

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SICO Capital Company (A Saudi Closed Joint Stock Company)

Opinion

We have audited the financial statements of SICO 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, 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 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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. 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 Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance i.e., the Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SICO Capital Company (A Saudi Closed Joint Stock Company) (Continued)

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

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.

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.

for Ernst & Young Professional Services

Fahad M. Altoaimi
Certified Public Accountant
License No. (354)



Riyadh: 09 Ramadhan 1447H
26 February 2026G

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 ريال	2024 ريال
ASSETS			
Cash and cash equivalents	<i>11</i>	35,001,629	12,456,656
Financial assets at fair value through profit or loss (FVTPL)	<i>7</i>	19,126,957	13,874,902
Financial assets at amortized cost	<i>8</i>	17,553,451	20,322,450
Fees receivable, net	<i>9</i>	16,806,255	15,789,971
Other assets	<i>10</i>	3,634,454	4,100,102
Property and equipment	<i>4</i>	1,301,122	2,221,058
Intangible assets	<i>6</i>	2,215,206	22,201
Right of use assets	<i>5</i>	926,604	1,720,837
TOTAL ASSETS		96,565,678	70,508,177
EQUITY AND LIABILITIES			
LIABILITIES			
Accrued expenses and other liabilities	<i>14</i>	18,380,863	15,847,973
TOTAL LIABILITIES		18,380,863	15,847,973
EQUITY			
Share capital	<i>12</i>	100,000,000	60,000,000
Statutory reserve	<i>13</i>	-	2,982,253
Accumulated losses		(21,815,185)	(8,322,049)
TOTAL EQUITY		78,184,815	54,660,204
TOTAL EQUITY AND LIABILITIES		96,565,678	70,508,177

Chairman

Vice Chairperson

Chief Executive Officer

The attached notes from 1 to 28 form an integral part of these financial statements.

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 س.م	2024 س.م
OPERATING INCOME			
Net fee income	<i>15</i>	24,954,017	31,990,201
Net Interest income	<i>18</i>	3,119,065	1,701,090
Brokerage and other income	<i>17</i>	2,066,305	3,136,759
Net investment income / (loss)	<i>16</i>	886,194	(223,326)
TOTAL OPERATING INCOME		31,025,581	36,604,724
OPERATING EXPENSES			
Staff costs	<i>19</i>	28,437,538	27,965,729
Other operating expenses	<i>20</i>	17,705,194	15,594,440
TOTAL OPERATING EXPENSES		46,142,732	43,560,169
LOSS FOR THE YEAR BEFORE ZAKAT		(15,117,151)	(6,955,445)
Zakat	<i>21</i>	(1,612,409)	(937,647)
NET LOSS FOR THE YEAR		(16,729,560)	(7,893,092)
OTHER COMPREHENSIVE INCOME/LOSS:			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurements of employees' end-of-service benefits		254,171	-
TOTAL COMPREHENSIVE LOSS		(16,475,389)	(7,893,092)

Chairman

Vice Chairperson

Chief Executive Officer

The attached notes from 1 to 28 form an integral part of these financial statements.

SICO CAPITAL COMPANY

(A Saudi Closed Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital</i> ﷲ	<i>Statutory Reserve</i> ﷲ	<i>Accumulated losses</i> ﷲ	<i>Total</i> ﷲ
Balance at 1 January 2025	60,000,000	2,982,253	(8,322,049)	54,660,204
Increase in Share Capital	40,000,000	-	-	40,000,000
Transfer of statutory reserve	-	(2,982,253)	2,982,253	-
Net loss for the year	-	-	(16,729,560)	(16,729,560)
Other comprehensive income for the year	-	-	254,171	254,171
Total comprehensive loss for the year	-	-	(16,475,389)	(16,475,389)
Balance at 31 December 2025	100,000,000	-	(21,815,185)	78,184,815
Balance at 1 January 2024	60,000,000	2,982,253	(428,957)	62,553,296
Net loss for the year	-	-	(7,893,092)	(7,893,092)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(7,893,092)	(7,893,092)
Balance at 31 December 2024	60,000,000	2,982,253	(8,322,049)	54,660,204

Chairman

Vice Chairperson

Chief Executive Officer

The attached notes from 1 to 28 form an integral part of these financial statements.

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

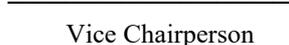
STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before zakat for the year	(15,117,151)	(6,955,446)
<i>Adjustments for:</i>		
Depreciation & amortization	20 1,744,632	1,741,615
Net unrealized gain on investments at FVTPL	16 (305,137)	(222,929)
Net realized loss on investments at FVTPL	-	1,328,250
Write off other receivables	48,877	6,039
Finance cost on lease rental	42,559	79,028
Provision for employees' end of service benefits	19 1,036,431	1,412,872
Provision for employee stock option plan	19 485,697	-
Accretion of discount on investment held at amortized cost	8 (169,131)	(307,496)
Provision for expected credit loss	9 3,271,807	128,000
Operating loss before changes in operating asset and liabilities	(8,961,416)	(2,790,067)
<i>Changes in operating assets and liabilities:</i>		
Decrease in fee receivable	(4,288,091)	(3,571,568)
Increase / (decrease) in other receivables	416,770	(1,865,765)
Increase in liabilities	2,653,688	2,036,013
Employees' end of service benefits paid	(1,174,208)	(137,496)
Zakat Paid	21 (1,010,119)	(1,587,493)
Net cash used in operating activities	(12,363,376)	(7,916,376)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to intangible assets	6 (2,199,750)	-
Additions to property and equipment	4 (23,717)	(298,452)
Purchase of investments held at FVTPL	(5,000,000)	(10,000,000)
Proceeds from sale of financial assets held at FVTPL	53,082	12,450,000
Proceeds from investment held at amortized cost	8 15,831,000	-
Purchase of investment held at amortized cost	8 (12,892,869)	-
Net cash (used in) / generated from investing activities	(4,232,254)	2,151,548
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital increase	40,000,000	-
Lease liability paid	(859,395)	(859,395)
Net cash generated from / (used in) financing activities	39,140,605	(859,395)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	22,544,973	(6,624,223)
Cash and cash equivalents at beginning of the year	12,456,656	19,080,879
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	35,001,629	12,456,656



Chairman



Vice Chairperson



Chief Executive Officer

The attached notes from 1 to 28 form an integral part of these financial statements

SICO CAPITAL COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. ACTIVITIES

SICO Capital Company (“the Company”), is a Saudi Closed Joint Stock Company, established and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010259328 and unified No. 7001575344 on 29 Rabi Al Awwal 1438H (corresponding to 28 December 2016). The Company’s registered office is located at the following address:

5th floor, CMC Tower,
P.O Box 54488
7702 King Fahad Road, Al Malqa District 4204
Riyadh Saudi Arabia

The principal activities of the Company are dealing, managing investments and operating funds, arranging, advising and custody services as per the license of the Capital Market Authority ("CMA") number 37-08096 dated 26 Muharram 1431H (corresponding to 12 January 2010).

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants (“SOCPA”) and in compliance with the provisions of the Regulations for Companies in the Kingdom of Saudi Arabia.

The new Companies Law issued through Royal Decree M/132 dated 1/12/1443H (corresponding to June 30, 2022) (hereinafter referred to as “the Law”) came into force on 26/6/1444H (corresponding to January 19, 2023). The Company has updated and amended its Articles of Association in line with the provisions of the Law, and the amended Articles have been duly approved by the shareholders. Accordingly, the Company is in compliance with the applicable provisions of the new Company’s Law.

2.2 *Basis of measurement*

These financial statements have been prepared under the historical cost convention except for fair value of financial assets held at fair value through profit or loss. Furthermore, the employees’ benefit obligation is measured at present value of the defined benefit obligation. The company has a clearly identifiable operating cycle and presents current and non-current assets and liabilities separately in the statement of financial position.

2.3 *Going Concern*

Company’s management has made an assessment of its ability to continue as a going concern and it is satisfied that it has sufficient financial resources and that it will be able to continue as a going concern in the foreseeable future. Furthermore, the Company and the management are not aware of any other material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements are prepared on going concern basis.

2.4 *Functional and presentation currency*

These financial statements are presented in Saudi Arabian Riyals (“**ر.س.**”), which is also the functional currency of the Company.

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2. BASIS OF PREPARATION (CONTINUED)

2.5 Standard amendments issued and effective

The following standards, interpretations or amendments, are effective from the current year and adopted by the Company, however, these do not have significant impact on the financial statements of the Company.

Standard, interpretation and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

2.6 Significant standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2025. The Company has opted not to early adopt these pronouncements and is in the process of assessing the impact on the financial statements of the Company.

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

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant standards issued but not yet effective (continued)

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of the financial statements are consistent with those used and disclosed in the annual financial statements for the year ended 31 December 2024.

3.1 Leases

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right of Use Assets ("ROU")

The Company applies the cost model, and measures right of use asset at cost;

- Less any accumulated depreciation and any accumulated impairment losses; and
- Adjusted for any re-measurement of the lease liability for lease modifications.

Generally, ROU asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, and other expenses related to transaction etc. then these need to be added to the ROU asset value.

Lease Liability

On initial recognition, the lease liability is the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate.

After the commencement date, Company measures the lease liability at amortized cost using the effective interest method by:

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

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.4 Foreign currencies transactions and balances

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the exchange rates prevailing at the dates of the transaction. Assets and liabilities denominated in foreign currencies at the period-end are translated into Saudi Arabian Riyals at the exchange rates prevailing at the statement of financial position date. Realized and unrealized gains or losses on exchange are credited or charged to the statement of profit or loss.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments with original maturities of three months or less from the purchase date.

3.6 Current vs. non-current classification

The Company has chosen to present its assets and liabilities in the Statement of Financial Position based on their order of liquidity.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of intangible assets is calculated on a straight-line basis over the estimated useful life of 3-5 years.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The Company reviews its intangibles on an annual basis to determine whether an impairment loss should be recorded in the statement of profit or loss, where assumptions and judgements are made in computing the recoverable value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

3.8 Revenue recognition

The Company recognizes revenue as and when the performance obligations are met. The Company has the following streams of revenue:

Asset management fees

Asset management fees are recognized based on a fixed percentage subject to applicable terms and conditions and/or agreements. The Company attributes the revenue from management fees to the services provided during the period, because the fee relates specifically to the Company's efforts to transfer the services for that period. As asset management fees are not subject to claw backs, the management does not expect any significant reversal of revenue previously recognized.

Brokerage commission

Brokerage commission is recognized when the related transactions are executed by the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the customer carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments.

SICO CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income from corporate finance advisory

Income from corporate finance advisory assignments is recognized, when services are determined to be completed in accordance with the underlying agreement, agreed with the customer and invoiced, as generally set for under the terms of the engagement.

Special commission income from margin lending

Special commission income from margin lending is recognized on an accrual basis based on effective commission rate method.

Fee from non-discretionary portfolio management

Fee from non-discretionary portfolio management represents fee from Murabaha arrangements which relates to commission earned upfront based on service performed relating to Murabaha arrangement for customers. The income is recognized upfront upon performance of services.

Special commission income from Murabaha deposits

Income from Murabaha deposits is recognized on an accrual basis based on effective commission rate method.

Interest income and expense

Interest income and expense is recognised in the statement of profit or loss as it accrues, using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The effective rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Net gain / (loss) from financial assets at fair value through profit or loss

This includes all gains and losses from changes in fair values and disposal of financial instruments measured at fair value through profit or loss.

3.9 Employees' end of service benefits

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plans are not funded. Accordingly, valuations of the obligations under the plan are carried out internally based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in statement of profit or loss while unwinding of the liability at discount rates used are recorded in profit or loss. Any changes in net liability due to valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

3.10 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

- Leasehold improvements 5 Years
- Furniture and fixtures 5 Years
- Office equipment and computers 5 Years

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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Classification and measurement of financial assets

On initial recognition, the Company classifies its financial assets in the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through statement of profit or loss (FVTPL)

Measurement

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

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit and loss.

Factors considered by the Company in determining the business model for a group of assets include:

- Past experience on how the cash flows for these assets were collected;
- How the asset's performance is internally evaluated and reported to key management personnel;
- How risks are assessed and managed; and
- How managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the "SPPI" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. Profit earned from these financial assets is recognized in the statement of profit or loss using the effective commission rate method.

Fair value through profit or loss (FVTPL): If debt instrument's cash flows do not represent solely SPPI or if it not held within the held to collect or the held to collect and sell business model, or if it is designated at FVTPL, then it is measured at FVTPL. A gain or loss on Financial assets measured at FVTPL is recognized in the statement of profit or loss, in the period in which it arises. Special commission income earned from these financial assets is recognized in the statement of profit or loss using the effective commission rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from statement of changes in equity to statement of profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Equity instruments

The Company measures all equity Financial assets at FVTPL, except where the Company has elected, at initial recognition, to irrevocably designate an equity Financial assets at FVOCI. The Company's policy is to designate equity Financial assets as FVOCI when those investments are held for purposes other than to trade.

When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the statement of profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Dividends, when representing a return on such investments, continue to be recognized in the statement of profit or loss when the Company's right to receive payments is established.

Fair value of financial instruments

Estimates are also made in determining the fair values of financial assets and derivatives that are not quoted in an active market. Such estimates are necessarily based on assumptions about several factors involving varying degrees of uncertainty and actual results may differ resulting in future changes in such estimates.

Measurement of ECL

The assessment of whether credit risk on a financial asset has increased significantly since initial recognition, and the incorporation of forward-looking information in the measurement of expected credit losses ("ECL"), involve the use of estimates and judgment. ECL calculations are outputs of models that incorporate a number of underlying assumptions. In preparing the financial statements, management has exercised judgment in applying the Company's accounting policies, and these judgments represent management's best assessment based on available and observable information..

3.12 Financial instruments and Risk management

Effective risk management is of primary importance to the Company. Risks include market risk (primarily foreign exchange risk, price risk and commission rate risk), credit risk, liquidity risk, fair value risk and operational risk. The Company ensures that it is conservatively capitalized relative to its risk levels, as well as external requirements and benchmarks.

Financial instruments carried on the statement of financial position include Financials assets at FVTPL & Amortized cost, Fees receivables, and Other liabilities. The recognition methods adopted are disclosed in the company policies. Financial assets and liabilities are offset, and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

3.12.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Foreign exchange risk

Foreign exchange 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 principally in Saudi Riyals and US Dollars. Management monitors the exposures and fluctuations in foreign exchange rates and believes that the foreign exchange risk is not significant.

Commission rate risk

Commission rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial positions and cash flows. The Company's commission rate risks arise mainly from its financial assets held at amortised cost and Murabaha deposits with Banque Saudi Fransi. The Company's financial assets at amortised cost and short-term deposits are held at fixed commission rates. The Company on regular basis monitor changes in the commission rates and acts accordingly

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Commission rate risk	<i>Within 3 months</i>	<i>3-12 Months</i>	<i>Over 1 year</i>	<i>Non- commission bearing</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2025					
Current assets					
Cash at bank	-	-	-	1,965,441	1,965,441
Overnight deposit & Cash collateral with CCP	33,036,188	-	-	-	33,036,188
Financial assets held at fair value through profit or loss	-	-	-	19,126,957	19,126,957
Financial assets held at amortized cost	-	-	17,553,451	-	17,553,451
Fee receivable	-	-	-	16,806,255	16,806,255
Total assets	33,036,188	-	17,553,451	37,898,653	88,488,292
Accrued expenses and other liabilities	-	-	-	18,380,863	18,380,863
Total shareholders' equity	-	-	-	78,184,815	78,184,815
Total liabilities and shareholders' equity	-	-	-	96,565,678	96,565,678
Total commission rate sensitivity gap	33,036,188	-	17,553,451	(58,667,025)	(8,077,386)
Cumulative commission rate sensitivity gap	33,036,188	33,036,188	50,589,639	(8,077,386)	-

Commission rate risk	<i>Within 3 months</i>	<i>3-12 Months</i>	<i>Over 1 year</i>	<i>Non- commission bearing</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2024					
Current assets					
Cash at bank	-	-	-	1,456,656	1,456,656
Overnight deposit & Cash collateral with CCP	11,000,000	-	-	-	11,000,000
Financial assets held at fair value through profit or loss	-	-	-	13,874,902	13,874,902
Financial assets held at amortized cost	10,889,190	4,878,620	4,554,640	-	20,322,450
Fee receivable	-	-	-	15,789,971	15,789,971
Total assets	21,889,190	4,878,620	4,554,640	31,121,529	62,443,979
Accrued expenses and other liabilities	-	-	-	15,847,973	15,847,973
Total shareholders' equity	-	-	-	54,660,204	54,660,204
Total liabilities and shareholders' equity	-	-	-	70,508,177	70,508,177
Total commission rate sensitivity gap	21,889,190	4,878,620	4,554,640	(39,386,648)	(8,064,198)
Cumulative commission rate sensitivity gap	21,889,190	26,767,810	31,322,450	(8,064,198)	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 Financial instruments and Risk management (continued)

3.12.1 Market risk (continued)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company is exposed to market risk with respect to its investments in mutual funds. The Company limits market risks by only investing in the mutual funds managed by the Company.

Management's best estimate of the effect on statement of profit or loss for a year due to a reasonably possible change in NAV, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent increase/decrease shown below would result in an equivalent, but opposite, impact.

Variable	Change in NAV%	<i>Effect on statement of profit or loss for the years ended</i>	
		31 December 2025 ±	31 December 2024 ±
Net Asset Value (NAV)	±5	± 956,348	± 693,745

3.12.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on cash at bank, Murabaha deposits and account receivables as follows:

	Notes	<i>As at 31 December</i>	
		2025 ±	2024 ±
Cash at bank	11	1,965,441	1,456,656
Overnight deposit & Cash collateral with CCP	11	33,036,188	11,000,000
Financial assets held at amortized cost	8	17,553,451	20,322,450
Fee receivables, net	9	16,806,255	15,789,971
Total		<u>69,361,335</u>	<u>48,569,077</u>

Cash and deposits are placed with Banque Saudi Fransi, having sound credit rating. Financial assets held at amortized costs are exposures to the domestic sovereign debt. Fees receivables comprise of management fees from funds managed by the company and performance fees from the company's discretionary portfolio management clients having low credit risk.

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For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 Financial instruments and Risk management (continued)

3.12.2 Credit risk (continued)

Credit quality analysis

The following table sets out the credit analysis for financial assets as at 31 December 2025.

	Investment grade ﷲ	Unrated ﷲ	Total ﷲ
Financial assets			
Cash and cash equivalents	1,965,441	-	1,965,441
Overnight deposit & Cash collateral with CCP	33,036,188	-	33,036,188
Financial assets held at amortized cost	17,553,451	-	17,553,451
Fee receivable, net	-	16,806,255	16,806,255
Total	52,555,080	16,806,255	69,361,335

The following table sets out the credit analysis for financial assets as at 31 December 2024.

	Investment grade ﷲ	Unrated ﷲ	Total ﷲ
Financial assets			
Cash and cash equivalents	1,456,656	-	1,456,656
Overnight deposit & Cash collateral with CCP	11,000,000	-	11,000,000
Financial assets held at amortized cost	20,322,450	-	20,322,450
Fee receivable, net	-	15,585,763	15,789,971
Total	32,779,106	15,585,763	48,569,077

3.12.3 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 to meet any future commitments.

The Company's liquidity management process is as follows:

- Day-to-day funding, managed by Finance department to ensure that requirements can be met, and this includes replenishment of funds as they mature or are invested:
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements
- Managing the concentration and profile of debt maturities
- Liquidity management and asset and liability mismatching

The following analyses the Company's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows. Balances due equal their carrying amounts.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

	Due within 1 year ﷲ	Due after 1 year ﷲ
31 December 2025		
Accrued expenses and other liabilities	18,372,167	8,696
Total	18,372,167	8,696
31 December 2024		
Accrued expenses and other liabilities	14,992,819	855,154
Total	14,992,819	855,154

3.12.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company manages operational risk within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective of managing operational risk is to ensure that adequate controls are in place to protect the assets and reputation of the Company and to minimise the potential for financial loss.

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

These tools include a loss database of operational risks events categorised according to CMA Prudential Rules, business lines, operational risk event types, implementation of a risk and control self-assessment process to analyse business activities and identify operational risks related to those activities. The management of operational risk has a key objective of minimising the impact of losses that could be suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering unexpected losses. High impact risks and issues of critical importance are reported to the Risk Committee along with root cause analysis and corrective actions.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4. PROPERTY AND EQUIPMENT

	<i>Leasehold improvement</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Computers</i>	<i>Total</i>
<u>Cost</u>					
Balance as at 1 January 2025	2,718,953	30,572	1,302,229	579,087	4,630,841
Additions during the year	-	-	-	23,717	23,717
Disposals during the year	(10,300)	-	(61,683)	(3,564)	(75,547)
Balance as at 31 December 2025	2,708,653	30,572	1,240,546	599,240	4,579,011
<u>Accumulated depreciation</u>					
Balance as at 1 January 2025	1,482,697	14,301	695,481	217,303	2,409,782
Charge for the year	547,798	5,362	279,404	111,090	943,654
Disposals	(10,300)	-	(61,683)	(3,564)	(75,547)
Balance as at 31 December 2025	2,020,195	19,663	913,202	324,829	3,277,889
<u>Net book value</u>					
As at 31 December 2025	688,458	10,909	327,344	274,411	1,301,122
<u>Cost</u>					
Balance as at 1 January 2024	2,718,953	165,670	1,524,789	4,430,137	8,839,549
Additions during the year	-	-	20,900	277,552	298,452
Disposals during the year	-	(135,098)	(243,460)	(4,128,602)	(4,507,160)
Balance as at 31 December 2024	2,718,953	30,572	1,302,229	579,087	4,630,841
<u>Accumulated depreciation</u>					
Balance as at 1 January 2024	938,907	132,466	678,500	4,260,050	6,009,923
Charge for the year	543,790	16,933	258,407	84,416	903,546
Disposals	-	(135,098)	(241,647)	(4,126,941)	(4,503,686)
Balance as at 31 December 2024	1,482,697	14,301	695,260	217,525	2,409,783
<u>Net book value</u>					
As at 31 December 2024	1,236,256	16,271	606,969	361,562	2,221,058

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. RIGHT OF USE ASSETS

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Balance as at 1 January	1,720,837	2,515,070
Depreciation for the year	(794,233)	(794,233)
Balance at 31 December	926,604	1,720,837

6. INTANGIBLE ASSETS

			<i>31 December 2025</i>	<i>31 December 2024</i>
			<i>ﷲ</i>	<i>ﷲ</i>
	<i>Software</i>	<i>Work in Progress</i>	<i>Total</i>	<i>Total</i>
Cost:				
Balance as at 1 January	176,164	-	176,164	4,616,015
Addition during the year	-	2,199,750	2,199,750	-
Disposal during the year	-	-	-	(4,439,851)
Balance at 31 December 2025	176,164	2,199,750	2,375,914	176,164
Accumulated amortization:				
Balance as at 1 January	153,963	-	153,963	4,482,940
Charge for the year	6,745	-	6,745	43,835
Disposal during the year	-	-	-	(4,372,812)
Balance at 31 December	160,708	-	160,708	153,963
Net book value:				
Balance at 31 December 2025	15,456	2,199,750	2,215,206	22,201

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

As at 31 December 2025, financial assets classified as FVTPL comprises of investments in units of SICO Money Market Fund and Flow Mena Residential Real Estate Fund 1. These Funds are managed by the Company. No pledge was made against these investments.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Investment securities are classified as follows:		
Investments held at FVTPL	19,126,957	13,874,902
Total	19,126,957	13,874,902

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7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)(CONTINUED)

The particulars of the investments held are as follows:

	<i>31 December</i> 2025 S	<i>31 December</i> 2024 S
Mutual Funds		
Flow Mena Residential Real Estate Fund 1	10,005,800	10,000,000
SICO Money Market Fund	9,121,157	3,821,820
Riyadh Real Estate Fund	-	53,082
	<u>19,126,957</u>	<u>13,874,902</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	<i>31 December</i> 2025 S	<i>31 December</i> 2024 S
Opening balance	20,322,450	20,014,953
Purchase during the year	12,892,869	-
Sold during the year	(15,831,000)	-
Accretion of discount	169,132	307,497
	<u>17,553,451</u>	<u>20,322,450</u>

Investments at amortised cost include investments in sovereign issuances and corporate tier 1 sukuk which are held to maturity. All sukuk investments are classified under Stage 1, as these are investment-grade and there were no transfers between the stages during the year. Accordingly, the expected credit loss (ECL) recognized on these sukuk is assessed to be immaterial.

9. FEES RECEIVABLE, NET

	<i>31 December</i> 2025 S	<i>31 December</i> 2024 S
Structuring	1,300,000	2,300,000
Subscription fee	-	115,000
Debt arranging fee	7,572,980	7,572,980
Management fees	11,006,509	5,721,446
Admin fees	326,766	140,373
Custody fees	-	68,365
	<u>20,206,255</u>	<u>15,918,164</u>
Total		
Less: Expected credit loss	(3,400,000)	(128,193)
	<u>16,806,255</u>	<u>15,789,971</u>

At 31 December 2025, the ECL carried over fee receivables is S 3.27m (2024: S 128k). The movement represents net remeasurement of ECL during the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10. OTHER ASSETS

	<i>31 December 2025</i>	<i>31 December 2024</i>
	S	S
Other receivables	935,341	2,145,939
Prepaid expenses	2,262,951	1,695,068
Interest receivables	436,162	259,095
	<u>3,634,454</u>	<u>4,100,102</u>

11. CASH AND CASH EQUIVALENTS

		<i>31 December 2025</i>	<i>31 December 2024</i>
		S	S
Cash and bank balances	<i>11.1</i>	1,965,441	1,456,656
Over-night deposit		28,036,188	11,000,000
Cash collateral with central clearing house		5,000,000	-
Total		<u>35,001,629</u>	<u>12,456,656</u>

11.1 As of date, the Company's balance with banks is held in current accounts and does not earn profit.

12. EQUITY

The Company's share capital structure as at 31 December 2025 and 31 December 2024 is as follows:

Authorized share capital 2025	Ownership	No. of shares	Amount (S)
SICO BSC (c) ("the Parent")	100%	10,000,000	100,000,000
Total	<u>100%</u>	<u>10,000,000</u>	<u>100,000,000</u>
Authorized share capital 2024	Ownership	No. of shares	Amount (S)
SICO BSC (c) ("the Parent")	100%	6,000,000	60,000,000
Total	<u>100%</u>	<u>6,000,000</u>	<u>60,000,000</u>

13. STATUTORY RESERVE

The requirement to maintain a statutory reserve under Article 129 of the previous Saudi Companies Law was removed with the issuance of the new Saudi Companies Law. Following the update of the Company's Articles of Association and the approval of the Board of Directors and the Extraordinary General Meeting (EGM), the statutory reserve of S 2.98 million was transferred to retained earnings during the year.

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For the year ended 31 December 2025

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>31 December</i> 2025	<i>31 December</i> 2024
	S	S
Accrued expenses	11,653,319	7,196,811
Provision for Labour law and staff obligation (note 24)	2,488,689	2,565,663
Employee share incentive scheme liability	170,722	-
Other payables	2,511,033	5,130,689
Zakat liability (note 21)	1,557,100	954,810
	<u>18,380,863</u>	<u>15,847,973</u>

15. NET FEE INCOME

	<i>For the year ended</i>	
	<i>31 December</i> 2025	<i>31 December</i> 2024
	S	S
Management fee	18,462,702	21,526,749
Structuring	4,000,000	2,000,000
Subscription	2,361,662	1,213,837
Debt Arranging	-	6,585,200
Performance fee	-	293,821
Admin fees	119,593	200,366
Custody fee	10,060	170,228
Total	<u>24,954,017</u>	<u>31,990,201</u>

16. NET INVESTMENT INCOME / (LOSS)

	<i>For the year ended</i>	
	<i>31 December</i> 2025	<i>31 December</i> 2024
	S	S
Net gain / (loss) on financial assets held at FVTPL*	305,137	(1,105,321)
Interest income from debt instruments	581,057	881,995
	<u>886,194</u>	<u>(223,326)</u>

* Net gain / (loss) on financial assets held at FVTPL comprises the following:

Realised loss on financial assets held at FVTPL	-	(1,328,250)
Unrealised gain on financial assets held at FVTPL	305,137	222,929

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For the year ended 31 December 2025

17. BROKERAGE AND OTHER INCOME

	<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Brokerage income	2,056,772	2,353,979
Other income	9,533	782,780
	<u>2,066,305</u>	<u>3,136,759</u>

18. NET INTEREST INCOME

	<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Return on deposits and cash collateral	3,119,065	1,701,090
Total	<u>3,119,065</u>	<u>1,701,090</u>

19. STAFF COSTS

	<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Salaries, allowances and bonuses	23,350,996	23,498,963
Social security cost	1,201,681	1,147,158
Post-employment benefit	1,522,128	1,412,872
Other costs	2,362,733	1,906,736
Total	<u>28,437,538</u>	<u>27,965,729</u>

20. OTHER OPERATING EXPENSES

	<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Technology related expenses	7,073,110	8,222,107
Other expenses	4,734,481	2,382,182
Professional fees	3,745,967	2,968,792
Depreciation & amortisation	1,744,632	1,741,615
Marketing expenses	134,698	71,065
Occupancy expenses	272,306	208,679
	<u>17,705,194</u>	<u>15,594,440</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

21. PROVISION FOR ZAKAT

The movements in provision for zakat during the year are summarized, as follows:

	<i>31 December</i> <i>2025</i> <i>ﷲ</i>	<i>31 December</i> <i>2024</i> <i>ﷲ</i>
Balance at beginning of the year	954,810	1,604,656
Provision for the year	1,557,100	937,647
Charge of prior years' provision	55,309	-
Payments during the year	(1,010,119)	(1,587,493)
	1,557,100	954,810

Status of assessments:

All Zakat returns up to 31 December 2024 have been submitted on time, and there are no open assessments with ZATCA.

22. RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Company does business with related parties.

Transactions with related parties are carried out on mutually agreed terms approved by management of the Company.

Related parties include:

- Shareholders and its affiliated companies;
- Funds managed by the Company;
- Board of Directors; and
- Key management personnel.

The following are the details of mutual funds that are managed by the company;

Public funds:

SICO Capital Money Market Fund
SICO MENA Equity Fund
SICO Kingdom Equity Fund

Private funds:

SICO Al Qasr Real Estate Fund
Flow Mena Residential Real Estate Fund 1
Najd Real Estate Fund
La Perle Real Estate Fund
SICO Capital's Al Shatee Fund
SICO Capital Ventures Fund

The significant transactions with the related parties, are as follows:

<i>Nature of transaction</i>	<i>Relationship</i>	<i>For the year ended</i>	
		<i>31 December</i> <i>2025</i> <i>ﷲ</i>	<i>31 December</i> <i>2024</i> <i>ﷲ</i>
Discretionary portfolio management fee	Shareholder of Parent	297,635	1,187,678
Asset management fee from funds	Funds under management	11,075,334	12,654,335
Board remuneration & Expenses	Board of Directors	1,264,444	815,185
Discretionary portfolio Admin fee	Parent	673,610	300,083
Discretionary portfolio Management fee	Parent	1,722,350	-
Professional fee (Internal Audit fee)	Parent	320,000	250,000
Non-discretionary portfolio management fee from parent	Parent	168,524	-
Secondment charges	Parent	406,816	-

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22. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The balances with related parties are as follows.

	<i>31 December</i> 2025 S	<i>31 December</i> 2024 S
Investment in SICO Money Market Fund	9,121,157	3,821,820
Investment in Riyadh Real Estate Fund	-	53,082
Investment in Flow Mena Residential Real Estate Fund 1	10,005,800	10,000,000
Accrued fees from mutual funds under management	12,776,319	11,977,312
Accrued discretionary portfolio management fee from shareholder of parent	-	319,434
Receivables from funds	-	683,065
Board Remuneration payable	600,000	525,000
Sub Admin fee payable to parent company	839,122	165,512
Professional fee payable to parent company	570,000	250,000
Management fee payable to Parent	1,722,350	-
Seconded employee charges	406,816	-
Other payables to SICO Bahrain	276,870	-

	<i>31 December</i> 2025 S	<i>31 December</i> 2024 S
<i>Compensation paid to key management personnel</i>		

Salaries and short-term benefits	9,120,104	11,845,368
Post-employment benefits	1,240,967	1,723,190

Key management personnel include the Chief Executive officer, Chief Operating Officer, Chief Financial Officer, Chief Risk Officer, Chief Brokerage Officer, Chief Investment Officer, Chief Commercial Officer, Head of Fund Administration, Head of Human Capital, Head of Client Relations, Head of Product Development, Head of Business Development, Group Head of Equities Investment Management and Head of Compliance, AML and Governance.

23. FINANCIAL INSTRUMENTS AT 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market are accessible by the Company.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23. FINANCIAL INSTRUMENTS AT FAIR VALUE (CONTINUED)

	<i>Carrying value</i>	<i>Level 1 ﷲ</i>	<i>Fair values</i>		<i>Total ﷲ</i>
			<i>Level 2 ﷲ</i>	<i>Level 3 ﷲ</i>	
<u>31 December 2025</u>					
Financial assets;					
Financial assets at fair value through profit or loss	19,126,957	-	9,121,157	10,005,800	19,126,957
	<u>19,126,957</u>	<u>-</u>	<u>9,121,157</u>	<u>10,005,800</u>	<u>19,126,957</u>

	<i>Carrying value</i>	<i>Level 1 ﷲ</i>	<i>Fair values</i>		<i>Total ﷲ</i>
			<i>Level 2 ﷲ</i>	<i>Level 3 ﷲ</i>	
<u>31 December 2024</u>					
Financial assets;					
Financial assets at fair value through profit or loss	13,874,902	-	3,821,820	10,053,082	13,874,902
	<u>13,874,902</u>	<u>-</u>	<u>3,821,820</u>	<u>10,053,082</u>	<u>13,874,902</u>

Financial assets at fair value through profit or loss classified as Level 2 comprise investment in money market fund. Fair value is determined using the published net asset value (“NAV”), where units are redeemable at the NAV at, or close to, the reporting date.

Financial assets at fair value through profit or loss classified as Level 3 comprise investments in real estate fund. Fair value is determined based on valuation information provided by the fund manager, using appropriate valuation techniques and incorporating significant unobservable inputs, including risk-adjusted discount rates.

23.1 Fair valuation techniques

The following tables show the valuation techniques used in measuring fair values.

Type	Valuation techniques
Financial assets at fair value through statement of profit or loss.	Funds: Valuation is based on the latest available NAV of the funds.

The estimated fair value would increase / (decrease) if there is a change in the inputs used for valuation.

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For the year ended 31 December 2025

24. PROVISION FOR LABOUR LAW AND STAFF OBLIGATION

	<i>Notes</i>	31 December 2025	<i>31 December 2024</i>
		ﷲ	ﷲ
Employees' end of service indemnities	24.1	1,002,090	1,027,517
Employees saving scheme	24.2	1,486,599	1,538,146
		2,488,689	2,565,663

24.1 The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

24.2 The Company offer employees saving scheme to its employees. The Company contributes one-month basic salary for every completed twelve months of service. Employees are not permitted to receive any payments from the scheme during the tenor of employment. The benefits are not expected to be settled within twelve months.

25. FIDUCIARY ASSETS

25.1 Assets under management:

These represent the public and private funds' assets, discretionary portfolio and non-discretionary portfolios' assets managed by the Company on behalf of its customers which amounted to ﷲ 6,516,740,197 as of 31 December 2025 (31 December 2024: ﷲ 8,294,779,291).

25.2 Clients' cash accounts

The Company manages clients' cash accounts for brokerage activities, which amounted to ﷲ 60,749,790 as of 31 December 2025 (31 December 2024: ﷲ 59,653,669).

26. SUBSEQUENT EVENTS

There are no material events subsequent to the reporting date that requires adjustment or disclosure in these financial statements.

27. COMPARATIVE FIGURES

During the year, the Company has re-evaluated the presentation of the Statement of Financial Position and Statement of profit or loss and other Comprehensive income to align with the group presentation. The reclassification adjustments made in the financial statements are for better presentation and accordingly have no impact on the statement of financial position as well as the Statement of profit or loss and other Comprehensive income.

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on 24 Sha'ban 1447H (corresponding to 12 February 2026G).