

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS FOR THE PERIOD FROM FEBRUARY 9, 2025
(DATE OF COMMERCIAL REGISTRATION) TO DECEMBER 31, 2025
AND INDEPENDENT AUDITOR'S REPORT

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

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(DATE OF COMMERCIAL REGISTRATION) TO DECEMBER 31, 2025
AND INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the shareholders

Najm Almarzam Investment Company (A Saudi Closed Joint Stock Company)

Opinion

We have audited the financial statements of Najm Almarzam Investment Company (the "Company"), a Saudi Closed Joint Stock Company, which comprise the statement of financial position as of December 31, 2025, and the statements of comprehensive income, changes in equity, and cash flows for the period from February 9, 2025 (date of commercial registration) to December 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and its cash flows for the period from February 9, 2025 (date of commercial registration) to December 31, 2025 in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") 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 are endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. 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 Regulations for Companies, the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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 ISA that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholders

Najm Almarzam Investment Company

(A Saudi Closed Joint Stock Company)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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, 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.

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi

License No. 706

Riyadh, Kingdom of Saudi Arabia

Shawwal 10, 1447 H (corresponding to March 29, 2026)



NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

(All amounts expressed in Saudi Riyals unless otherwise stated)

	<u>Note</u>	<u>As of December 31, 2025</u>
ASSETS		
Non-current assets		
Property and equipment	5	572,476
Right of use assets	6	1,782,101
Total non-current assets		<u>2,354,577</u>
Current assets		
Prepaid expenses	7	101,595
Contract assets	8	593,812
Due from related parties	10	2,505,548
Cash and cash equivalents	9	4,363,635
Total current assets		<u>7,564,590</u>
TOTAL ASSETS		<u>9,919,167</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	11	3,600,000
Additional capital contribution	12	4,400,000
Accumulated losses		(306,506)
TOTAL EQUITY		<u>7,693,494</u>
LIABILITIES		
Non-current liabilities		
Employee benefit obligations	13	16,997
Lease liabilities	6	1,341,326
Total non-current liabilities		<u>1,358,323</u>
Current liabilities		
Lease liabilities - current portion	6	363,254
Due to a related party	10	42,100
Accounts payable		179,241
Accrued expenses and other liabilities	14	123,917
Zakat provision	15	158,838
Total current liabilities		<u>867,350</u>
TOTAL LIABILITIES		<u>2,225,673</u>
TOTAL EQUITY AND LIABILITIES		<u>9,919,167</u>

The accompanying notes form an integral part of these financial statements

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the period from February 9, 2025 to December 31, 2025
	Note	
Revenue	16	1,047,699
Cost of revenue	17	(705,914)
Gross profit		341,785
General and administrative expenses	18	(450,443)
Operating loss		(108,658)
Finance costs		(39,010)
Loss before zakat		(147,668)
Zakat expense	15	(158,838)
Loss for the period		(306,506)
Other comprehensive income		-
Total comprehensive loss for the period		(306,506)

The accompanying notes form an integral part of these financial statements

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in Saudi Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Additional capital contribution</u>	<u>Accumulated losses</u>	<u>Total equity</u>
At February 9, 2025	-	-	-	-
Issuance of capital	3,600,000	-	-	3,600,000
Additional capital contribution (Note 12)	-	4,400,000	-	4,400,000
Loss for the period	-	-	(306,506)	(306,506)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(306,506)	(306,506)
At December 31, 2025	3,600,000	4,400,000	(306,506)	7,693,494

The accompanying notes form an integral part of these financial statements

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS

(All amounts expressed in Saudi Riyals unless otherwise stated)

	<u>Note</u>	<u>For the period from February 9, 2025 to December 31, 2025</u>
Cash flows from operating activities		
Loss before zakat		(147,668)
Adjustments for:		
Depreciation of property and equipment	5	40,741
Depreciation of right of use assets	6	124,225
Employee benefit obligations	13	16,997
Finance costs of lease liabilities	6	39,010
Changes in operating assets and liabilities:		
Increase in prepaid expenses		(101,595)
Increase in accrued expenses and other liabilities		123,917
Increase in contract assets		(593,812)
Increase in accounts payable		179,241
Net cash outflow from operating activities		<u>(318,944)</u>
Cash flows from an investing activity		
Payment for the purchase of property and equipment	5	<u>(613,217)</u>
Cash flows from financing activities		
Changes in related party balances		1,936,552
Proceeds from the issuance of share capital	11	3,600,000
Lease liabilities paid	6	(240,756)
Net cash inflow from financing activities		<u>5,295,796</u>
Net change in cash and cash equivalents		4,363,635
Cash and cash equivalents as of the beginning of the period		-
Cash and cash equivalents as of the end of the period		<u><u>4,363,635</u></u>
Non-cash transactions	22	

The accompanying notes form an integral part of these financial statements

NAJM ALMARZAM INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

1- CORPORATE INFORMATION

Najm Almarzam Investment Company (the “Company”) is a Saudi Closed Joint Stock Company registered in Riyadh, the Kingdom of Saudi Arabia on Shaaban 10, 1446H (corresponding to February 9, 2025) under commercial registration number 1009193946 and unified national number 7048878024.

These financial statements are the first audited financial statements issued by the Company and cover the period from February 9, 2025 (date of commercial registration) to December 31, 2025.

During the period, the Company obtained final approval from the Capital Market Authority (“CMA”) to start practicing the managing investments activity after completing all the conditions and requirements stipulated in the CMA’s letter issued on Rabi al-Awwal 29, 1447H (corresponding to September 21, 2025). The Company is also in process of obtaining approval from CMA for providing advisory services.

The principal activities of the Company involves managing investments.

The registered address of the Company is located in Anas Ibn Malik Road, Al Malqa District, Postal Code 13525, Riyadh, the Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION

2-1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia (“KSA”), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS endorsed in KSA”).

2-2 Basis of measurement

These financial statements have been prepared on a historical cost basis unless the IFRS endorsed in KSA require the use of another basis of measurement as stated in the material accounting policy information applied in Note 4. In addition, these financial statements are prepared using the accrual basis of accounting and going concern basis.

2-3 Functional and presentation currency

The financial statements are presented in Saudi Riyal (SR), which is the main functional and presentation currency of the Company. All amounts are rounded to the nearest Saudi Riyal, unless otherwise indicated.

2-4 Significant accounting judgments, estimates and assumptions

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that could have an impact on the assets and liabilities of the Company in twelve months from the reporting date are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

2- BASIS OF PREPARATION (CONTINUED)

2-5 Significant accounting judgments, estimates, and assumptions (continued)

Impairment of non-financial assets

Assets with indefinite useful lives are tested for impairment annually, while assets with finite useful lives, are tested for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management estimation, requiring amongst other matters an assessment as to whether the carrying amount of assets can be supported by the present net value of future cash flows derived from such assets using cash flow projections discounted at an appropriate rate. In calculating the net present value of future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in earnings before commission, zakat, depreciation and amortization, calculated as adjusted operating profit before depreciation and amortization;
- timing and quantum of future capital expenditures;
- long-term growth rates; and
- selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

Right-of-use assets / lease liabilities

The Company management chose the discount rate based on the incremental borrowing rate, and at the end of each financial period, the Company studies whether or not there is a decrease in the value of the right-of-use, or the presence of events or changes in circumstances that indicate that the book value may not be recoverable.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3-1 New standards, amendments to standards and interpretations issued:

The Company has adopted the following new standards and amendments for the first time that are effective from January 1, 2025:

3-1-1 Amendments to IAS 21 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The adoption of above amendments does not have any material impact on the financial statements during the year.

3-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after January 1, 2026 and earlier application is permitted, however the Company has not early adopted them in preparing these financial statements:

3-2-1 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

3-2 Standards issued but not yet effective (continued)

3-2-1 IFRS 18 “Presentation and Disclosure in Financial Statements”

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

4- MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of material accounting policies information applied by the Company in preparing these financial statements:

Current / non-current assets and liabilities classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period of the statement of financial position.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period of the statement of financial position.

All other liabilities are classified as non-current.

Fair value measurement

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

4- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies – transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the statement of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate applicable at the date of the initial transactions

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Projects under progress or lands, if any, are not depreciated. Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met (borrowing costs directly attributable to qualifying assets are capitalized). When significant parts of property and equipment are replaced at certain intervals, the Company recognizes those parts as individual assets with a definite useful life and depreciation. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

Any item of property and equipment is derecognized when it is disposed of or when no economic benefits are expected from its use or sale in the future. Any gain or loss arising from the disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of comprehensive income when the asset is disposed of.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Item</u>	<u>Depreciation percentage</u>
Furniture and fixtures	20%
Computer equipment	20%
Electrical devices	25%

Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication that the value of an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the fair value of the asset or cash-generating unit (CGU) less cost to sell or the value in use of the asset, whichever is higher and it is specified for a single asset unless the asset generates cash flows that are not significantly independent of the flows generated by other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds (CGU) its recoverable amount, the value of the asset must be decreased to its recoverable amount.

In determining value in use, the future cash flows discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks related to the asset. In determining fair value less costs to sell, new market transactions are considered, when available, or an appropriate valuation model is used.

These values are verified by comparing them with the valuation multiples and the prices of the listed shares of the subsidiaries offered for public trading or through any other fair value indicators.

In calculating impairment, the Company relies on detailed budgets and discretionary accounts that are prepared separately for each cash-generating unit (CGU) of the Company to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, no longer exist or have decreased. The reversal of the impairment loss is recognized in the statement of comprehensive income. Impairment losses from continuing operations are recognized in the statement of comprehensive income within the expenses appropriate to the function of the assets that have impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

4- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases

The determination of whether an agreement constitutes or contains a lease depends on the substance of the agreement at its inception date. The agreement represents or includes a lease if its fulfilment depends on the use of a specific asset or assets, or that the agreement grants the right to use a specific asset or assets even if this right is not expressly stated in the contract.

Company as a lessee

The lease is recognized as a right-of-use asset with its corresponding obligations on the date that the leased asset is ready for use by the Company. Each lease payment is allocated between the obligation and the financing cost. The finance cost is recognized in the statement of comprehensive income over the lease term. Right-of-use assets are depreciated over the useful life of the asset and the lease term, whichever is shorter, and on a straight-line basis.

Right-of-use assets are initially measured at cost and consist of the following:

- The initial measurement amount of the lease liability,
- Any lease payments made on or before the lease commencement date minus any lease incentives received,
- Any initial direct costs, and
- Recovery costs, when applicable.

Lease liability contracts

On the commencement date of the lease, the Company records lease liabilities measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including substantially fixed payments) less any lease incentives receivable and variable rent payments based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments include the price to exercise the purchase option when there is reasonable certainty that the Company will exercise it and payments for penalties for cancelling the lease if the terms of the lease provide for the Company to exercise the option to cancel.

For variable lease payments that are not dependent on an index or rate, they are recorded as an expense in the period in which the payment is made. Lease payments are discounted using the interest rate included in the lease or the Company's incremental borrowing rate.

Short-term leases and leases of low-value assets

Short-term leases are contracts with a lease term of 12 months or less. Low-value assets are items that do not meet the Company's capitalization limits and are not material to the Company's statement of financial position as a whole. Payments for short-term leases and leases of low-value assets are recognized on a straight-line basis in the statement of comprehensive income.

Prepaid expenses and other current assets

Prepaid expenses and other current assets are recognized with the amounts paid to the service providers against services that will be received in the future, or amounts paid to external parties and will be refunded in the future.

Contract assets

Contract assets are the Company's right to consideration for services transferred to a customer. If the Company transfers the goods or services to the customer before they pay the consideration or before the payment is due, the original contract is recognized against the earned part of the consideration that is still conditional.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and other short-term highly liquid investments, if any, with original maturities of three months or less from the purchase date that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

4- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments

Financial instrument is a contract that creates financial assets for one entity and financial liabilities and equity for another entity.

Financial assets

Classification

In accordance with IFRS 9, on initial recognition, a financial asset is classified as recorded at: amortized cost; fair value through other comprehensive income; or fair value through profit or loss. Financial assets are not subsequently reclassified after initial recognition, except in the case of a change in the Company's business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the financial reporting period after the change in the business model.

The Company classifies its financial assets as measured at amortized cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Recognition and derecognition

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortized cost. A gain or loss on a financial instrument that is subsequently measured at amortized cost and is not part of the hedging relationship is recognised in statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is calculated using the effective interest method.

Impairment of financial assets

The Company assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets carried at amortized cost.

For contract assets and due from related parties, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the related financial asset. The amount of the loss is charged to the statement of profit or loss. The loss rates are based on probability of default assigned by reputed credit rating agencies to the relevant credit rating of the customers. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the contract assets and due from related parties.

Financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period greater than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM FEBRUARY 9, 2025 (DATE OF COMMERCIAL REGISTRATION)
TO DECEMBER 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

4- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

Offsetting

Financial assets and liabilities are offset and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

Employee benefit obligations

Employee benefit obligations are calculated and recorded for their potential service periods on the balance sheet date in accordance with the Saudi Labor and Workers Law.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities are obligations to pay for goods or services that have been received or provided, whether submitting bills or formally agreed upon with the supplier or not.

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.

Where the Company expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to the provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, current market assessments of the time value of money and the risks specific to the liability. The increase in the discount is recognized as a finance cost.

Zakat provision

In accordance with the regulations of Zakat, Tax and Customs Authority (“ZATCA”), the Company is subject to zakat. Zakat is calculated based on approximate zakat base and adjusted profit and is charged to statement of profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

The Company collects taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

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4- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue is primarily generated from management fees charged to customers for asset management.

The Company applies the five-step model under IFRS 15 for revenue arising from contracts with customers as follows:

- Identification of the contract with the customer;
- Identification of distinct performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when (or as) performance obligations are satisfied.

Management fees relate to portfolio management services provided to investees. These services represent a single performance obligation satisfied over time, as the customer simultaneously receives and consumes the benefits of the services rendered.

Revenue from management fees is recognized over time, typically on a time-elapsed basis or as per agreed contractual terms (e.g., fixed fee or percentage of assets under management), reflecting the continuous transfer of services to the customer.

Where management fees include variable consideration (such as performance-based fees), such amounts are recognized only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved.

Revenue is measured at the transaction price, being the amount of consideration to which the Company expects to be entitled in exchange for transferring services. Revenue excludes amounts collected on behalf of third parties and is presented net of discounts, if any.

Expenses

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen and can be measured reliably, in accordance with the Conceptual Framework and IAS 1 Presentation of Financial Statements.

Expenses are recognized on an accrual basis, matching costs with the related period in which the associated economic benefits are consumed. The Company presents expenses in statement of comprehensive income based on the nature of expenses method, as permitted by IAS 1 Presentation of Financial Statements. Major function-based classification is cost of revenue and administrative expenses.

Finance cost

Finance costs directly associated with the acquisition, construction or production of an asset that necessarily takes a period of time to prepare for use or sale are recognized as part of the cost of that asset. All other costs are recorded as expenses in the period in which they accrued. Finance costs are interest costs and other costs incurred by the Company in connection with the process of borrowing money or otherwise.

Contingent liabilities

Contingent liabilities are disclosed when the Company has a contingent liability as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Share capital

The registered and paid-up share capital contributed by the shareholders is classified as equity.

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5- PROPERTY AND EQUIPMENT

	<u>Furniture</u>	<u>Computer equipment</u>	<u>Electrical devices</u>	<u>Total</u>
<u>Cost:</u>				
Additions	488,432	105,750	19,035	613,217
As of December 31, 2025	<u>488,432</u>	<u>105,750</u>	<u>19,035</u>	<u>613,217</u>
<u>Accumulated depreciation:</u>				
Charge for the period (Note 18)	33,649	5,723	1,369	40,741
As of December 31, 2025	<u>33,649</u>	<u>5,723</u>	<u>1,369</u>	<u>40,741</u>
<u>Net book value:</u>				
As of December 31, 2025	<u>454,783</u>	<u>100,027</u>	<u>17,666</u>	<u>572,476</u>

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6- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	<u>2025</u>
<u>Right-of-use assets</u>	
<u>Cost:</u>	
Additions	<u>1,906,326</u>
Balance at the end of the period	<u>1,906,326</u>
<u>Accumulated depreciation:</u>	
Charge for the period (Note 18)	<u>124,225</u>
Balance at the end of the period	<u>124,225</u>
<u>Net book value:</u>	
As of December 31	<u>1,782,101</u>
	<u>2025</u>
<u>Lease liabilities</u>	
Additions	<u>1,906,326</u>
Finance costs	<u>39,010</u>
Paid during the period	<u>(240,756)</u>
Balance at the end of the period	<u>1,704,580</u>
	<u>363,254</u>
Current portion	<u>363,254</u>
Non-current portion	<u>1,341,326</u>

Lease contracts relate to the Company's office and are discounted using an incremental borrowing rate of 7.8%. For maturity profile, refer to Note 20.

7- PREPAID EXPENSES

	<u>2025</u>
Prepaid expenses (*)	<u>101,595</u>

(*) Prepaid expenses comprise of prepaid insurance, licenses, subscriptions and rent.

8- CONTRACT ASSETS

Contract assets comprise unbilled revenue amounting to SR 593,812 as of December 31, 2025. This represents revenue recognized for performance obligations satisfied, where the Company has an enforceable right to consideration but invoicing has not yet been raised.

9- CASH AND CASH EQUIVALENTS

	<u>2025</u>
Cash at bank (*)	<u>4,363,635</u>

(*) The cash at bank comprises of non-interest bearing current account with a reputable local bank with a high credit rating, and no history of default on any of the company's bank accounts. Therefore, the probability of default based on future factors and any potential loss in the event of default is considered minimal.

10- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties represent the shareholders, members of the board of directors and the key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Related parties also include business entities in which certain directors, senior management and the shareholders have an interest ("other related parties" or "affiliates").

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10- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Related party transactions

Prices and terms related to these transactions are approved by the Company's management. All the related party transactions are conducted in an ordinary course of business. Following are the significant transactions made with the related parties during the period:

Related party name	Type of relationship	Nature of transaction	For the period from February 9, 2025 to December 31, 2025
Saad Abdulmohsen Abdulrahman Alfadly	Shareholder	Expenses paid on behalf	(42,000)
		Additional capital contribution	200,000
		Payments	(200,100)
Ahmed bin Abdulrahman Al-Humaidan	Proposed shareholder	Expenses paid on behalf	(694,452)
		Additional capital contribution	2,200,000
		Payments	(1,000,000)
Mohammed bin Salem Al-Mousa	Proposed shareholder	Additional capital contribution	1,200,000
Maram Mohammed Saleh Alnumay	Proposed shareholder	Additional capital contribution	800,000
Due from related parties			
			<u>2025</u>
Mohammed bin Salem Al-Mousa			1,200,000
Maram Mohammed Saleh Alnumay			800,000
Ahmed bin Abdulrahman Al-Humaidan			505,548
			<u>2,505,548</u>
Due to a related party			
			<u>2025</u>
Saad Abdulmohsen Abdulrahman Alfadly			<u>42,100</u>

Terms and conditions

Outstanding balances at the year-end are interest free, unsecured and do not have a fixed repayment schedule and will be settled in cash. There have been no guarantees provided or received for any related party balances.

Key management personnel compensation

Key management personnel of the Company include key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	<u>2025</u>
Salaries and benefits	524,392
Post employment benefits	16,997
Total	<u>541,389</u>

11- SHARE CAPITAL

The Company's paid-up capital amounted to SR 3,600,000, divided into 360,000 shares, the value of each share is SR 10.

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12- ADDITIONAL CAPITAL CONTRIBUTION

During the period, the shareholders approved an additional capital contribution, which was effected through related party balances (Note 10) and has been recognized within equity as “additional capital contribution” pending completion of the required legal and regulatory formalities. Upon completion of such formalities, the amount will be converted into share capital and reclassified accordingly within equity.

13- EMPLOYEE BENEFIT OBLIGATIONS

The Company policy stipulates that all employees who complete the qualifying service period are entitled to an end-of-service benefits under the Saudi Arabia Labor Law. While IAS 19 requires defined benefit obligations to be measured using actuarial techniques, it does not mandate the engagement of an external actuary. In this case, the employee benefit obligation is immaterial and involves low estimation uncertainty. Management has applied a simplified and reasonable measurement approach, and the cost of obtaining an actuarial valuation would exceed the benefit to users of the financial statements. Accordingly, the absence of an external actuarial valuation is considered appropriate.

The movement in employees’ defined benefits obligations during the period was as follows:

	<u>2025</u>
Balance at the beginning of the period	-
Current service cost	<u>16,997</u>
Balance at the end of the period	<u>16,997</u>

14- ACCRUED EXPENSES AND OTHER LIABILITIES

	<u>2025</u>
Accrued expenses	46,250
Accrued employee benefits	33,237
GOSI payable	40,810
VAT payable	2,472
WHT payable	<u>1,148</u>
	<u>123,917</u>

15- ZAKAT PROVISION

The principal elements of the zakat base are as follows:

	<u>2025</u>
Equity	7,894,432
Liabilities and equivalents	1,358,323
Zakatable net adjusted profit	1,026
Less: Non-current assets	<u>(2,354,577)</u>
Zakat base	<u>6,899,204</u>
Minimum Base	<u>(146,642)</u>
Upperzakat Base	<u>7,895,458</u>
Zakat Base	<u>6,899,204</u>

The movement in the zakat provision during the period is as follows:

	<u>2025</u>
Charge for the period	<u>158,838</u>
Balance as of the end of the period	<u>158,838</u>

Zakat status

The Company has not submitted its financial statements and zakat returns to ZATCA till date as this is first year of operations after commercial registration.

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16- REVENUE

	<u>2025</u>
Management fee (over time)	<u>1,047,699</u>
	<u>1,047,699</u>

The revenue is generated within the Kingdom of Saudi Arabia.

17- COST OF REVENUE

	<u>For the period from February 9, 2025 to December 31, 2025</u>
Salaries and other benefits	524,392
Accounting expense	76,875
Subscription fee	71,650
Employee benefit obligations provision (Note 13)	16,997
Consultancy fee	16,000
	<u>705,914</u>

18- GENERAL AND ADMINISTRATIVE EXPENSES

	<u>For the period from February 9, 2025 to December 31, 2025</u>
Depreciation of right of use assets (Note 6)	124,225
Accounting expense	59,850
Legal and professional fee	57,500
Depreciation of property and equipment (Note 5)	40,741
Governmental fee	63,500
Website expense	36,250
Rent expense (*)	19,333
Utilities expense	6,305
Subscription fees	3,622
Salaries and other benefits	3,600
Bank fee	488
Other	35,029
	<u>450,443</u>

(*) Rent expense relates to short-term leases.

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19- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments risk management objective and policies

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the difficulty of the predictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The overall responsibility for the preparation and monitoring of risk management rests with the Company's management. The Company's risk management policies are designed to identify and analyze the risks faced by the Company and to set appropriate controls and limits on the extent of exposure to those risks and then monitor them to ensure that the limits set are not exceeded. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company's management aims, through training, standards and procedures set by the management, to develop a constructive and organized control environment so that each employee understands his role and the duties assigned to him.

Credit risk

Credit risk represents the inability of one party to meet its obligations, which leads to the other party incurring a financial loss. The Company policy states that all customers who wish to deal on a deferred basis are subject to a credit check. Financial instruments that are subject to concentration of credit risk mainly consist of cash at bank, contract assets and due from related parties. The Company deposits cash with a number of financial institutions with good credit rating, and it has a policy based on setting limits on its deposited balances with each financial institution.

The maximum credit risk to which the company is exposed is represented by the value of the financial assets listed in the statement of financial position as follows:

	<u>2025</u>
Due from related parties	2,505,548
Contract assets	593,812
Cash at bank	<u>4,363,635</u>
Total	<u><u>7,462,995</u></u>

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company considers the maturity of both its financial assets and projected cash flows from operations including access to borrowing facilities. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management closely monitors the Company's liquidity and cash flow position.

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19- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

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

December 31, 2025	Carrying amount	Contractual cash flows	Less than one year	More than a year
Lease liabilities	1,704,580	1,986,553	481,588	1,504,965
Accounts payable	179,241	179,241	179,241	-
Due to a related party	42,100	42,100	42,100	-
Accrued expenses and other liabilities	123,917	123,917	123,917	-
Total	2,049,838	2,331,811	826,846	1,504,965

Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market price, interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manage the interest rate risk by regularly monitoring the interest rate profile of its interest-bearing financial instruments. Management monitors the changes in interest rates and believes that the fair value risks to the Company are not significant.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at period end, the Company does not have any financial instruments that are subject to price risk.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to supports its business and maximise shareholders' value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated based on the net debt divided by total capital. No changes were made in the objectives, policies or processes for managing capital during the period ended December 31, 2025.

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20- CONTINGENCIES AND COMMITMENTS

The Company does not have any contingent liabilities as of December 31, 2025.

The company has commitments to pay lease rentals as follows:

	<u>2025</u>
Less than one year	481,588
More than one year	<u>1,504,965</u>
Total	<u><u>1,986,553</u></u>

Lease payments not recognized as a liability:

The Company has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is SR 19,333 (Note 18). The Company has no commitment for short term leases as of December 31, 2025.

21- ESTABLISHMENT OF INVESTMENT FUNDS

During the period, the Company established two private open-ended equity funds for investment purposes. These funds do not take form of special purpose entities and are managed by the Company in its capacity as Fund Manager.

As of December 31, 2025, both funds are in the offering stage and no subscriptions have been received from investors. Accordingly, the funds have not commenced operations and no assets or liabilities have been recognized in relation to these funds in these financial statements. The Company has not earned any management fee nor incurred any expenses in respect of these funds during the period.

The Company does not have any exposure to variable returns from these funds as of December 31, 2025, nor has it provided any financial support or guarantees.

22- CASH FLOW INFORMATION

A- Non – cash items

- Addition to right of use asset and lease liabilities (Note 6)
- Additional capital contribution through related party balances (Note 9)

B- Changes in liabilities arising from financing activities

	<u>February 9, 2025</u>	<u>Cash flows</u>	<u>Others</u>	<u>December 31, 2025</u>
Lease liabilities	-	(240,756)	1,945,336	1,704,580

23- SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the year ended December 31, 2025 that could have a material impact on the financial position of the Company or the results of its operations. However, in March 2026, geopolitical instability in the Middle East Region increased which may have an impact on all the regional countries. The Company's management is closely monitoring the geopolitical developments and has determined that these developments are non-adjusting events and no adjustments to the financial statements are required. While the Company's financial position remains unaffected at present, management continues to assess the potential for future impacts on its business.

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24- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements. Management regularly reviews significant unobservable inputs and valuation adjustments.

As at December 31, 2025, the carrying values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

25- APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on Shawwal 10, 1447 H (corresponding to March 29, 2026).