

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

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

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

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

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RSM

شركة إرس أم المحاسبون المتحدون للإستشارات المهنية

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INDEPENDENT AUDITOR'S REPORT

To the shareholder

SUKNA CAPITAL COMPANY

(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sukna Capital Company (unlisted joint stock company - sole proprietorship) ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by 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 that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the accompanying financial statements, which indicates that the Company incurred a loss during the year SR 12.71 million and has accumulated losses of SR 15.7 million as at December 31, 2025 which have exceeded 50% of the Company's share capital as at that date. Furthermore, the Company reported negative operating cash flows amounting to SR 2.99 million for the year ended December 31, 2025.

These events and conditions, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The Company's financial statements for the year ended December 31, 2024 were audited by another auditor, who issued an unmodified opinion on March 27, 2025.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, 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, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholder

SUKNA CAPITAL COMPANY

(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

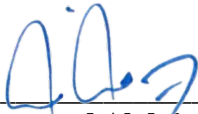
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, it is not a guarantee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

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

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



Mohammad Abdulmajeed Mohandes

License No 564

Jeddah, Kingdom of Saudi Arabia

April 6, 2026 (corresponding to Shawwal 19, 1447)



SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	2025	2024
<u>ASSETS</u>			
Non-current assets			
Property and equipment	6	3,068,867	98,300
Intangible assets		-	3,516
Right-of-use assets	5	4,810,620	5,797,622
Total non-current assets		7,879,487	5,899,438
Current assets			
Prepayment and other current assets	10	2,438,949	1,911,219
Due from related parties	11-B	368,462	425,966
Accounts receivables	9	355,909	62,685
Term deposit	7	-	10,000,000
Cash and cash equivalents	8	10,450,187	7,874,889
Total current assets		13,613,507	20,274,759
TOTAL ASSETS		21,492,994	26,174,197
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital	12	20,000,000	20,000,000
Accumulated losses	1	(15,661,383)	(2,947,897)
Total equity		4,338,617	17,052,103
Liabilities			
Non-current liabilities			
Employees' benefit obligations	13	392,416	24,634
Lease liabilities	5-B	3,846,016	4,660,751
Total non-current liabilities		4,238,432	4,685,385
Current liabilities			
Lease liabilities-current portion	5-B	814,735	767,966
Accrued expenses and other current liabilities	15	632,418	189,524
Subscriptions received in advance	14	10,150,000	-
Due to related parties	11-C	1,291,228	3,167,890
Zakat payable	16	27,564	311,329
Total current liabilities		12,915,945	4,436,709
Total liabilities		17,154,377	9,122,094
TOTAL EQUITY AND LIABILITIES		21,492,994	26,174,197

The accompanying notes (1) to (26) are an integral part of these financial statements.

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
<u>Profit or loss</u>			
Income from management fee	17	5,892,298	-
Finance income	17	200,204	62,685
Other income	17	111,216	302,329
Total income		6,203,718	365,014
Expenses by nature:			
Consultant services and secondees	18	(8,683,031)	(666,992)
Salaries expenses	19	(5,217,851)	(1,373,337)
Depreciation of right-of-use assets	5	(987,002)	(127,093)
Professional fee		(626,373)	(140,941)
Licenses expense		(450,837)	(1,544)
Depreciation of property and equipment	6	(385,422)	(5,546)
Employee benefit obligations	13	(348,387)	(24,634)
Professional subscriptions		(203,635)	(44,368)
Other expenses	20	(1,645,773)	(576,050)
Finance cost	21	(307,583)	(41,077)
Losses before zakat		(12,652,176)	(2,636,568)
Zakat expense	16	(27,564)	(311,329)
Net loss for the year / period		(12,679,740)	(2,947,897)
<u>Other comprehensive loss:</u>			
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Remeasurement of end of service benefits	13	(33,746)	-
Total comprehensive loss for the year / period		(12,713,486)	(2,947,897)

The accompanying notes (1) to (26) are an integral part of these financial statements.

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
Balance as at 24 April 2024	20,000,000	-	20,000,000
Net loss for the period	-	(2,947,897)	(2,947,897)
Other comprehensive income for the period	-	-	-
Total comprehensive Income for the period	-	(2,947,897)	(2,947,897)
Balance as at 31 December 2024	20,000,000	(2,947,897)	17,052,103
Net loss for the year	-	(12,679,740)	(12,679,740)
Other comprehensive loss for the year	-	(33,746)	(33,746)
Total comprehensive loss for the year	-	(12,713,486)	(12,713,486)
Balance as at 31 December 2025	20,000,000	(15,661,383)	4,338,617

The accompanying notes (1) to (26) are an integral part of these financial statements.

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss before zakat		(12,652,176)	(2,636,568)
Adjustments for:			
Depreciation of property and equipment	6	385,422	5,546
Amortization of intangible assets		3,516	804
Depreciation of right-of-use assets	5	987,002	127,093
Current service cost of employee benefit obligations	13	348,387	24,634
Finance cost on lease liabilities	5	306,184	41,077
Finance cost on employee benefit obligations	13	1,399	-
Changes in operating assets and liabilities:			
Prepayments and other current assets		(527,730)	(1,911,219)
Due from related parties		57,504	(425,966)
Account receivables		(293,224)	(62,685)
Accrued expenses and other current liabilities		442,894	189,524
Subscriptions received in advance		10,150,000	-
Due to related parties		(1,876,662)	3,167,890
Cash used in operations		(2,667,484)	(1,479,870)
Zakat paid	16	(311,329)	-
Employee benefit obligations paid	13	(15,750)	-
Net cash used in operating activities		(2,994,563)	(1,479,870)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	6	(3,355,989)	(103,846)
Purchases of intangible assets		-	(4,320)
Movement in term deposits	7	10,000,000	(10,000,000)
Net cash generated from (used in) investing activities		6,644,011	(10,108,166)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issuance of share capital	12	-	20,000,000
Payment of lease liabilities	5	(1,074,150)	(537,075)
Net cash (used in) generated from financing activities		(1,074,150)	19,462,925
Net increase in cash and cash equivalents		2,575,298	7,874,889
Cash and cash equivalents at beginning of the year / period		7,874,889	-
Cash and cash equivalents at end of the year / period	8	10,450,187	7,874,889
Supplemental non-cash financial information	22		

The accompanying notes (1) to (26) are an integral part of these financial statements.

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. Organization and principal activities

Sukna Capital Company (“the Company”) is a regulated managing investment and operating funds firm registered in Riyadh, Kingdom of Saudi Arabia. The Company is licensed by Capital Market Authority (“CMA”) under license number 24284-02 dated Shawaal 15, 1445 H (corresponding to April 24, 2024). The Company operates under commercial registration number 1010808216 issued in Riyadh on Dhul Qadah 21, 1442 H (corresponding to June 20, 2022) and unified number 702933877.

The registered office of the Company is located at Prince Saud bin Jalawi Street – Al Narjis District - Riyadh - Kingdom of Saudi Arabia.

The principal activities of the Company are dealing in management of investment funds and private investment portfolios on behalf of customers.

Going concern and accumulated losses

During the year ended December 31, 2025, the Company recorded a net loss of SR 12.7 million (period ended December 31, 2024: SR 2.9 million) and as at that date, the Company had accumulated losses of SR 15.6 million (2024: SR 2.9 million) which exceeded 50% of its share capital. Furthermore, the Company reported negative operating cash flows amounting to SR 2.99 million for the year ended December 31, 2025 (2024: SR 1.48 million).

These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company’s ability to continue as a going concern. On February 23, 2026 (corresponding to 6 Ramadan 1447), the shareholder resolved to continue the Company’s operations and to provide sufficient financial support to enable the Company to meet its obligations as they fall due and to allow the Company to continue on a going concern basis.

Management continues to monitor cash flows closely and actively evaluates liquidity risk. Management is confident in its ability to bridge the liquidity gap. Accordingly, these financial statements have been prepared on a going concern basis.

2. Basis of preparation

2.1 Statement of compliance

These financial statements are 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 Saudi Organization for Chartered and Professional Accountants (SOCPA).

2.2 Basis of measurement

These financial statements have been prepared on a historical cost convention, except for employee benefits obligations carried at present value using projected unit credit method and lease liabilities that are recognized at the present value of lease payments.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyals (“SR”), which is the Company's functional and presentation currency.

3. Material accounting policy information

3.1 New standard and amendments issued and effective

The Company has adopted the following new amendment for the first time in its annual reporting period beginning on January 1, 2025:

SUKNA CAPITAL COMPANY
(UNLISTED JOINT STOCK COMPANY - SOLE PROPRIETORSHIP)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policy information (continued)

3.1 New standard and amendments issued and effective (continued)

Amendments to IAS 21 – Lack of Exchangeability

The amendments apply when an entity has a foreign currency transaction or operation that cannot be exchanged into another currency at the measurement date for a specified purpose.

The adoption of this amendment is not expected to have a material impact on the Company's financial statements for the year ending December 31, 2025.

3.2 Standards issued but not yet effective

The following new and amended standards and interpretations have been issued but were not yet effective as of the date of the Company's statement of financial position.

<u>Standard</u>	<u>Application date</u>
IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements	1 January 2027
IFRS (19) - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely

The Company did not implement any standards, interpretations, or other amendments that were issued and not in effect early.

The following are the material accounting policies applied by the Company in preparing its financial statements, unless stated otherwise.

3.3 Current versus non-current classification

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

An asset is current when:

- It expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle;
- It holds the asset primarily for the purpose of trading.
- It expects to realise the asset within twelve months after the reporting date; or
- The asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policy information (continued)

3.3 Current versus non-current classification (continued)

A liability is current when:

- a) It expects to settle the liability in the entity's normal operating cycle.
- b) It holds the liability primarily for the purpose of trading.
- c) The liability is due to be settled within twelve months after the reporting date; or
- d) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.

The Company classifies all other liabilities as non-current liabilities.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks in current accounts and other short-term highly liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

3.5 Term deposits

Term deposits include bank placements with original maturities of more than three months and not exceeding one year from the date of deposit. These time deposits are placed with financial institutions that have an investment-grade rating and are considered to carry low credit risk. Income from time deposits is recognized on a time-proportion basis by reference to the outstanding principal amount and the applicable effective interest rate.

3.6 Accounts receivables

Account receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less expected credit losses provision (ECL). At the end of each reporting period, the carrying amounts of accounts receivable are reviewed for any objective evidence that the amounts are not recoverable. In this case, impairment loss is recognized immediately in the statement of profit or loss.

3.7 Related parties

a) A person or a close member of his family is related to a reporting entity if that person:

- has control or joint control over the reporting company
- has significant influence over the reporting company; or
- is a member of the key management personnel of the reporting group or a member of the reporting company.

b) If the company is related to the reporting company if any of the following conditions are fulfilled:

- The company and the reporting company are members of the same group (which means that each parent, its subsidiaries and associates are related to the others).
- An associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other company is a member).
- Both entities are joint ventures of the same third party.
- A joint venture of a third entity and the other company is a subsidiary of the third company.
- The company is a post-employment benefit plan for the benefit of employees of any either the reporting company or a company related to the reporting company. If the reporting company is itself such a plan, the sponsoring employers are also related to the reporting company.
- The company is controlled or jointly controlled by a person identified in paragraph (a).
- A person identified in paragraph (a) has significant influence over the group or is a member of the key management personnel of the company (or the parent company of the company).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policy information (continued)

3.8 Financial instruments

- The entity, or any member of a company of which it is a part, provided key management personnel services to the reporting company or the holding company of the reporting company.

Financial assets

a) Classification

The Company's financial assets are classified and measured under the following categories:

- Fair value
- Amortized cost

These classifications are on the basis of business model of the Company for managing the financial assets, and contractual cash flow characteristics.

The Company measures financial assets at amortized cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

b) Recognition and derecognition

At initial recognition, the Company measures financial asset at amortized cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company derecognizes 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 recognized as a separate asset or liability .

c) Measurement

Amortized cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income, if any, from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of profit or loss and other comprehensive income and presented in other operating income - net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other operating income in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost.

Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method.

SUKNA CAPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policy information (continued)

3.8 Financial instruments (continued)

Offsetting financial assets and liabilities

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

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 trade and retention receivables and contract assets, the Company applies the simplified approach as permitted by IFRS 9 ‘Financial Instruments’, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to profit or loss. The Company uses a provision matrix to determine its ECL provision but also applies specific provisions when factors other than simply the age of the debt are known to management that could impact the ability to recover the debt.

Trade and retention receivables 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, or a failure to make contractual payments for a period of greater than 365 days past due.

3.9 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such cost includes the cost of replacing parts of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Repair and maintenance costs are recognized in the statement of comprehensive income.

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, less its residual value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Years</u>
Computers hardware	3
Leasehold Improvements	5.3
Office equipment	3
Furniture	5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset are recorded net within other income in the statement of comprehensive income.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policy information (continued)

3.10 Leases

The Company as lessee:

The Company leases buildings. Leases are typically for fixed terms and may contain extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, other than the security interest in the leased assets held by the lessor. However, the leased assets may not be used as security for borrowing purposes where the Company is a lessee.

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which the Company is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. When determining the lease term, management considers all facts and circumstances that provide an economic incentive to exercise the extension option or not to exercise the termination option. Leases may contain both lease and non-lease components. The Company allocates consideration in the contract to the lease and non-lease components on the basis of the relative prices of the non-lease component.

Lease liabilities

Lease liabilities are initially measured at the net present value of the lease payments unpaid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain assets of similar value to the right-of-use assets in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Company:

- a) uses, where possible, recent third-party financing obtained by the individual lessee as a starting point, adjusted to reflect changes in financing terms since the receipt of the third-party financing.
- b) uses the cumulative catch-up approach that begins with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee that do not have recent third-party financing.
- c) makes lease-specific adjustments, such as term, country, currency, and security.
- d) Lease liabilities include the net present value of the following lease payments:
- e) fixed lease payments, less any lease incentives receivable.
- f) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- g) the amount expected to be payable by the lessee under residual value guarantees, the exercise price of purchase options if the lessee is reasonably certain to exercise the options, payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options, are also included in the measurement of the liability. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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3. Material accounting policy information (continued)

3.10 Leases (continued)

Lease liabilities (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- a) The lease term has changed or there is a change in the assessment of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- b) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used). A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets (“ROU”) comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The lease agreement period is six years

The Company applies IAS 36 ‘Impairment of Assets’ to determine whether a ROU asset is impaired, and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liabilities and the right-of-use assets. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included within profit or loss. Where the Company is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liabilities until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liabilities are reassessed and adjusted against the right-of-use assets.

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

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3. Material accounting policy information (continued)

3.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset generates cash inflows that are largely independent of those of other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have been reversed. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income. Non-financial assets that have suffered impairment are reviewed at the end of each reporting period for possible reversal of the impairment.

3.12 Subscriptions received in advance

Subscriptions received from investors prior to the issuance of units are recorded as financial liabilities, and recognized when the fund has a contractual obligation to deliver cash or another financial asset, or to issue a variable number of equity instruments. Since the units have not yet been issued, in respect of these subscriptions as at the reporting date, the amounts received do not meet the definition of equity and are instead classified as a liability until units are formally issued.

3.13 Employees' benefit obligations

Short-term and long-term employee benefits

The liability for employee benefits related to wages, salaries, annual leave, and sick leave is recognized in the period in which the related service is provided at an amount not discounted from the expected benefits payable for that service.

The measurement of liabilities for short-term employee benefits is at the undiscounted amount of expected benefits payable for the related service.

Liabilities for other long-term employee benefits are measured at the present value of the future cash flows expected to be paid by the Company related to the services provided by employees up to the reporting date.

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3. Material accounting policy information (continued)

3.13 Employees' benefit obligations (continued)

Employee termination benefit liabilities

The cost of providing benefits for defined benefit plans is determined using the projected unit credit method, with actuarial valuations performed at the end of each annual reporting period. Remeasurements, which consist of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding charge or credit in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are immediately reflected in actuarial reserves and are not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period in which the plan is amended. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are classified as follows:

- Service cost (which includes current service cost, past service cost, and gains and losses from curtailments and settlements).
- Net interest expense or income.
- Remeasurements.

Gains and losses from curtailments are accounted for as past service costs.

The employee termination benefit liabilities recognized in the statement of financial position represent the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The liability for termination benefits is recognized when the entity can no longer withdraw the offer of termination benefits and when the entity recognizes any related restructuring costs.

3.14 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new shares are presented within equity as a deduction from the proceeds

3.15 Accrued expenses and other current liabilities

Accrued expenses and other current liabilities are liabilities to pay for goods and services acquired in the normal course of business from suppliers. Accrued expenses and other current liabilities are classified as current liabilities if they are due to be settled within one year or less; otherwise, they are presented as non-current liabilities. Accrued expenses and other current liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.16 Revenue recognition

The revenue is recognized when the Company transfers the services to customers at an amount that the Company expects to be entitled to in exchange for those services. The Company applies the following five-step approach to revenue recognition:

- Step 1: Identify the contract with the customer
- Step 2: Identify the separate performance obligations under the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to separate performance obligations
- Step 5: Recognize revenue when (or as) each performance obligation is satisfied

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3. Material accounting policy information (continued)

3.16 Revenue recognition (continued)

The revenue recognition policy for each revenue stream is as follows:

Consultancy fee

Consultancy fee revenue is recognized at a point in time based on services rendered under the applicable service contracts using the five-step approach to revenue recognition above.

Management fee

Management fee revenue is earned for providing continuous investment management services at 3% per annum of aggregate Capital Commitments and are payable quarterly in advance. Revenue is recognized at a point in time as services are provided.

3.17 Expenses

Expenses are measured and recognized as a period cost at the time when they are incurred. Expenses related to more than one financial period are allocated over such periods proportionately.

3.18 Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Custom Authority ("ZATCA"). Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined to be required for payment.

3.19 Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

3.20 Value added tax

The Company is subject to Value Added Tax ("VAT") in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases ("Input VAT"). The Company reports revenue and purchases net of VAT for all the periods presented in the statement of comprehensive income.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated to functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities (which are not covered by a forward foreign exchange contract) denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. The foreign currency gain or loss on monetary items from settlement and translation of foreign currency transactions are generally recognized in the statement of comprehensive income.

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3. Material accounting policy information (continued)

3.22 Contingent liabilities and assets

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability, all should be assessed at each reporting date and disclosed in the Company's financial statements under contingent liabilities.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

4. Use of judgement, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the impacted assets or liabilities in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The following is information about assumptions and estimates that have a material effect on the amounts included in the financial statements:

Employees' end of service benefits

The present value of retirement obligations depends on several factors that are determined using actuarial valuations that use several assumptions. The assumptions used in determining the net cost (income) of retirement include the discount rate. Any change in these assumptions will have an impact on the carrying amount of retirement obligations.

The Company determines the appropriate discount rate at each year-end, which is the interest rate used to determine the present value of estimated future cash flows expected for settlement of end-of-service obligations. While determining the appropriate discount rate, the Company takes into account the interest rates on high-quality corporate bonds, provided that the bonds term is consistent with the estimated period for Employees' benefits obligations.

Useful lives of property and equipment

As described in Note (6), the Company estimates the useful lives of property and equipment at the end of each annual reporting period. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

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4. Use of judgement, estimates and assumptions (continued)

Going concern

The Company's management has assessed the Company's ability to continue according to the principle of going concern, and it is convinced that the Company has sufficient resources to continue its business in the foreseeable future. In addition, the management does not have any fundamental doubts about the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

5. Right of use assets and lease liabilities

a) Right of use assets

The movement in right-of-use assets is analyzed as follows:

	<u>Building</u>	<u>Total</u>
<u>Cost:</u>		
Addition during the period	5,924,715	5,924,715
As at 31 December 2024	5,924,715	5,924,715
As at 31 December 2025	5,924,715	5,924,715
<u>Accumulated depreciation:</u>		
Charge for the period	127,093	127,093
As at 31 December 2024	127,093	127,093
Charge for the year	987,002	987,002
As at 31 December 2025	1,114,095	1,114,095
<u>Net book value:</u>		
As at December 31, 2025	4,810,620	4,810,620
As at December 31, 2024	5,797,622	5,797,622

b) Lease liabilities

The movement in lease liabilities is analyzed as follows:

	<u>December</u> <u>31, 2025</u>	<u>December</u> <u>31, 2024</u>
<u>Cost:</u>		
As at beginning of the year / period	5,428,717	-
Additions during the year / period	-	5,924,715
Finance cost during the year / period	306,184	41,077
Payments during the year / period	(1,074,150)	(537,075)
As at end of the year / period	4,660,751	5,428,717

The lease liabilities are classified as follows:

	<u>December</u> <u>31, 2025</u>	<u>December</u> <u>31, 2024</u>
Current	814,735	767,966
Non-current	3,846,016	4,660,751
	4,660,751	5,428,717

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5. Right of use assets and lease liabilities (continued)

b) Lease liabilities (continued)

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

	December 31, 2025	December 31, 2024
Depreciation of right-of-use assets	987,002	127,093
Interest expense on lease liabilities	306,184	41,077
Expenses related to short-term leases	120,825	151,754
Total amount recognized in profit or loss	<u>1,414,011</u>	<u>319,924</u>

6. Property and equipment

	Computer hardware	Leasehold improvements	Office equipment	Furniture	Total
<u>Cost:</u>					
Additions during the period	59,640	-	44,206	-	103,846
As at December 31, 2024	59,640	-	44,206	-	103,846
Additions during the year	71,441	2,535,231	353,517	395,800	3,355,989
As at December 31, 2025	<u>131,081</u>	<u>2,535,231</u>	<u>397,723</u>	<u>395,800</u>	<u>3,459,835</u>
<u>Accumulated depreciation:</u>					
Charge for the period	4,776	-	770	-	5,546
As at December 31, 2024	4,776	-	770	-	5,546
Charge for the year	31,370	210,175	88,685	55,192	385,422
As at December 31, 2025	<u>36,146</u>	<u>210,175</u>	<u>89,455</u>	<u>55,192</u>	<u>390,968</u>
<u>Net book value:</u>					
As at December 31, 2025	<u>94,935</u>	<u>2,325,056</u>	<u>308,268</u>	<u>340,608</u>	<u>3,068,867</u>
As at December 31, 2024	54,864	-	43,436	-	98,300

7. Term deposit

The term deposit, which carries an interest rate of 5.2% per annum, was due for maturity on May 18, 2025, which is more than 90 days after the reporting date, as at December 31, 2024. The term deposit was not renewed after May 18, 2025 and it was transferred to the Company's current account.

8. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash at banks	10,450,187	7,874,889
	<u>10,450,187</u>	<u>7,874,889</u>

Cash at banks are placed in current accounts with local banks having sound credit ratings. The carrying value at each reporting date is considered to be the same as fair value.

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9. Accounts receivables

	December 31, 2025	December 31, 2024
Accounts receivables	355,909	62,685
	355,909	62,685

The Company assessed expected credit losses on accounts receivables in accordance with IFRS 9 and concluded that the resulting provision is immaterial to the financial statements.

	December 31, 2025	December 31, 2024
Aging of accounts receivables		
Current	355,909	62,685
More than 365 days	-	-
Total	355,909	62,685

10. Prepayment and other current assets

	December 31, 2025	December 31, 2024
VAT receivables	1,697,091	329,916
Prepaid expenses	379,605	49,429
Employee loans	2,394	31,468
Security deposits	248,859	144,969
Advances to suppliers	111,000	1,355,437
	2,438,949	1,911,219

11. Related parties

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. The Company deals in its normal activities with related parties, and these transactions include providing operational services and others.

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11. Related parties (continued)

a) The following table shows the significant transactions with the related parties during the year:

Related party	Relationship	Nature of transaction	Transactions	
			December 31, 2025	For the period from 24 April 2024 till 31 December 2024
SV Holding Company Limited	Parent / Intermediate Parent Company	Settlement on behalf of the Company	-	2,160,750
		Settlement of loans	2,500,000	-
Sukna International Key Management Personnel	Entity Under Common Control	Expense on behalf of the Company	368,015	581,174
		Secondees from related party	7,041,028	237,963
	Key management	Advance housing allowance	368,462	-

b) The following table shows the amounts due from the related parties:

	December 31, 2025	December 31, 2024
Key Management Personnel - Advance housing allowance	368,462	-
SV Holding Company Limited	-	425,966
	368,462	425,966

c) The following table shows the amounts due to the related parties:

	December 31, 2025	December 31, 2024
SV Holding Company Limited	344,207	2,586,716
Sukna International	947,021	581,174
	1,291,228	3,167,890

d) Key management personnel compensation and remuneration

	December 31, 2025	December 31, 2024
Board of Directors and Committees	30,000	-
Salaries and benefits of key management personnel	2,688,319	365,209
	2,718,319	365,209

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12. Share capital

The share capital of the Company amounting to SR 20,000,000 is divided into 2,000,000 shares fully paid of SR 10 each, is wholly-owned by the SV Holding Limited.

13. Employees' benefit obligations

a) Movement in present value of employees' benefit obligations:

	December 31, 2025	December 31, 2024
Balance at beginning of the year / period	24,634	-
<u>Included in profit or loss:</u>		
Current service cost	348,387	24,634
Interest cost	1,399	-
Cost recognized in profit and loss	349,786	24,634
Actuarial remeasurement charged to OCI	33,746	-
Payments during the year / period	(15,750)	-
Balance at the end of the year / period	<u>392,416</u>	<u>24,634</u>

b) Key actuarial assumptions

	December 31, 2025	December 31, 2024
Discount rate	5.68%	5.84%
Future salary increment rate	3.59%	4.00%

All movements in the employee defined termination benefits liabilities are recognized in profit or loss except for the actuarial gain which is recognized in other comprehensive income.

c) Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on the employees' benefit obligation is shown below:

	December 31, 2025		December 31, 2024	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	(39,577)	45,711	(21,854)	27,921
Future salary growth (1% movement)	46,471	(40,937)	27,950	(21,783)

d) Expected maturity analysis

	December 31, 2025	December 31, 2024
Less than a year	-	-
Between 1-2 year	-	-
Between 2-5 years	-	-
More than 5 years	302,599	-
	<u>302,599</u>	<u>-</u>

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14. Subscriptions received in advance

	December 31, 2025	December 31, 2024
Subscriptions received in advance	10,150,000	-
	10,150,000	-

Subscriptions received from investors before units are issued are classified as financial liabilities, as the fund has not yet issued the related units and therefore has not transferred the rights associated with ownership of fund units. These amounts remain liabilities until the units are formally issued and the investors obtain the contractual rights of unitholders under the terms and conditions of the fund.

In addition, subscription fee of 1.5% are recognized only when the subscription is transferred to units, as this is the point at which the service related to processing and issuing units is considered to have been rendered. Prior to the issuance of units, the fund has no performance obligation satisfied, and therefore subscription fees are not recognized as income.

15. Accrued expenses and other current liabilities

	December 31, 2025	December 31, 2024
Accrued expenses	352,331	32,258
Other payables	185,052	-
Accrued professional fee	80,500	110,000
Withholding tax payable	14,535	-
Retention for fit-out work	-	39,553
Other	-	7,713
	632,418	189,524

16. Zakat payable

a) Zakat provision movement

	December 31, 2025	December 31, 2024
Balance at January 1	311,329	-
Charge during the year / period	27,564	311,329
Payment during the year / period	(311,329)	-
Balance at December 31	27,564	311,329

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16. Zakat payable (continued)

b) Zakat calculation

	December 31, 2025	December 31, 2024
Share capital	20,000,000	20,000,000
Accumulated losses	(15,661,383)	(2,636,568)
Due from related parties	368,462	2,586,716
Total	4,707,079	19,950,148
Non- current liabilities	4,238,432	3,512,711
	8,945,511	23,462,859
Less: Non-current assets	(7,879,487)	(5,899,438)
Zakat Base Subject to Zakat	1,066,024	17,563,421
Zakat expense	27,564	311,329

c) Zakat status

The Company has submitted zakat declaration for the period ended at December 31, 2024 and has obtained a certificate to that effect. There are no zakat assessments pending against the company.

17. Revenue

	Revenue recognition	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Income from management fee	At a point in time	5,892,298	-
Finance income	At a point in time	200,204	62,685
Other income	At a point in time	111,216	302,329
		6,203,718	365,014

18. Consultant services and secondees

	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Secondees from related party	7,041,028	237,963
Legal consultations	1,479,687	102,663
Consulting services by external parties	162,316	326,366
	8,683,031	666,992

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19. Salaries expenses

	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Basic salaries	3,845,695	1,017,285
Housing allowance	961,450	254,328
Other	410,706	101,724
	5,217,851	1,373,337

20. Other expenses

	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Advertising expenses	285,338	-
Travel expenses	262,230	130,127
General Organization for Social Insurance	259,976	55,531
Office supplies and cleaning	219,862	-
Medical insurance	131,763	14,564
Short term lease	120,825	151,754
Communication expense	108,920	-
Government expense	95,534	60,000
Bank charges	12,326	6,635
Amortization of intangible assets	3,516	804
Others	145,483	156,635
	1,645,773	576,050

21. Finance cost

	Note	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Interest expense on lease liabilities	5	306,184	41,077
Employees' benefit obligations	13	1,399	-
		307,583	41,077

22. Non-cash transactions

During the year the Company entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

	For the year ended 31 December 2025	For the period from 24 April 2024 till 31 December 2024
Right of use assets additions	-	5,924,715
Lease liabilities additions	-	5,924,715

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23. Financial instruments and risk management

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

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby constantly seeking to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior management under approved policies. The senior management has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets, and any changes and compliance issues are reported to the senior management.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial instruments carried on the financial statements include cash in hand and at banks, trade and other receivables, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk. To reduce exposure to credit risk, the Company has an approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and accordingly records provisions against those balances considered doubtful of recovery which is based on customer profile and payments history. Outstanding customer receivables are regularly monitored.

The Company's maximum exposure to credit risk at the reporting date is as follows:

	December 31, 2025	December 31, 2024
Cash at banks	10,450,187	7,874,889
Due from related parties	368,462	425,966
Term deposits	-	10,000,000
Account receivables	355,909	62,685
	11,174,558	18,363,540

Credit risk on receivables and bank balances is limited as cash balances are held with banks with sound credit ratings and account receivables are carried net of provision for expected credit losses.

b) Liquidity risk

Liquidity risk is the risk that an enterprise will 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. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

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23. Financial instruments and risk management (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date.

<u>December 31, 2025</u>	<u>Note</u>	<u>Less than 1 year</u>	<u>1 year to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Subscriptions received in advance	14	10,150,000	-	-	10,150,000
Accrued expenses and other current liabilities	15	632,418	-	-	632,418
Due to related parties	11-C	1,291,228	-	-	1,291,228
Lease liabilities	5	814,735	3,846,016	-	4,660,751
		12,888,381	3,846,016	-	16,734,397

<u>December 31, 2024</u>	<u>Note</u>	<u>Less than 1 year</u>	<u>1 year to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accrued expenses and other current liabilities	15	189,524	-	-	189,524
Due to related parties	11-C	3,167,890	-	-	3,167,890
Lease liabilities	5	1,074,150	4,744,165	626,588	6,444,903
		4,431,564	4,744,165	626,588	9,802,317

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount. Accordingly, it has been classified as such.

c) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not subject to fluctuations in foreign exchange rates in the normal course of its business. During the year, the Company did not undertake significant transactions in currencies other than Saudi Riyals, and US Dollars, which is considered almost fixed against Saudi Riyals.

Since Saudi Riyals is pegged with US Dollars, the Company is not exposed to currency risk for the transactions denominated in US Dollars. The Company's management monitors fluctuations in exposures in other currencies and manages its effect on the financial statements accordingly.

d) Fair value

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. As the accompanying financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

24. Comparative figures

Certain comparative figures have been reclassified to conform to the classification of the current year's figures.

25. Subsequent events

The management has evaluated events and transactions that occurred subsequent to the reporting date and up to the date of authorization of the financial statements and has concluded that there are no material adjusting or non-adjusting events that require disclosure or adjustment in the financial statements for the year ended December 31, 2025.

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25. Subsequent events (continued)

Geopolitical Developments

Subsequent to the date of the financial statements, geopolitical tensions in the Middle East have escalated due to military operations and recent reactions thereto, including sporadic incidents affecting countries in the region.

Management continues to closely monitor the situation, as the volatile geopolitical climate may increase risks associated with logistics operations and supply chain routes. As at the report date, no impact on the Company's operations has been identified.

Given the fast-paced nature of these events, it is not possible at this stage to reliably quantify any potential financial impact, whether negative or positive. Accordingly, no adjustments have been made to the financial statements as at the reporting date, as these are considered non-adjusting subsequent events.

26. Approval of the financial statements

These financial statements have been approved for issuance by the Board of Directors of Sukna Capital Company (unlisted joint stock company - sole proprietorship) on April 6, 2026 (corresponding to Shawwal 19, 1447).