



CREDIT LINE COMPANY
(A Closed Joint Stock Company)

FINANCIAL STATEMENTS

For the period from 12 December 2024 (from the date of incorporation)
to 31 December 2025

together with the

INDEPENDENT AUDITOR'S REPORT



KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Credit Line Company

Opinion

We have audited the financial statements of Credit Line Company ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 12 December 2024 to 31 December 2025, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the period from 12 December 2024 to 31 December 2025 in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Independent Auditor's Report

To the Shareholders of Credit Line Company (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 of Credit Line Company ("the Company").

KPMG Professional Services Company



Mohammed Abdulaziz Almadhoun
License No: 554



Riyadh: 3 Thul-Hijjah 1447H
Corresponding to: 20 May 2026

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Amounts in Saudi Riyals)

	<i>Notes</i>	31 December 2025
ASSETS		
Cash and cash equivalents	4	1,582
Due from related party, net	5	17,845,713
Prepayments and other assets	6	119,015
Right-of-use asset, net	7	1,513,898
Property and equipment, net	8	865,733
TOTAL ASSETS		20,345,941
LIABILITIES AND EQUITY		
Accrued expenses and other liabilities	9	118,076
Lease liability	7	1,396,767
Provision for zakat	10	2,053
Employees' defined benefit obligations	11	26,786
TOTAL LIABILITIES		1,543,682
Share capital	12	20,000,000
Accumulated loss		(1,197,741)
TOTAL EQUITY		18,802,259
TOTAL LIABILITIES AND EQUITY		20,345,941



Managing Director



Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 20 form an integral part of these financial statements.

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 12 December 2024 to 31 December 2025

(Amounts in Saudi Riyals)

		For the period from 12 December 2024 to 31 December 2025
	<i>Notes</i>	
OPERATING EXPENSES		
Salaries and employee related expenses	13	(495,325)
General and administrative expenses	14	(700,363)
TOTAL OPERATING EXPENSES		<u>(1,195,688)</u>
NET LOSS BEFORE ZAKAT		<u>(1,195,688)</u>
Zakat charge	10	(2,053)
NET LOSS FOR THE PERIOD		<u>(1,197,741)</u>
Other comprehensive income for the period		--
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(1,197,741)</u></u>



Managing Director



Chief Executive Officer



Chief Financial Officer

The attached notes 1 to 20 form an integral part of these financial statements.

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY

For the period from 12 December 2024 to 31 December 2025

(Amounts in Saudi Riyals)

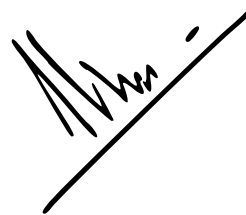
	<u>Share Capital</u>	<u>Accumulated Loss</u>	<u>Total</u>
<i>Transaction with owners</i>			
Issuance of share capital (Note 12)	20,000,000	--	20,000,000
Net loss for the period	--	(1,197,741)	(1,197,741)
Other comprehensive income for the period	--	--	--
Total comprehensive loss for the period	--	(1,197,741)	(1,197,741)
Balance at 31 December 2025	20,000,000	(1,197,741)	18,802,259



Managing Director



Chief Executive Officer



Chief Financial Officer

The attached notes 1 to 20 form an integral part of these financial statements.

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS

For the period from 12 December 2024 to 31 December 2025

(Amounts in Saudi Riyals)

		For the period from 12 December 2024 to 31 December 2025
	<u>Notes</u>	
OPERATING ACTIVITIES		
Net loss before zakat		(1,195,688)
<i>Non-cash adjustment to reconcile loss to net cash flows:</i>		
Depreciation of right-of-use assets	7	116,454
Depreciation of property and equipment	8	160,181
Finance cost on lease liability	7	22,015
Provision for employees' defined benefit obligation	11	28,738
Operating cash flows before working capital changes		<u>(868,300)</u>
Prepayments and other assets		(119,015)
Accrued expenses and other liabilities		118,076
		<u>(869,239)</u>
Employees' defined benefit obligations paid	11	(1,952)
Payment made by related party on behalf of the Company		1,128,373
Net cash generated from operating activities		<u>257,182</u>
INVESTING ACTIVITIES		
Cash invested in working capital of the related party	5	<u>(20,000,000)</u>
Net cash used in investing activities		<u>(20,000,000)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	11	20,000,000
Lease liability paid	7	(255,600)
Net cash generated financing activities		<u>19,744,400</u>
Net increase in cash and cash equivalents during the period		<u>1,582</u>
Cash and cash equivalents at the beginning of the period		--
Cash and cash equivalents at the end of the period		<u>1,582</u>
NON-CASH SUPPLEMENTAL INFORMATION		
Additions to right-of-use assets and lease liability	7	1,630,352
Payable to related party for transfer of property and equipment	5	<u>1,025,914</u>



Managing Director



Chief Executive Officer



Chief Financial Officer

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025

(Amounts in Saudi Riyals)

1. ACTIVITIES

Credit Line Company (the “Company” or “Credit Line”) is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration (“CR”) No. 1009153997 and Unified National No. 7042944996, issued in Riyadh on 11 Jumada II 1446H, corresponding to 12 December 2024 (i.e. the date of incorporation of the Company).

The objective of the Company is to carry out financing-related activities, specifically other forms of granting loans and credit facilities, in accordance with the By-laws of the Company, the applicable laws and regulations in the Kingdom of Saudi Arabia, and subject to obtaining the required licenses and approvals from the competent regulatory authorities.

The registered office of the Company is as follows:

Double two center, 3087 Anas ibn malik

Al Najiris Dist

Riyadh 13323

Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company 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 issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”); and in compliance with the provisions of the Regulations for Companies and the By-laws of the Company.

This is the first set of financial statements and accordingly comparatives are not presented.

2.2 Basis of measurement and presentation

These financial statements are prepared on a going concern basis under the historical cost convention except for the employees' end of service benefits which are measured at present value of future obligations using the Projected Unit Credit Method.

The statement of financial position is stated in order of liquidity.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal (“SR”); which represents the functional currency of the Company. All the financial information rounded off to nearest Saudi Riyal except where otherwise indicated.

2.4 Critical accounting judgements, estimates and assumptions

The preparation of these financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

No critical accounting judgments, estimates and assumptions are made for these financial statements.

The attached notes 1 to 20 form an integral part of these financial statements.

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Standards, interpretations, and amendments not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which become effective from periods starting on or after 1 January 2026. The Company has opted not to early adopt these pronouncements. The Company is currently evaluating the impact of the adoption of these standards on these financial statements.

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	January 1, 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	January 1, 2026

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Standards, interpretations, and amendments not yet effective (continued)

Standard, interpretation or amendments	Description	Effective date
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

3.2 Financial Instruments

a) Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial Asset at amortised cost

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

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

Financial Asset at FVOCI

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

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

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (continued)

Financial Asset at FVOCI (continued)

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other comprehensive income. Interest income and foreign exchange gains and losses are recognised in statement of profit or loss.

Equity Instruments measured at FVOCI on initial recognition, only if the instrument is not held for trading, the Company has irrevocably elected to present subsequent changes in fair value in Other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial Asset at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Business model assessment

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

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

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

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

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (continued)

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

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

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 the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money- e.g., periodical reset of interest rates.

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

b) Classification of financial liabilities

The Company measures its financial liabilities at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds, and costs, which form an integral part of the effective profit rate.

Financial liabilities are initially recognized at fair value less transaction costs. Subsequently, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss.

c) Derecognition

Financial assets

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

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

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (continued)

c) Derecognition

liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

d) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new financial asset and fees that represents reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset using the original effective commission rate of the asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of income. For floating-rate financial assets, the original effective commission rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of income.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in statement of profit or loss. For financial liabilities, the Company considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

e) Offsetting of financial instruments

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

Income and expenses are presented on a net basis only when permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (continued)

f) Impairment

The Company recognizes ECL allowance on financial assets. The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured equal to a 12-month ECL:

- Financing investment securities that are determined to have low credit risk at the reporting date; and
- Other financial assets on which credit risk has not increased significantly since their initial recognition.

12-month ECL is the portion of lifetime ECL that results from default events on a financial asset that are possible within the 12 months after the reporting date. Financial assets, for which 12-month ECL is recognised, are referred to as 'Stage 1' financial instruments. Financial assets allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL is the ECL that results from all possible default events over the expected life of the financial asset or the maximum contractual period of exposure. Financial assets for which lifetime ECL is recognised but that are not credit-impaired are referred to as 'Stage 2' financial assets. Financial assets allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial assets for which the lifetime ECL is recognised and that are credit-impaired are referred to as 'Stage 3' financial assets.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. ECL is measured as follows:

- Financial assets that are not credit-impaired at the reporting date: 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).
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default ("PD"),
- Loss Given Default ("LGD"), and
- Exposure at Default ("EAD").

To evaluate a range of possible outcomes, the Company formulates various scenarios. For each scenario, the Company derives an ECL and applies a probability weighted approach to determine the impairment allowance in accordance with the applicable accounting standards requirements.

The above parameters are generally derived from internally developed statistical models and historical data which are adjusted for forward looking information.

Presentation of allowance for ECL in the statement of financial position

Allowance for ECL of financial assets measured at amortised cost are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Write-off

The Company writes off financing receivables (either partially or in full) when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

CREDIT LINE COMPANY
(A CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 12 December 2024 to 31 December 2025
(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash with banks.

3.4 Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss. Changes in the expected useful life are accounted for by changing the period or method, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Company. On-going repairs and maintenance are expensed as incurred.

The major categories of property and equipment are depreciated on a straight line basis as follows:

Asset categories	Useful lives
Leasehold improvements	Period of lease
Furniture and fixture	4 years
Computer and office equipment	4 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

3.5 Accounting for leases

Right-of-Use Asset / Lease Liabilities

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. 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. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Right-of-Use Asset

Company apply cost model, and measure right-of-use asset at cost;

- less any accumulated depreciation and any accumulated impairment losses; and
- adjusted for any re-measurement of the lease liability for lease modifications

Generally, right-of-use asset would be equal to the lease liability. However, if there are additional costs such as Site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right-of-use asset value.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the period of lease.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Accounting for leases (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the profit 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.

After the commencement date, Company measures the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability; and
- Reducing the carrying amount to reflect the lease payments made.
- Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.7 Contingent liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

3.8 Expenses

The Company follows accrual basis of accounting to record the expenses and recognized as expenses in the period in which they are incurred.

3.9 Zakat

The Company is subject to Zakat in compliance with Zakat regulations and its By-laws and related rules issued by the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the statement of profit or loss and other comprehensive income.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Employee defined benefit obligations

The Company operates a defined benefit scheme for its employees in accordance with labour regulations applicable in the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in the retained earnings and are not reclassified to profit or loss in subsequent periods. Re-measurements are not reclassified to profit or loss in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the statement of profit or loss and other comprehensive income (by nature).

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Net interest expense or income

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled.

However, currently the plan is unfunded and has no assets. The assumptions used to calculate the scheme obligations include assumptions such as expected future salaries growth, expected employee resignation rates, and discount rate to discount the future cash flows.

4. CASH AND CASH EQUIVALENTS

**31 December
2025**

Cash at bank 1,582

- 4.1 This represents balance in current account maintained with a local bank that carries no commission / profit.

5. TRANSACTION AND BALANCES WITH RELATED PARTIES

Related parties represent shareholders, directors, key management personnel of the Company, and any other entities controlled, jointly controlled or significantly influenced by them. In the ordinary course of its activities, the Company transacts businesses with its related parties.

Name of related party	<u>Relationship</u>
Ali Ibrahim Alorainy	Shareholder
Faisal Galib Alqarni	Shareholder
Malaa for Information Technology Company	Entity under common ownership

In addition to the related party transactions and balances disclosed elsewhere in these financial statements, transactions and balances arising from transactions with related parties are as follows:

Balances due from related parties as at statement of financial position date were as follows:

<u>Related parties</u>	<u>Nature of outstanding balance</u>	31 December 2025
Entity under common ownership	Receivable for amount paid for working capital	20,000,000
	Payable for transfer of property and equipment	(1,025,914)
	Payable for payments made on behalf of the Company	<u>(1,128,373)</u>
		<u>17,845,713</u>

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5. TRANSACTION AND BALANCES WITH RELATED PARTIES (CONTINUED)

The amount receivable from the related party is repayable on demand, carries no profit or commission, and is adjustable against other payments and balances payable to or receivable from the same related party.

Balances due to related parties as at statement of financial position date were as follows:

<u>Related parties</u>	<u>Nature of outstanding balance</u>	<u>31 December 2025</u>
Entity under common ownership	Lease liability	1,396,767
Key management personnel	Employees' end of service benefit	1,999

Transactions with related parties

Income and expenses pertaining to transactions with related parties included in the financial statements are as follows:

<u>Related parties</u>	<u>Nature of transactions</u>	<u>31 December 2025</u>
Entity under common ownership	General and administrative expenses	164,436

The total amount of compensation pertaining to key management personnel during the period is as follows:

<u>Related parties</u>	<u>Nature of transactions</u>	<u>31 December 2025</u>
Key management personnel	Short-term employee benefits	57,658
	Employees' end of service benefit	1,999

6. PREPAYMENTS AND OTHER ASSETS

	<u>31 December 2025</u>
Prepayments	82,292
Other assets	36,723
	<u>119,015</u>

7. RIGHT-OF-USE ASSET, NET

This represents office rented under lease arrangement, from Malaa for Information Technology Company (a related party). The movement in right-of-use asset during the period ended 31 December 2025 is as follows:

	<u>31 December 2025</u>
Cost	
Additions during the period	1,630,352
As at 31 December	<u>1,630,352</u>

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7. RIGHT-OF-USE ASSET, NET (CONTINUED)

	31 December 2025
<i>Accumulated depreciation</i>	
Charge during the period	116,454
As at 31 December	116,454
<i>Net book value at 31 December</i>	1,513,898

7.1 The movement of corresponding lease liability is as follows:

	31 December 2025
Additions during the period	1,630,352
Payments during the period	(255,600)
Finance cost on lease liability	22,015
At the end of the period	1,396,767
Lease liability – current portion	438,018
Lease liability – non-current portion	958,749

8. PROPERTY AND EQUIPMENT, NET

	Leasehold improvement	Furniture and fixtures	Computer and office equipment	Total
2025				
<u>Cost:</u>				
Transferred from related party	934,217	77,476	14,221	1,025,914
As at 31 December	934,217	77,476	14,221	1,025,914
<u>Accumulated depreciation:</u>				
Charged during the period	140,133	19,369	679	160,181
As at 31 December	140,133	19,369	679	160,181
<u>Carrying amount</u>				
As at 31 December	794,084	58,107	13,542	865,733

8.1 During the period, the Company acquired certain items of property and equipment from Malaa for Information Technology Company (a related party). The assets were transferred at their carrying amounts (net of accumulated depreciation) as recorded in the books of the transferor at the date of transfer. As the transaction was between related parties, the assets were recognized at carrying value and no gain or loss was recognized in the statement of profit or loss. The transferred assets have been included within the relevant classes of property and equipment and are depreciated over their remaining estimated useful lives in accordance with the Company's accounting policies.

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9. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2025
GOSI payable	23,076
Accrued sharia committee fees	10,500
Accrued audit fees	57,500
Accrued professional fees	27,000
	<u>118,076</u>

10. PROVISION FOR ZAKAT

The movement in zakat provision is as follows

	31 December 2025
Charge for the period	2,053
Zakat paid during the period	--
Closing balance	<u>2,053</u>

10.1 Status of assessment

The Zakat return for the period 2025 will be filed in due course with the Zakat, Tax and Customs Authority (ZATCA). As the following is the first year of operations for the Company, no Zakat assessments have been received.

11. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

The amounts recognised in the statement of financial position and movement in the obligation during the period based on its present value and the charge for the period including the amounts recognised in other comprehensive income (OCI) are as follows:

	For the period ended 12 December 2024 to 31 December 2025
Current service cost	28,738
Amounts recognised in profit or loss	28,738
Benefits paid during the period	(1,952)
Balance at the end of the period	<u>26,786</u>

The Company carried out an employee benefits actuarial valuation, using the projected unit credit method, of its liability as at 31 December arising from the end of service benefits to qualifying in-service employees.

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11. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Key actuarial assumptions

	31 December 2025
<i>Financial assumptions</i>	
Discount rate	5.50%
Salary growth rate	4.50%
Mortality rates	Age Wise Mortality rate
Rate of Employee Turn over	15.00%
Retirement age	65 years

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region.

Sensitivity analysis

Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. The following is a sensitivity analysis for the salary increase and discount rate assumptions that were performed at the valuation date:

31 December 2025	Impact on defined benefit obligation – Increase / (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Base Scenario			
Discount rate	1%	(24,906)	29,075
Expected rate of salary increase	1%	28,937	(24,753)

12. SHARE CAPITAL

	31 December 2025
Ordinary share capital	20,000,000

- 12.1 The authorised, issued and paid-up share capital amounts to SR 20,000,000, divided into 2,000,000 shares with par value of SR 10 each. As at 31 December 2025, the Company is equally owned by Mr. Ali Ibrahim Alorainy and Mr. Faisal Galib Alqarni who are the only shareholders and the ultimate beneficial owners of the Company.
- 12.2 Subsequent to the period end, the shareholders of the Company have decided to offset the accumulated losses incurred for the period from 12 December 2024 to 31 December 2025 amounting to SR 1,197,741, through an unconditional and irrevocable contribution from the shareholders, to be recorded as amount receivable from the shareholders. Upon approval and implementation of the proposed resolution, this would result in reduction in accumulated losses amounting to SR 1,197,741 during the year ending 31 December 2026.

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13. SALARIES AND EMPLOYEE RELATED EXPENSES

		For the period ended 12 December 2024 to 31 December <u>2025</u>
	<i>Note</i>	
Salaries and related cost		389,806
GOSI expense		76,781
Employees' defined benefit obligation expense	11	28,738
		<u>495,325</u>

14. GENERAL AND ADMINISTRATIVE EXPENSES

		For the period ended 12 December 2024 to 31 December <u>2025</u>
	<i>Note</i>	
Depreciation expense		276,635
Consultancy and professional expenses	14.1	143,081
Utilities and premises related expenses		101,516
Fees and subscription		90,404
IT and compliance related expenses		59,625
Finance cost on lease		22,015
Others		7,087
		<u>700,363</u>

- 14.1 This includes expense pertaining to Company's external auditor amounting to SR 57,500 inclusive of value added tax (VAT) against services rendered for annual audit.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets and financial liabilities as of the reporting date:

	31 December <u>2025</u>
Financial assets at amortised cost	
Cash and cash equivalents	1,582
Due from related party, net	17,845,713
Total financial assets	<u>17,847,295</u>
Financial liabilities at amortised cost	
Accrued expenses and other liabilities	95,000
Lease liability	1,396,767
Total financial liabilities	<u>1,491,767</u>

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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16. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs that are unobservable.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy of financial assets and liabilities

Financial instruments comprise financial assets and financial liabilities. The Company has no financial assets or liabilities measured at fair value and the carrying value of all financial assets and financial liabilities that are measured at amortised cost approximate to their fair values due to their short-term nature.

There were no transfers between fair value hierarchy levels during the current period.

17. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has established a credit and risk department to oversee the development and maintenance of risk management processes, policies, strategies, risk methodologies and reporting them to the Board of Directors.

In addition, the Audit Committee of the Company also reviews the internal audit risk assessment, discusses the Company's policy with respect to risk assessment and risk management. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

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17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that a party to a financial instrument will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be satisfactory. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

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

	31 December 2025
Cash and cash equivalents	1,582
Due from related party, net	17,845,713
	<u>17,847,295</u>

Cash and cash equivalents

The amount outstanding is neither past due nor impaired. The balance of cash and cash equivalents are held with bank which has been assigned globally understood investment grade rating. Hence, currently the Company is not exposed to any significant credit risk. As such no loss allowance is recorded as the same is not material to the financial statements.

	31 December 2025
Credit Rating (Fitch)	
A-	<u>1,582</u>

Due from related party, net

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the counter-party. However, management also considers the factors that may influence the credit risk of its counter-party, including the default risk associated with the industry and category in which counter-party operates.

Credit concentration

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. No significant concentrations of credit risk were identified by the management as at the reporting date given the stage of the operations of the Company.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. To mitigate this risk, management manages assets with liquidity in mind, maintaining cash and cash equivalents and monitors future cash flows and liquidity on a regular basis. Management monitors the maturity profile to ensure that adequate liquidity is maintained. The liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest/commission payments:

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17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	Within 3 months	3 months to 1 year	Above 1 year	No fixed maturity	Total
31 December 2025					
Financial assets					
Cash and cash equivalents	--	--	--	1,582	1,582
Due from related party, net	--	--	--	17,845,713	17,845,713
Total financial assets	--	--	--	17,847,295	17,847,295
Financial Liabilities					
Accrued expenses and other liabilities	95,000	--	--	--	95,000
Lease liability	--	511,200	1,022,400	--	1,533,600
Total financial liabilities	95,000	511,200	1,022,400	--	1,628,600

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as commission rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

a) 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 the financial instruments. The risk arises when there is a mismatch in the assets and liabilities, which are subject to commission rate adjustment within a specified period. The Company is not exposed to commission rate risk as of the reporting date.

b) Currency risk

Currency risk is the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates. The Company has no exposure to foreign currency risk as it deals in Saudi Riyals which is also the functional currency of the Company.

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not exposed to price risk as of the reporting date.

18. CONTINGENCIES AND COMMITMENTS

a) Legal proceedings

As at 31 December 2025, there were no legal proceedings outstanding against the Company.

b) Credit related commitments and contingencies

As at 31 December 2025, the Company has Nil commitments.

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19. SUBSEQUENT EVENT

- 19.1 The recent regional military escalations have triggered a high-risk conflict environment across the Gulf and Middle East. The situation is still very fluid, and scenarios can shift very quickly. The escalations have brought about additional uncertainties in the Company's operating environment. With respect to financial statements for the period from 12 December 2024 to 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The management has been closely monitoring the impact of the developments on the Company's operations. As the situation is fast evolving and fluid, the effect of the escalations is subject to significant levels of uncertainty, with the full range of possible effects unknown.

- 19.2 Subsequent to the reporting date, on 07 May 2026 corresponding to 20 Dhul al-Qidah 1447H, the shareholders representing 100% of the Company's share capital passed resolution to offset the accumulated losses of the Company as at 31 December 2025 amounting to SR 1,197,741 against unconditional and irrevocable contribution from the shareholders, to be recorded as amount receivable from the shareholders.

As this resolution was not approved as at 31 December 2025, no adjustment has been made in these financial statements. Had the resolution been approved at the reporting date, the accumulated losses amounting to SR 1,197,741 would have been offset and total equity would have amounted to SR 20,000,000.

- 19.3 There were no other subsequent events after the reporting date which require adjustments to, or disclosure, in the financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved and authorised for issue by the Board of Directors of the Company on 18 May 2026 (corresponding to 01 Thul-Hijjah 1447H).