenses	22,213,288	12,288,712
Travelling	460,844	270,976
Mentors & program delivery cost	3,863,181	-
	35,071,944	17,790,760

22. RELATED PARTY

In the ordinary course of its activities, the Company transacts business with its related parties. Related parties include Board of Directors, Key Management Personnel, Funds under management which are under common ownership. The related party transactions are made at mutually agreed terms as approved by the Board of Directors.

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23. RELATED PARTY (CONTINUED)

- a) Balances with related parties, other than those disclosure elsewhere in the consolidated financial statements, are as follows:

Name of Related Party	Relationship	Nature of Transactions	2025	2024
MPEF I	Fund under management	Payment on behalf	68,729	381,873
MPEF II	Fund under management	Payment on behalf	159,218	293,707
MPEF III	Fund under management	Payment on behalf	25,050	57,645
MPEF IV	Fund under management	Unbilled Revenue	1,496,745	-
		Payment on behalf	79,214	-
MPEF V	Fund under management	Unbilled Revenue	6,711,259	-
		Payment on behalf	286,532	-
MGF	Fund under management	Payment on behalf	20,655,963	593,587
		Deferred Revenue	-	(1,983,372)
		Unbilled Revenue	334,584	-
MFF	Fund under management	Unbilled Revenue	1,296,774	-
		Payment on behalf	210,023	-
MPMF	Fund under management	Payment on behalf	490,286	-
Telecom Project	Fund under management	Payment on behalf	72,881	-
Legacy Debt Fund	Fund under management	Payment on behalf	673,479	554,652
MTVF	Fund under management	Deferred Revenue	(224,742)	(224,742)
		Payment on behalf	79,214	35,987
MTVF II	Fund under management	Payment on behalf	23,169	-
MGEF I	Fund under management	Payment on behalf	210,683	210,683
Sadeef	Associate	Payment on behalf	490,161	268,744

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23. RELATED PARTY (CONTINUED)

b) Significant transactions, other than those disclosure elsewhere in the consolidated financial statements, made during the year ended 31 December 2025 are as follows:

Name of Related Party	Relationship	Nature of Transactions	2025	2024
MPEF I	Fund under management	Management Fees	6,794,051	6,348,965
		Payment on behalf	68,729	406,886
		Receipt against payment on behalf	381,873	88,712
MPEF II	Fund under management	Management Fees	6,216,000	6,264,132
		Payment on behalf	159,218	235,683
		Receipt against payment on behalf	293,707	-
		Structuring Fee	-	432,000
MPEF III	Fund under management	Management Fees	2,253,521	2,382,960
		Payment on behalf	25,050	62,820
		Receipt against payment on behalf	57,645	303,104
		Structuring Fee	-	803,432
MPEF IV	Fund under management	Investment	656,880	-
		Management Fees	1,041,038	-
		Structuring Fee	3,006,206	-
		Payment on behalf	79,214	-
MPEF V	Fund under management	Management Fees	350,461	-
		Structuring Fee	6,104,798	-
		Payment on behalf	286,532	-
MGF	Fund under management	Accelerator revenue	11,046,600	-
		Management Fees	6,317,755	2,016,428
		Payment on behalf	1,302,562	555,964
		Receipt against payment on behalf	593,587	-
MFF	Fund under management	Management Fees	96,774	-
		Structuring Fee	1,200,000	-
		Payment on behalf	210,023	-
MPMF	Fund under management	Payment on behalf	490,286	-
Telecom Project	Fund under management	Payment on behalf	72,881	-
Legacy Debt Fund	Fund under management	Payment on behalf	118,827	35,987
		Receipt against payment on behalf	-	86,552
MTVF	Fund under management	Investment	544,568	-
		Management Fees	3,281,250	3,281,250
		Payment on behalf	43,227	-
MTVF II	Fund under management	Payment on behalf	23,169	-
MGEF I	Fund under management	Payment on behalf	-	134,506
Sadeef	Associate	Investment	5,000	-
		Payment on behalf	221,418	268,744

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23. RELATED PARTY (CONTINUED)

c) Key management personnel compensation comprised the following:

	31 December 2025	31 December 2024
Salary and allowances compensation	7,050,298	2,928,982
Short-term benefits	376,135	274,128
Post-employment benefits	550,500	541,250
	<u>7,976,933</u>	<u>3,744,360</u>

24. FINANCIAL RISK MANAGEMENT

The Company is exposed to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

Market risk

Market risk is the risk that the value of the financial instruments will fluctuate due to changes in market variables such as special commission rates, equity prices and foreign exchange rates. Market risk can be categorized into currency risk, commission rate risk and equity price risk.

a) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Arabian Riyals (SAR) and US Dollar (USD). As the SAR is pegged to the USD, the Company is not exposed to any significant currency risk.

b) *Commission rate risk*

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. As of 31 December 2025, the Company does not hold any commission bearing instrument and accordingly, the Company is not exposed to commission rate risk.

c) *Equity price risk*

Equity price risk is the risk that the value of the Company's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. The Company's investments are susceptible to equity price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of industry concentration.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to credit risk mainly arising from cash and cash equivalents and receivable from related parties.

Credit risk on bank balances is assessed to be minimal as these balances are callable on demand and held with reputable financial institutions in KSA.

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Company's risk management policies and processes are designed to identify and analyze risk, to set appropriate limits and controls, and to monitor the risks and adherence to limits by means of timely and reliable management information data.

The maximum exposure to credit risk for the Company was as follows:

	31 December 2025	31 December 2024
Cash and cash equivalents	22,901,965	8,877,937
Accounts Receivable	701,500	8,740,000
Due from Related Parties	4,175,732	2,396,878
	<u>27,779,197</u>	<u>20,014,815</u>

Credit risk on bank balances is assessed to be minimal as these balances are callable on demand and held with banks with A- credit rating by Fitch rating agency. Credit risk on receivables from funds under management and other assets are assessed to be minimal based on historical default and the fact that they are due from counterparties with creditworthiness evaluated to be good by the Company's internal process.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The Company's approach to managing liquidity is to ensure it always has sufficient liquidity (or access to sufficient liquidity) to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable costs or risking damage to the Company's reputation.

The contractual maturity profile of the financial assets and financial liabilities of the Company as of 31 December 2025 was as follows:

	Within 3 months	3-12 months	More than 1 year	No fixed maturity	Total
31 December 2025					
Cash and cash equivalents	22,901,965	-	-	-	22,901,965
Accounts Receivable	615,250	-	-	-	615,250
Due from Related Parties	4,175,732	-	-	-	4,175,732
Financial assets – Total	<u>27,692,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,692,947</u>
Accounts Payable	1,064,849	-	-	-	1,064,849
Accrued expenses and other liabilities	5,142,786	-	-	-	5,142,786
Lease liability	-	778,479	804,699	-	1,583,178
Deferred revenue	19,578,142	-	-	-	19,578,142
Financial liabilities – Total	<u>25,785,777</u>	<u>778,479</u>	<u>804,699</u>	<u>-</u>	<u>27,368,955</u>

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

	Within 3 <u>months</u>	3-12 <u>Months</u>	More than <u>1 year</u>	No fixed <u>maturity</u>	<u>Total</u>
31 December 2024					
Cash and cash equivalents	8,877,937	-	-	-	8,877,937
Accounts Receivable	8,740,000	-	-	-	8,740,000
Due from Related Parties	2,396,878	-	-	-	2,396,878
Financial assets – Total	20,014,815	-	-	-	20,014,815
Accounts Payable	215,027	-	-	-	215,027
Accrued expenses and other liabilities	5,492,658	-	-	-	5,492,658
Lease liability	-	582,283	404,621	-	986,904
Deferred revenue	2,208,114	-	-	-	2,208,114
Financial liabilities – Total	7,915,799	582,283	404,621	-	8,902,703

The Company manages bank accounts on behalf of the Funds under its management, amounting to SR 94.2 million as at 31 December 2025 (31 December 2024: SR 4.26 million). These balances are not included in the Company's consolidated financial statements as they are held by the Company in a fiduciary capacity.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, people, technology and infrastructure supporting the Company's activities either internally or externally at the Company's service provider level and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

Operational risk is a distinct risk category which the Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective of managing operational risk is to ensure control of the Company's resources by protecting the assets of the Company and minimizing the potential for financial loss.

The Company's risk management approach involves identifying, assessing, managing, mitigating, monitoring and measuring the risks associated with operations. Qualitative and quantitative methodologies and tools are used to identify and assess operational risks and to provide management with information for determining appropriate mitigating factors.

25. FAIR VALUES OF FINANCIAL INSTRUMENTS

As of 31 December 2025, the Company's management assessed that the fair values of cash and cash equivalents, receivables from funds under management approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 prices (unadjusted) 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; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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25. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the Company's financial assets and financial liabilities measured and recognized at fair value including their levels in the fair value hierarchy at 31 December 2025 on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<u>31 December 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
<i>Investments at fair value through profit or loss</i>	-	-	11,708,080	11,708,080
31 December 2024				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
<i>Investments at fair value through profit or loss</i>	-	-	4,382,892	4,382,892

Financial instruments by category

The classification of financial assets by category are included in the below table.

	<u>Amortized cost</u>	<u>FVTPL</u>	<u>FVOCI</u>
31 December 2025			
Cash and cash equivalents	22,901,965	-	-
Accounts Receivable	615,250	-	-
Accrued revenue	10,119,916	-	-
Due from Related Parties	4,175,732	-	-
Investment carried at fair value through profit or loss	-	11,708,080	-
Total	37,812,863	11,708,080	-
31 December 2024			
	<u>Amortized Cost</u>	<u>FVTPL</u>	<u>FVOCI</u>
Cash and cash equivalents	8,877,937	-	-
Accounts Receivable	8,740,000	-	-
Due from Related Parties	2,396,878	-	-
Investment carried at fair value through profit or loss	-	4,382,892	-
Total	20,014,815	4,382,892	-

As of the statement of financial position date, all financial liabilities were measured at amortized cost.

26. CAPITAL MANAGEMENT

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base.

The Capital Market Authority has issued Prudential Rules (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, CMA prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology.

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27. ASSET UNDER MANAGEMENT

Assets under management represent the private equity funds' assets and investments managed by the Company on behalf of its customers amounting to SR 1.713 billion (31 December 2024: SR 1.264 billion). Consistent with the Company's accounting policy, such balances are not included in the Company's financial statements.

28. CONTINGENCIES AND COMMITMENTS

Contingencies

There were no contingencies as at the 31 December 2025 (31 December 2024: nil) against the Company or any of the Funds under management of the Company that can have any impact of the financial statements of the Company.

Capital commitments

There were no capital commitments outstanding as at the reporting date for 2025 (31 December 2024: nil).

29. OTHER RESERVES

Other reserves comprise statutory reserves previously recognized in accordance with the requirements of the Companies Law 2015. Following the enactment of the Companies Act 2023, the Company is no longer required to maintain such statutory reserves.

As at the reporting date, the shareholders have not yet determined whether the existing balance will be transferred to retained earnings, and accordingly, the amount continues to be presented within other reserves.

30. SUBSEQUENT EVENTS

No events occurred subsequent to the reporting date which could materially affect the consolidated financial statements and the related disclosures for the year ended 31 December 2025.

31. RECLASSIFICATIONS OF COMPARATIVE FIGURES

During the year, the Company has made certain reclassifications in the comparative financial statements to conform to current period presentation.

32. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements appearing on pages (1) to (34) have been approved by the shareholders on 12th Shahwal 1447H (corresponding to 31th March 2026).

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