



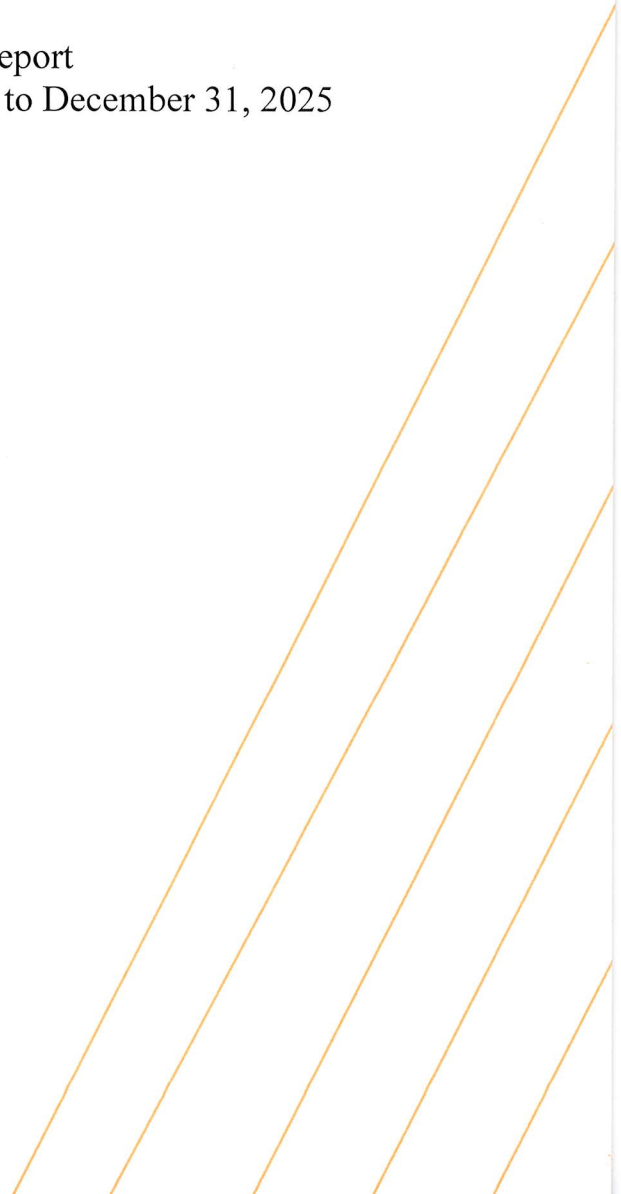
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**ASAS GULF CAPITAL COMPANY
(Joint Stock Company)**

Financial Statements and Independent Auditor's Report
For the period from inception on January 21, 2025 to December 31, 2025



**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
FINANCIAL STATEMENTS**

For the period from inception on January 21, 2025 to December 31, 2025

Index	Pages
Independent auditor's report on the financial statements	1-3
Statement of financial position	4
Statement of profit or loss and other comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8-21



Crowe Solutions
For Professional Consulting
Member Crowe Global
P.O.Box. 10504 Riyadh 11443
Kingdom of Saudi Arabia
Telephone: +966 11 217 5000
Facsimile: +966 11 217 6000
www.crowe.com/sa

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF ASAS GULF CAPITAL COMPANY (JOINT STOCK COMPANY) Kingdom of Saudi Arabia, Riyadh

Opinion

We have audited the financial statements of ASAS Gulf Capital Company ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 21 January 2025 to 31 December 2025, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the period from 21 January 2025 to 31 December 2025 ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
Kingdom of Saudi Arabia

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
Kingdom of Saudi Arabia

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.



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Musab A. Alshaikh
License No. (658)

25 Shawwal 1447H (Corresponding to 13 April 2026):
Riyadh, Kingdom of Saudi Arabia

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(SAUDI RIYALS)**

		December 31, 2025
<u>ASSETS</u>	Notes	
Current Assets		
Cash and cash equivalents	5	1,576,016
Prepayments and other receivables	6	10,717
Total Current Assets		<u>1,586,733</u>
Non-Current Assets		
Property and equipment, net	7	404,317
Right of use assets, net	8	507,362
Total Non-Current Assets		<u>911,679</u>
Total Assets		<u>2,498,412</u>
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY</u>		
Share capital	13	3,000,000
Accumulated losses		(1,423,819)
Total owner's equity		<u>1,576,181</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accruals and other payables	9	152,000
Due to related party	10	299,244
Current portion of lease liability	8	437,584
Provision for zakat	11	6,664
Total Current Liabilities		<u>895,492</u>
Non-Current Liabilities		
Employees' benefit obligation	12	26,739
Total Non-Current Liabilities		<u>26,739</u>
Total Liabilities		<u>922,231</u>
Total Equity and Liabilities		<u>2,498,412</u>





The accompanying notes from 1 to 19 constitute an integral part of these financial statements

ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

	Notes	For the period from inception on January 21, to December 31, 2025
Revenue		717,391
Cost of revenue	14	<u>(1,195,650)</u>
Gross profit for the period		(478,259)
General and administrative expenses	15	(901,981)
Financial charges	16	<u>(36,915)</u>
Loss before zakat		(1,417,155)
Zakat and tax expense	11	<u>(6,664)</u>
Net loss for the period		<u>(1,423,819)</u>
Other comprehensive income:		
<u>Items that will not be reclassified subsequently to profit or (loss) statement</u>		
Other comprehensive profit / (loss) for the period		<u>-</u>
Total comprehensive loss for the period		<u>(1,423,819)</u>





The accompanying notes from 1 to 19 constitute an integral part of these financial statements

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)**

	Share capital	Accumulated losses	Net Equity
Balance at inception – 21 January 2025	-	-	-
Share capital	3,000,000	-	3,000,000
Net loss for the period	-	(1,423,819)	(1,423,819)
Other comprehensive income / (loss) for the period	-	-	-
Balance as at December 31, 2025	3,000,000	(1,423,819)	1,576,181

The accompanying notes from 1 to 19 constitute an integral part of these financial statements





ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

	For the period from inception on January 21, to December 31, 2025
<u>Cash flows from operating activities:</u>	
Net loss before zakat and tax expense	(1,417,155)
Adjustments for non – cash items:	
Financial charges	36,915
Depreciation of property and equipment	74,692
Depreciation of right of use asset	350,526
Provision for employees' end of service benefits	25,520
Changes in operating cash flows	(929,502)
Working capital changes:	
Prepayments and other receivables	(10,717)
Accruals and other payables	152,000
Due to related party	299,244
Zakat paid	-
Employees end of service benefits paid	-
Net cash used in operating activities	(488,975)
<u>Investing activities:</u>	
Acquisition of property and equipment	(479,009)
Net cash used in investing activities	(479,009)
<u>Financing activities:</u>	
Proceeds from issue of share capital	3,000,000
Payment for lease liabilities	(456,000)
Net cash provided by financing activities	2,544,000
Net change in cash and cash equivalents during the period	1,576,016
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,576,016

The accompanying notes from 1 to 19 constitute an integral part of these financial statements





**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

1. General Information

Asas Gulf Capital Company ("the Company") was registered as a Saudi joint stock company in the Kingdom of Saudi Arabia operates under UNN 7043548960 in Riyadh under Commercial Registration No. 1009181034 on Rajab 21, 1446 AH (corresponding to January 21, 2025). The address of the Company's principal place of business is Office 6709, unit 2576 Al Olaya, Riyadh 12281, Saudi Arabia.

The principal activities of the Company are financial services advisory, arrangements and asset management. The Company obtained a license for arranging and advising from the Capital Market Authority ("CMA"), license number 24289-32 dated July 22, 2024.

This is the first period of the Company and the financials are prepared for the period January 21, 2025 (date of inception) till period end December 31, 2025, subsequent year financials will represent 12 months.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared on a historical cost basis except for the items measured at fair value, present value, net realizable value, and replacement cost in line with the accrual basis of accounting and going concern basis.

2.3 Presentation and functional currency

These financial statements are presented in Saudi Riyals ("SAR"), which is the functional currency of the Company. All values are rounded off, except when otherwise indicated.

2.4 Use of assumptions and estimates

The preparation of these financial statements, in conformity with IFRS as endorsed in the Saudi Arabia, requires the use of judgements, estimates and assumptions. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well as the disclosure of certain contingent assets and liabilities as at the Statement of Financial Position date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenues and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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 year and future years if the changed estimates affect both current and future years.

3. Significant accounting judgments, estimates and assumptions

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

3.1 Going Concern

The Company's management seeks to find new clients with fees competitive with the market by activating the consulting activity on websites and by working to employ qualified personnel and raise the efficiency of the work team and through other simultaneous plans. Management is confident of achieving this, starting new activities and achieving sufficient revenues that will enable the Company to continue its business in the foreseeable future. Accordingly, these financial statements have been prepared in accordance with the going concern principle.

3.2 Estimates And Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.3 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.4 Measurement of financial instruments

The Company must make judgments about the territory and business risk portfolio of the Company's clients to assess expected credit losses on trade receivables. When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions about the future movement of various economic stimuli and how these stimuli will affect each other. Loss given default is an estimate of the loss given default. It is based on the difference between the contractual cash flows due and the flows that the lender expects to receive, taking into account cash flows from guarantees and integrated credit improvements. The probability of default is a major input into measuring expected credit losses. The probability of default is an estimate of default over a specific period of time. These are calculations that include historical data, assumptions, and forecasts of future conditions. Any changes in expected credit loss and recovery rates for receivables during or after specified credit periods in the future will have a material impact on the reported loss allowance.

3.5 Useful lives and residual values of property, plant and equipment

The management determines the estimated useful lives and residual value of property and equipment for calculating depreciation. 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 and residual value differ from previous estimates.

3.6 Expected credit loss provision

An estimate of the collectible amount of accounts receivable is made when it is not possible to collect the full amount. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant and overdue are assessed collectively, and a provision is formed for them according to the length of time overdue they are due.

3.7 Employees end of service benefits

The costs of employees' end-of-service plans and the present value of the end-of-service benefit obligations are determined using actuarial valuations. Actuarial valuations include assumptions that may differ from actual developments in the future. It includes determining the discount rate, future salary increases, mortality rate. Given the complexities involved in the valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at the reporting date.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, prompt settlement discounts, and volume rebates granted by the Company, if any.

Revenue comprises only the inflows of economic benefits arising from the Company's ordinary activities. Amounts collected on behalf of third parties, such as value-added tax (VAT) or other related taxes, are excluded from revenue. Where the inflow of cash or cash equivalents is deferred, and the arrangement effectively contains a financing component, revenue is measured at the present value of the future cash flows, discounted using the implicit interest rate.

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

The implicit rate is determined as the rate that either:

- Prevails in the market for similar instruments with equivalent credit ratings, or
- Discounts the nominal amount of the consideration to the cash price of the goods or services at the date of sale.

The difference between the nominal amount and the present value is recognized as interest income over the financing period.

The Company generates revenue primarily from arranging and advisory services. Revenue is recognized when the related work is performed, signifying the transfer of control over the service to the customer.

Depending on the nature of the contract, revenue is recognized either over time or at a point in time:

- Revenue is recognized over time when the customer simultaneously receives and consumes the benefits as the Company performs.
- Revenue is recognized at a point in time when control of the service or asset is transferred at a distinct moment.

3.9 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is 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 asset and liability simultaneously.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation in the future, and the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate and zakat rate reflects the current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as part of the finance costs in the profit or loss in the statement of comprehensive income.

3.11 Expenses

General and administrative expenses include direct and indirect expenses that are not directly related to sales costs. Expenses are distributed, if necessary, between general and administrative expenses and cost of sales on a consistent basis.

Expenses are classified according to their function, where additional information is disclosed about the nature of the expenses, including depreciation, amortization and staff costs.

3.12 Foreign currency transactions

Transactions in foreign currencies are recorded in Saudi Riyals at the rates ruling on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Non-monetary items are not retranslated at the year end and are measured at historical cost (translated at the rates of exchange at the date of the transaction) except for non-monetary items measured at fair value that are translated using the exchange rates at the date that the fair value was determined.

3.13 New standards and amendments on standards and interpretation

i) Standards, interpretations and amendments to accounting and reporting standards which are effective in current period

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

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

ii) New accounting standards, amendments and IFRS interpretations that are not yet effective:

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January, 2026 and earlier application is permitted; however, the Company has not early adopted them in preparing these Financial Statements. These amendments are not expected to have material impact in the Company's Financial Statements.

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

Standard / Interpretation	Description	Effective from periods beginning on or after the following date
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
New standard - IFRS 18	IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 01, 2027
New standard - IFRS 19	IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards	Clarification and amendments relating to various IFRSs under annual improvement program.	01 January 2026

The standards, interpretations, and amendments with an effective date of January 01, 2025 will not have any material impact on the Company's financial statements, whereas, for other above-mentioned standards, interpretations, and amendments, the Company is currently assessing the implications on the financial statements on adoption.

4. Material accounting policies

4.1 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 is:

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

All other assets are classified as non-current.

A liability is current when:

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

4.2 Related party transactions

A related party is a person or entity related to the Company whose financial statements are prepared.

A) If the person or a member of his family is closely related to the Company whose financial statements are prepared:

- Has control or joint control over the Company whose financial statements are prepared.
- Has significant influence over the Company whose financial statements are prepared.
- Is a member of the senior management of the Company whose financial statements are prepared.

B) If the entity is related to the Company whose financial statements are prepared if any of the following conditions are met:

- The entity and the Company whose financial statements are prepared are members of the same Company.
- One of the two companies is an associate or joint venture of the other Company (or an associate or joint venture of a member of a group of which the other Company is a member).

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

- Both companies are joint ventures of the same third party.
- One Company is a joint venture of a third Company and the other Company is an associate of the third Company.
- The Company establishes a post-employment benefit plan for the benefit of employees of any of the companies whose financial statements are prepared or a Company related to the Company whose financial statements are prepared. If the Company whose financial statements are prepared is the same as the Company that prepares the plans, the sponsoring business sponsors are also related to the Company whose financial statements are prepared.
- The Company is controlled or jointly controlled by a person specified in paragraph (a).
- The person specified in paragraph (a) has significant influence over the Company or is a member of the senior management of the Company.
- The Company or any member of a group of companies provides part of the services of the senior management personnel of the Company whose financial statements are prepared.

4.3 Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand and deposits with banks, all of which are available for use by the Company unless otherwise stated, have maturities of 90 days or less, and are subject to an insignificant risk of changes in value.

4.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment (if any). Depreciation is to be calculated on a straight-line basis over the estimated useful life of the asset as follows.

	Useful life
Fittings	2.5 years
Furniture & Fixtures	10 years
Equipment	4 Years

The assets' residual values, useful life and depreciation methods are reviewed, and adjusted prospectively as appropriate, if there is an indication of a significant change since the inception date.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Gain and loss on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income in the statement of profit or loss and other comprehensive income.

4.5 Financial instruments

The Company recognizes a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition, the Company must measure the financial asset or financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Except for a financial asset or financial liability at fair value through profit or loss.

Financial assets

IFRS 9 requires all financial assets to be classified and subsequently measured at either amortized cost or fair value. The classification depends on the business model for managing the financial asset and the contractual cash flow characteristics of financial asset, determined at the time of initial recognition financial assets are classified into the following specified categories under IFRS 9:

Financial assets at fair value through profit and loss (FVTPL).

Financial assets

Financial assets at fair value through profit or loss

Equity investment instruments are classified as FVTPL, unless the Company designates that investment as held for non-trading as FVTOCI on initial recognition.

4.6 Impairment and uncollectibility of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the profit or loss in the statement of comprehensive income. Impairment is determined as follows:

For assets carried at amortized cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the original effective interest rate.

The impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company would receive for the asset if it were to be sold at the reporting date.

4.7 General and administrative expenses

General and administrative expenses include direct and indirect costs that are not specifically related to cost of sales. Expenses are allocated on a straight-line basis between general and administrative expenses and cost of sales, if necessary. Selling and marketing expenses consist of costs incurred in connection with the marketing of the Company's products and services.

4.8 Employee benefits

End of Service benefits for employees

End of service benefits are calculated using the expected unit credit method at the end of each roster period. Remeasured net defined benefit obligations, which include actuarial gains and losses, are recognized immediately in the statement of financial position with an expense or credit recognized in the statement of other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are included immediately in retained earnings and are not included in the statement of profit or loss during subsequent periods. Changes in the present value of defined benefit obligations resulting from changes and reductions in plans are recognized directly in profit or loss as unrecorded past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net identifiable liabilities or assets. Defined benefit costs are classified as follows:

End of Service benefits for employees

- Service costs (including current service cost and past service cost, as well as gains and losses from reductions and modifications);
- Interest expense;
- And re-measurement

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

4.9 Trade receivables

Receivables are stated at the original invoice amount less the expected credit loss for trade receivables by applying the simplified approach to presenting expected credit losses specified in IFRS 9, which allows the use of a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables are categorised based on common credit risk characteristics and delays in collection. Furthermore, expected credit losses also include forward-looking information

4.10 Zakat provision

Zakat is calculated and a provision is made according to the Saudi Zakat regulation and is charged to profit or loss.

4.11 Cost of revenue

Cost of Revenue represents expenses directly related to the generation of revenue, including but not limited to salaries and benefits, and other direct costs.

4.12 Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except when the VAT incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of an expense item, as appropriate.

4.13 Revenue recognition

The Company recognizes revenue when a customer obtains controls of the goods at a point in time i.e. on delivery and acknowledgement of goods, using the five-step model. This includes:

Step 1: The Company accounts for a contract with a customer when:

- The contract has been approved and the parties are committed;
- Each party's rights are identified;
- Payment terms are defined;
- The contract has commercial substance; and
- Collection is probable.

Step 2: The Company identify all promised goods or services in a contract and determines whether to account for each promised good or service as a separate performance obligation. A good or service is distinct and is separated from other obligations in the contract if both:

- The customer can benefit from the good or service separately or together with other resources that are readily available to the customer; and
- the good or service is separately identifiable from the other goods or services in the contract.

Step 3: The Company determine the transaction price, which is the amount of consideration it expects to be entitled to in exchange for transferring promised goods or services to a customer.

Step 4: The transaction price in an arrangement is allocated to each separate performance obligation based on the relative standalone selling price of the good or service being provided to the customer.

Step 5: Revenue is recognized when control of the goods or services is transferred to the customer. The Company transfers a good or service when the customer obtains control of that good or service. A customer obtains control of a good or service if it has the ability to direct the use of and receive the benefit from the good or service.

Revenue shall be measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described above must also be met before revenue is recognized. Where there are no specific criteria, above policy will apply and revenue is recorded as earned and accrued.

Revenue from rendering services is recognized when contracted services are performed. Performance-based income is recognized, when the Company meets present performance targets. The component of billed revenue related to services not yet performed is deferred until the services are provided. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

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

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

For performance obligations, where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Where there are no specific criteria, above policy will apply and revenue is recorded as earned and accrued.

ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

5. Cash and cash equivalents

	As at December 31,
	2025
Cash at bank	1,574,196
Cash in hand	1,820
	<u>1,576,016</u>

6. Prepayments and other receivables

	As at December 31,
	2025
Prepaid rent	8,444
Others	2,273
	<u>10,717</u>

7. Property and equipment, net

	Leasehold Improvements	Furniture & Fixtures	Equipment's	Total
<u>Cost:</u>				
Opening balance	-	-	-	-
Additions	310,641	143,537	24,831	479,009
Balance as at December 31, 2025	<u>310,641</u>	<u>143,537</u>	<u>24,831</u>	<u>479,009</u>
<u>Accumulated depreciation:</u>				
Opening balance	-	-	-	-
Charge for the period	62,155	8,259	4,278	74,692
Balance as at December 31, 2025	<u>62,155</u>	<u>8,259</u>	<u>4,278</u>	<u>74,692</u>
<u>Net book value:</u>				
December 31, 2025	<u>248,486</u>	<u>135,278</u>	<u>20,553</u>	<u>404,317</u>

8. Right of use asset

As at December 31, 2025

<u>Cost:</u>	
Opening balance	-
Additions	857,888
Balance as at December 31, 2025	<u>857,888</u>
<u>Accumulated depreciation:</u>	
Opening balance	-
Charge for the period	(350,526)
Balance as at December 31, 2025	<u>(350,526)</u>
<u>Net book value:</u>	
December 31, 2025	<u>507,362</u>

Lease liability **As at December 31, 2025**
Movement of lease liability is as follows

Opening balance	-
Additions	857,888
Liability paid	(456,000)
Interest accrued	35,696
As at 31 December	<u>437,584</u>
Non-current portion of lease liability	-
Current portion of lease liability	437,584
	<u>437,584</u>

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

9. Accruals and other payables

	As at December 31, 2025
Professional fee	40,000
VAT payable	23,017
Others	88,983
	152,000

10. Due to related party

Transactions with related party represent transactions with partners and companies in which the shareholders have significant shares and senior management personnel. All transactions with related parties are approved by the management and performed on fair condition option.

The following is a summary of balance with related party that appear in the statement of financial position:

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	As at December 31, 2025
		Expenses paid on behalf of the Company	600,724
Asas Capital Limited	Parent Company	Repayment	(51,480)
		Revenue	(250,000)

10.1 Due to Related party

	As at December 31, 2025
Asas Capital Limited	299,244
	299,244

10.2 Senior management compensation:

The following details of remuneration and compensation paid to senior management personnel:

	As at December 31, 2025
Salaries and compensation	539,531
End of service benefits	20,528
	560,059

11. Zakat and tax provision

Provision for Zakat and tax:

Provision for zakat has been made at 2.577683% of the higher of approximation zakat base or adjusted net income and 2.5% on adjusted net income attributable to the Saudi shareholders of the Company. Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Company.

The movement in Zakat provision for the period ended 31 December 2025 is as follows:

	As at December 31, 2025
Balances as at the beginning of the period	-
Provision for zakat during the period	6,664
Payment during the period	-
Balance as at the end of the period	6,664

ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

(a) Provision for zakat

The provision for zakat has been computed as follows:

	For the period from inception on January 21, to December 31, 2025
Net Loss	(1,417,155)
Additions:	
Equity	1,882,089
Liabilities and their equivalents	26,739
Adjustments to net profit	36,915
Deductions:	
Non-current assets and their equivalents	(911,679)
Total Base (Additions – Deductions)	1,034,064
Saudi Share 25%	258,516
Minimum Zakat Base according to Article 27	(345,060)
Maximum Zakat Base according to Article 28	479,751
Approved Zakat Base	258,516
Zakat Due (Saudi Share Base 25% × Zakat Rate 2.577683%)	6,664
Minimum threshold according to Article (27-C-1)	(345,060)
Non-deducted Assets	396,683
Plus	
The difference between net profit and adjusted profit	-
minimum -threshold equation according to Article (27) (Represents undeducted assets plus the difference between net profit and adjusted profit, or the adjusted zakat profit — whichever is lower)	(345,060)
maximum threshold (Equation Article 28) equity and its equivalents according to the statement of financial position, along with any item reclassified to become part of equity, plus the difference between the book net profit and the adjusted profit.	479,751
Since the zakat base falls between the minimum and maximum thresholds, it is the one used for the Zakat calculation	258,516

(b) Provision for income tax

The provision for income tax has been computed as follows:

	For the period from inception on January 21, to December 31, 2025
Net Loss	(1,417,155)
Provisions	26,739
Depreciation Differences	399,404
Other Adjustments	36,915
Adjusted Taxable Net Profit (Loss)	(954,097)
Non-Saudi Share of Adjusted Net Profit (Loss): 75%	(715,573)
Tax Provision: 20%	-

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

(c) Shareholding subject to Zakat and income tax

The following is the shareholding percentage:

	For the period from inception on January 21, to December 31, 2025
Shareholding subject to zakat	25%
Shareholding subject to income tax	75%

12. Employees' benefit obligation

	As at December 31, 2025
Balance as at the beginning of the period	-
Current service cost	25,520
Interest cost	1,219
Benefits paid	-
Remeasurement gain on defined benefit obligations	-
At the end of the period	26,739

The expense charged to profit or loss comprise of:

Current service cost	25,520
Interest cost	1,219
Total cost	26,739

Acturial Assumptions

	As at December 31, 2025
Number of employees	6
Salary increases	10 %
Discount rate	5.50%

Sensitivity analysis of defined benefit obligation

The sensitivity analysis below has been determined based on reasonably possible changes in the respective assumptions occurring at the reporting date, while holding all other assumptions constant.

Description	As at December 31, 2025
Discount rate + 0.5%	(3,981)
Discount rate - 0.5%	3,752
Salary increase rate 0.5%	2,560
Salary decrease rate (0.5%)	(2,496)

13. Share capital

The authorized share capital is set at 10,000,000 Saudi Riyals. Of this, the Company's issued share capital amounts to 3,000,000 Saudi Riyals, comprising 300,000 equity shares with a par value of 10 Saudi Riyals each.

The distribution of capital is as follows:

Name	Number of shares	Per share value	Total
Asas Capital Limited	225,000	10	2,250,000
Abdulkarim bin Hamad bin Abdulkarim Al-Nujadi	75,000	10	750,000
	300,000	10	3,000,000

ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025
(SAUDI RIYALS)

14. Cost of revenue

	For the period January 21, 2025 to December 31, 2025
Salaries, wages, and other benefits	412,788
Rent expense	34,176
Legal and professional fees	181,276
Government and license fees	120,958
Depreciation of property and equipment	42,574
Depreciation of right of use asset	199,800
Insurance	40,797
GOSI	28,297
Utilities	18,882
Employee's benefit obligation	14,546
Travelling expense	13,309
Other expenses	88,247
	1,195,650

15. General and administrative expenses

	For the period January 21, 2025 to December 31, 2025
Salaries, wages, and other benefits	311,402
Rent expense	25,782
Legal and professional fees	136,752
Government and license fees	91,249
Depreciation of property and equipment	32,117
Depreciation of right of use asset	150,726
Insurance	30,776
GOSI	21,347
Utilities	14,244
Employee's benefit obligation	10,974
Travelling expense	10,040
Other expenses	66,572
	901,981

16. Financial charges

	For the period January 21, 2025 to December 31, 2025
Interest expense on End of service benefits	1,219
Interest expense on lease	35,696
	36,915

17. Risk management

Risk management objectives and policies

The Company is exposed to various financial risks due to its activities including: market risk (including currency risk and price risk) credit risk, and liquidity risk. The Company's comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize potential negative impacts on the Company's financial performance.

Senior management is responsible for risk management. The main risks are currency risk, price risk, credit risk, and liquidity risk. Financial instruments included in the statement of financial position include cash and cash equivalents, due to a related party, other current receivables, accrued expenses. The specific recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial assets and liabilities are offset and the net amounts reported in the financial statements when the Company has a legally enforceable

**ASAS GULF CAPITAL COMPANY
(JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

right to set off the recognized amounts and intends either to settle on a net basis or to recognize the asset and liability simultaneously.

The Company is not actively involved in trading financial assets for speculative purposes nor does it issue options. The impact of disclosures of financial assets and financial liabilities in accordance with the fair value hierarchy is not considered material.

The most important financial risks to which the Company is exposed are described below:

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices include three types of risks: interest rate risk, currency risk, and other price risks such as stock price risk and commodity price risk.

Foreign exchange risks

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are mainly in Saudi Riyals. Management monitors changes in currency rates and believes that currency risk is not significant.

The Company's management does not enter into a futures agreement to hedge currency risks. However, the Company has policies and procedures to manage risks related to foreign exchange rates.

Price risk

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

Credit risk

Credit risk is the failure of one party to a financial instrument to fulfill its obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk from its operating activities primarily accounts receivable.

The Company has credit policies that outline how to deal with parties capable of debt repayment and obtain appropriate guarantees, when necessary, as a means to mitigate the financial losses resulting from defaults in debt repayment. The Company regularly monitors credit ratings for debtors and the volume of transactions with these parties over the period/year. Continuous assessment of credit is conducted regarding the economic conditions and circumstances of the debtor party. However, credit risks are not considered significant. The values represented by financial assets in the financial statements represent the maximum exposure ratios of the Company to credit risks.

Company's exposure to credit risk as at 31 December is as follows:

Financial Assets	For the period January 21, 2025 to December 31, 2025
Cash and cash equivalents	1,576,016
	<u><u>1,576,016</u></u>

Liquidity risk

Liquidity risk is represented in the Company's inability to secure the necessary liquidity to meet commitments related to financial instruments as they fall due. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Company's Board of Directors adopts a general framework for managing liquidity risks because the Company's Board of Directors is responsible for risk management and the Company maintains an appropriate reserve, bank facilities, and borrowing facilities by monitoring cash flows and matching them with the maturity dates of financial assets and liabilities.

The contractual maturities of non-derivatives financial liabilities with short term maturity are as follows:

Financial Liabilities	For the period January 21, 2025 to December 31, 2025
Accruals and other payables	152,000
Due to related party	299,244
Current portion of lease liability	437,584
	<u><u>888,828</u></u>

ASAS GULF CAPITAL COMPANY

(JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCEPTION ON JANUARY 21, 2025 TO DECEMBER 31, 2025

(SAUDI RIYALS)

18. Subsequent Event

The management believes that there are no significant subsequent events since the date of the statement of financial position on December 31, 2025 and until the date of approval of the financial statements that may have a material impact on the financial position of the Company appearing in these financial statements.

19. Approval of Financial Statements

These financial statements were approved by the Board of Directors on 25 Shawwal 1447H (Corresponding to 13 April 2026).