

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
for the year ended 31 December 2025
together with the
INDEPENDENT AUDITOR'S REPORT

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
Financial Statements
For the year ended 31 December 2025

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KPMG Professional Services Company

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

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of EFG HERMES SAUDI ARABIA

Opinion

We have audited the financial statements of **EFG HERMES SAUDI ARABIA** (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

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

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

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مغلقة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠.٠٠٠.٠٠٠) ريال سعودي منفوخ بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والمتابعة التي هي من أجل العالمية المحدودة، شركة تضامنية خاصة محدودة بالضمان.



Independent Auditor's Report

To the Shareholders of EFG HERMES SAUDI ARABIA (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of EFG HERMES SAUDI ARABIA (the "Company").

KPMG Professional Services Company


Abdulaziz Mohammed Alawad
License No: 712



Al Riyadh on: 15 March 2026
Corresponding to: 26 Ramadan 1447H

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Saudi Riyals)

	Notes	31 December <u>2025</u>	31 December <u>2024</u>
ASSETS			
Current assets			
Cash and cash equivalents	5	145,405,035	137,287,145
Deposit with general clearing member	6	13,270,304	19,647,567
Income tax		-	762,408
Margin receivable	9	54,853,631	68,632,595
Investment at FVTPL	7	3,669,877	-
Trade and other receivables	8	12,879,477	7,314,086
Total current assets		<u>230,078,324</u>	<u>233,643,801</u>
Non-current assets			
Property and equipment	10	7,788,520	1,156,472
Intangible assets	11	971,502	415,597
Right of use asset	12	13,596,358	-
Total non-current assets		<u>22,356,380</u>	<u>1,572,069</u>
Total assets		<u>252,434,704</u>	<u>235,215,870</u>
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdraft	14	54,900,000	69,600,000
Trade and other payables	13	21,839,400	22,711,010
Lease liability	12	1,723,378	-
Income tax payable	23	2,765,517	-
Total current liabilities		<u>81,228,295</u>	<u>92,311,010</u>
Non-current liabilities			
Employees' benefits obligations	16	9,504,607	6,617,071
Lease liability	12	10,869,472	-
Total non-current liabilities		<u>20,374,079</u>	<u>6,617,071</u>
Total liabilities		<u>101,602,374</u>	<u>98,928,081</u>
Equity			
Share capital	17	86,529,540	86,529,540
Voluntary reserve		2,646,915	2,646,915
Share-based payment reserve	18	1,056,191	577,594
Retained Earnings		60,599,684	46,533,740
Total equity		<u>150,832,330</u>	<u>136,287,789</u>
Total Liabilities and Equity		<u>252,434,704</u>	<u>235,215,870</u>

The accompanying notes from 1 to 32 form an integral part of these financial statements


Khalid A.A. Al Sweilem
Chairman of the Board


Saud Mansour Altassan
Chief Executive Officer


Mohamed Hussein Amer
Chief Financial Officer

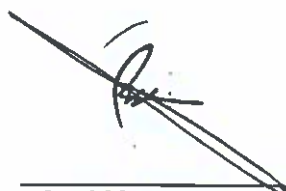
EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS
For the financial year ended 31 December 2025
(Saudi Riyals)

	Notes	31 December <u>2025</u>	31 December <u>2024</u>
Revenues			
Brokerage commission, net		38,455,941	49,120,035
Margin lending income		4,614,197	2,973,337
Investment advisory income		51,217,166	23,082,234
Commission from Securities borrowing and lending (SBL) transactions	29	3,908,728	-
		<u>98,196,032</u>	<u>75,175,606</u>
Cost of revenue			
Brokerage expense	19	(41,715,657)	(37,544,476)
Investment advisory expense	20	(16,805,616)	(14,101,898)
		<u>(58,521,273)</u>	<u>(51,646,374)</u>
Gross profit			
		<u>39,674,759</u>	<u>23,529,232</u>
Other general and administrative expenses	21	(13,716,281)	(11,728,050)
Selling and marketing expenses		(3,197,153)	(611,660)
Expected credit losses		(135,047)	-
Unrealised loss on investments at FVTPL	7	(1,415,873)	-
Operating profit			
		<u>21,210,405</u>	<u>11,189,522</u>
Finance costs	22	(6,934,559)	(2,962,590)
Finance income		4,792,119	2,954,280
Foreign currency gain		220,302	427,015
Net profit for the year before income tax			
		<u>19,288,267</u>	<u>11,608,227</u>
Income tax	23	(3,527,925)	(2,010,219)
Net profit for the year after income tax			
		<u>15,760,342</u>	<u>9,598,008</u>

The accompanying notes from 1 to 32 form an integral part of these financial statements



Khalid A.A. Al Sweilem
Chairman of the Board



Saud Mansour Altassan
Chief Executive Officer



Mohamed Hussein Amer
Chief Financial Officer

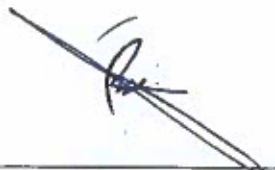
EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2025
(Saudi Riyals)

	Note	31 December <u>2025</u>	31 December <u>2024</u>
Net profit for the year		<u>15,760,342</u>	<u>9,598,008</u>
Other comprehensive income items			
<u>Items that will not be reclassified to statement of profit or loss in subsequent years</u>			
Actuarial (loss) / gain on re-measurement of employees' benefits obligations	16	(1,694,398)	177,140
Total other comprehensive (loss) / income for the year		<u>(1,694,398)</u>	<u>177,140</u>
Total comprehensive income for the year		<u>14,065,944</u>	<u>9,775,148</u>

The accompanying notes from 1 to 32 form an integral part of these financial statements



Khalid A.A. Al Sweilem
Chairman of the Board



Saud Mansour Altassan
Chief Executive Officer



Mohamed Hussein Amer
Chief Financial Officer

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2025
(Saudi Riyals)

	Share capital	Voluntary reserve	Share-based payment reserve	Retained Earnings	Total equity
Balance as at 1 January 2024	86,529,540	2,646,915	268,823	36,758,592	126,203,870
Net profit for the year	--	--	--	9,598,008	9,598,008
Total other comprehensive income	--	--	--	177,140	177,140
Total comprehensive income	--	--	--	9,775,148	9,775,148
Share-based payment (Note 18)	--	--	308,771	--	308,771
Balance as at 31 December 2024	<u>86,529,540</u>	<u>2,646,915</u>	<u>577,594</u>	<u>46,533,740</u>	<u>136,287,789</u>
Balance as at 1 January 2025	86,529,540	2,646,915	577,594	46,533,740	136,287,789
Net profit for the year	--	--	--	15,760,342	15,760,342
Total other comprehensive loss	--	--	--	(1,694,398)	(1,694,398)
Total comprehensive income	--	--	--	14,065,944	14,065,944
Share-based payment (Note 18)	--	--	478,597	--	478,597
Balance as at 31 December 2025	<u>86,529,540</u>	<u>2,646,915</u>	<u>1,056,191</u>	<u>60,599,684</u>	<u>150,832,330</u>

The accompanying notes from 1 to 32 form an integral part of these financial statements


Khalid A.A. Al Sweilem
Chairman of the Board


Saud Mansour Al-Rassan
Chief Executive Officer


Mohamed Hussein Amer
Chief Financial Officer

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2025
(Saudi Riyals)

	Notes	31 December 2025	31 December 2024
Cash flows from operating activities			
Net profit for the year before income tax		19,288,267	11,608,227
Adjustments for:			
Depreciation of property and equipment	10	769,880	646,140
Depreciation of right of use asset	12	1,045,874	-
Amortization of intangibles assets	11	358,789	332,550
Employees' benefits	16	942,171	1,271,278
Finance income		(4,792,119)	(2,954,280)
Finance costs		6,615,026	2,563,888
Interest expense on lease liability	12	377,693	-
Share-based payment expense	18	478,597	308,771
Unrealised loss on investments at FVTPL	7	1,415,873	-
Expected credit losses		135,047	-
Transfer of end of service benefits to related party	16	(149,104)	-
Changes in			
Trade and other receivables		(5,565,391)	(65,245,689)
Margin receivables		13,643,917	-
Deposit with General Clearing Member		6,377,263	19,287,623
Trade and other payables		(871,610)	12,702,324
Cash generated from / (used) in operating activities		40,070,173	(19,479,168)
Employees' benefits obligations paid	16	(8,297)	(2,812,149)
Income tax paid	23	-	(2,255,553)
Cash paid to acquire underwriting securities	7	(5,085,750)	-
Net cash flows generated from / (used in) operating activities		34,976,126	(24,546,870)
Cash flows from investing activities			
Purchase of property and equipment	10	(7,401,928)	(205,237)
Additions to intangible assets	11	(914,694)	(217,775)
Proceeds from interests on short-term deposits		4,792,119	2,954,280
Net cash flows (used) in / generated from investing activities		(3,524,503)	2,531,268
Cash flows from financing activities			
Proceeds from bank facilities		531,486,553	166,355,306
Payments of bank facilities		(546,186,553)	(96,755,306)
Finance costs paid		(6,206,658)	(2,563,888)
Advance lease rental payments		(2,427,075)	-
Net cash flows (used in) / generated from financing activities		(23,333,733)	67,036,112
Net increase in cash and cash equivalent		8,117,890	45,020,510
Cash and cash equivalents at beginning of year	5	137,287,145	92,266,635
Cash and cash equivalents at the end of the year	5	145,405,035	137,287,145
Non-Cash Transactions:			
Actuarial (loss) / gain on re-measurement of employees' benefits obligations	16	(1,694,398)	177,140
Right of use asset	12	14,642,232	-
Lease liability	12	12,215,157	-

The accompanying notes from 1 to 32 form an integral part of these financial statements


Khalid A.A. Al Sweid
Chairman of the Board


Saud Mansour Altassan
Chief Executive Officer


Mohamed Hussein Amer
Chief Financial Officer

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025
(Saudi Riyals)

1. GENERAL INFORMATION

EFG-Hermes Saudi Arabia Company ("the Company"), a single shareholder Saudi closed joint stock company, is established under the applicable laws in Saudi Arabia and as per the Saudi Arabian Regulations for Companies issued under Royal Decree No. M/6 dated 22/3/1385H (corresponding to 21/7/1965).

According to the Ministerial Decree No. 2875 dated 15/10/1427H (corresponding to 7/11/2006) relating to the approval of the Company's establishment license and constituent assembly held on 24/10/1427H (corresponding to 16/11/2006), as well as the Ministerial Decree number 3383 dated 11/11/1427H (corresponding to 2/12/2006) relating to the approval on the announcement of the Company's establishment, the Company was registered in the Commercial Registration of Riyadh under number 1010226534 on 3/12/1427 H (corresponding to 23/12/2006). By virtue of the Capital Market Authority's approval dated 17/4/1427H (corresponding to 16/5/2006) registered under number 37-06016, the Company is authorized to practice the licensed activities as from 3/2/1428H (corresponding to 21/2/2007).

The principal activities of the Company is to act in the capacity of principal or agent, underwriter, arranging, advising and custody of securities.

EFG Hermes Brokerage Holding LTD ("the Parent Company") is the only shareholder of the Company and the "ultimate parent company" of the Company is EFG Holding Company (previously known as EFG Hermes Holding Company). The Parent Company is domiciled in the United Arab Emirates and its securities are not listed, whereas the Ultimate Parent Company is domiciled in Egypt and its securities are listed on the Egyptian Exchange and London stock exchange.

The registered address of the Company is as follows:
Kingdom of Saudi Arabia, Riyadh 11372, P.O Box 300189

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual accounting principle and the going concern concept, except for employee end of services benefits which are measured at present value of the defined benefit obligation and investments which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ("SR") which is the functional and presentation currency of the Company.

2.4 Current versus non-current classification

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

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025
(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Current versus non-current classification (continued)

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are as follows:

3.1 New Standards and amendments issued

The following amendments became effective for annual reporting periods beginning on 1 January 2025 and have been adopted by the Company. These amendments did not have a significant impact on the Company's financial statements for the current period.

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 – Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.	1 January 2025

3.2 Standards and interpretations issued and not yet effective

The following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's condensed interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards, which have been published and are mandatory for compliance for the Company with effect from future dates. The Company has assessed the impact of these standards and do not expect them to be material except IFRS 18.

Standard, interpretation, 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

EFG-HERMES SAUDI ARABIA
(A Single shareholder Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025
(Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 New standards not yet effective (continued)

Standard, interpretation, amendments	Description	Effective date
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.	1 January 2026
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.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS 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.	1 January 2027

3.3 Revenue recognition

The Company recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with a customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligation	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price.	The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Company recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

EFG-HERMES SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025
(Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue recognition (continued)

Identify the contracts with customers

The Company carefully evaluates the terms and conditions of the contracts with its customers because revenue is recognized only when performance obligations in contracts with customers are satisfied. A change in the scope or price (or both) of a contract is considered as a contract modification and the Company determines whether this creates a new contract or whether it will be accounted for as part of the existing contract.

Identify the performance obligations under the contract

Once the Company has identified the contract with a customer, it evaluates the contractual terms and its customary business practices to identify all the promised services within the contract and determine which of those promised services (or bundles of promised services) will be treated as separate performance obligations.

The Company assess the services promised in a contract with a customer and identifies as a performance obligation either:

- a) service that is distinct; or
- b) series of distinct services that are substantially the same and that have the same pattern of transfer to the customer (i.e. each distinct service is satisfied over the time and the same method is used to measure progress).

A service (or bundle of services) is distinct if the customer can benefit from the service on its own or together with other readily available resources (i.e., the service is capable of being distinct) and the service is separately identifiable from other promises in the contract (i.e., the service is distinct within the context of the contract).

The Company provides management services to its customers which are generally provided continuously over the contract period. Accordingly, the services in these contracts generally represent a single performance obligation.

Determine the transaction price

The Company determines transaction price as the amount which it expects to be entitled. It includes an estimate of any variable consideration, the effect of a significant financing component (i.e., the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or payable to a customer (if any).

Variable considerations are limited to the amount for which it is highly probable that a significant reversal will not occur when the uncertainties related to the variability are resolved.

Management determines transaction prices for its following revenue streams as mentioned below:

- Rendering of brokerage services, where the Company acts as a principal or agent.
- Transaction price is the commission received by the Company, which is considered fixed for each transaction value less market expenses.
- Other advisory fee, which are generally fixed in nature based on agreement with customers to which the Company provides advisory services

EFG-HERMES SAUDI ARABIA
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025
(Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue recognition (continued)

Allocation of transaction price

Once the performance obligations have been identified and the transaction price has been determined, transaction price is allocated to the performance obligations, generally in proportion to their stand-alone selling prices (i.e., on a relative stand-alone selling price basis). When determining stand-alone selling prices, the Company is required to use observable information, if available. If stand-alone selling prices are not directly observable, the Company makes estimates based on information that is reasonably available.

Revenue is recognized only when the Company satisfies a performance obligation by transferring control of a promised service to the customer. Control may be transferred over time or at a point in time. Where a performance obligation is satisfied overtime, the Company identifies the progress under the contract based on either of an input or output method which best measures the performance completed to date. The method selected is applied consistently to similar performance obligations and in similar circumstances.

The Company believes that it fulfills its performance obligations in its contracts with customers at a point in time, and hence it recognizes revenue as and when it fulfills its obligations under contracts with customers.

The Company generates following revenue streams that are covered under IFRS 15 'Revenue from Contracts with Customers'.

a) Brokerage commission

The performance obligation is satisfied at a point in time at which trade transaction (buy or sell order) is settled. Hence, the Company recognizes commission fee as and when a trade transaction is settled. Further, Brokerage commission fee is reflected net of discount allowed in the statement of profit or loss.

b) Investment advisory income

This relates to income generated from offering miscellaneous financial services to customers. Revenue is recognized when (or as) performance obligation is satisfied based on the agreement between the Company and the counterparty. This also includes revenue generated from providing corporate advisory fee by the Company to the customers.

c) Margin lending income

Margin lending income represents interest earned on funds advanced to clients for the purchase of securities under approved margin lending agreements in accordance with the regulations of the Capital Market Authority.

The Company provides margin financing facilities to eligible clients against pledged securities and acceptable collateral. Margin lending income is earned over the period during which the financing facility is utilized by the client.

The performance obligation is satisfied over time as the financing service is provided and the client simultaneously receives and consumes the benefits of the financing. Accordingly, margin lending income is recognized on an accrual basis using the effective yield method over the tenure of the outstanding margin lending exposure.

Margin lending income is presented in the statement of profit or loss as part of margin financing income and is measured at the gross contractual rate agreed with the client.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue recognition (continued)

d) Securities borrowing and lending

The Company has entered into arrangements with its customers under which it borrows listed Saudi securities solely for the purpose of lending them to another financial institution (the ultimate borrower). The Company does not have the right to sell or pledge these securities. These transactions are conducted in accordance with standard securities borrowing and lending agreements and the Securities Borrowing and Lending Regulations (SBLR) issued by Securities Depository Centre Company ("Edaa"), which do not transfer the risks and rewards of ownership of the underlying securities. The ultimate borrower provides collateral for the lent securities, which is held in custody of a separate financial institution. Consequently, the borrowed and lent securities are not recognized on the statement of financial position.

3.4 Financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial assets are recognized initially at fair value net of directly attributable transaction costs.

All the Company's current assets, except investments at FVTPL are financial assets classified at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

The Company measures financial assets at amortized cost if both of the following are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

A financial asset (or, where applicable, a part of a financial asset or part of a group similar assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, by has transferred control of the asset.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Financial assets and financial liabilities (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortized cost.

All financial liabilities are recognized initially at fair value and, net of directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities of the Company are carried at amortized cost except for employee end of services benefits which are measured at present value of the defined benefit obligation.

Fair values of financial instruments

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

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

The principal market or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Financial assets and financial liabilities (continued)

Fair values of financial instruments (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Offsetting of financial instruments

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

Impairment and collectability of financial assets

The Company assesses if an allowance for Expected Credit Losses ("ECL") for all financial assets not held at fair value through profit or loss needs to be recorded in profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks in current accounts and deposits with original maturities of less than three months from the date of acquisition. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Expenses

Selling and marketing expenses and general and administrative expenses include direct and indirect costs, not specifically part of operating segments as required under IFRS. Allocations of selling and marketing expenses and general and administrative expenses between operating segments, when required, are made on a consistent basis.

3.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value.

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

The following useful lives are used for the calculation of depreciation:

Office furniture and fixtures	3.3 - 8 years
Computer hardware	3.3 years
Telecom equipment	3.3 years
Electric devices	3.3 years
Motor vehicles	4 years

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, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in profit or loss as the expense incurred.

3.9 Leases

The determination of whether a contract contains a lease is based on the substance of the arrangement at the inception date. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3.10 Foreign currency transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in the statement of profit or loss currently.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Tax

The Company is subject to tax in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Provision for tax for the Company is charged to the statement of profit or loss. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

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

3.12 Employees' benefits

The Company operates a defined benefit plan for employees in accordance with Saudi Labor Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of assessing benefits is determined under the defined benefit plan using the projected credit unit method.

Re-measurements for actuarial gains and losses are recognized in the statement of financial position with a corresponding credit to retained earnings through statement of other comprehensive income in the year in which they occur.

Re-measurements are not classified to the statement of profit or loss in subsequent periods. Costs are expenses related to defined benefit obligations that are recognized in statement of profit or loss.

3.13 Share-Based Payment

EFG Holding Company (Ultimate Parent Company) operates equity-settled share-based payment arrangements, under which services are received from eligible employees.

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

3.14 Settlement date of accounting

Regular sale and purchase of financial assets are recognized based on the settlement date. Regular sales and purchases are sales or purchases of financial assets that require delivery of assets within a specified period of time that is generally performed through a market regulation or agreement.

3.15 Segment reporting

An operating segment is a part of the Company's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components of the Company. All operational results of the operating segment are reviewed by the Company's operating decision maker to make decision about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Voluntary Reserve

As required by Saudi Arabian Regulations for Companies (which has been replaced by the New Law) and the Company's Article of Association (prior to being updated in accordance with the New Law), 10% of the income for the year (after zakat and after deducting losses brought forward) was required be transferred to the statutory reserve until such reserves equals to 30% of the share capital. In the New Law and updated Article of Association (in accordance with the New Law), there is no specific requirement to maintain statutory reserve. During the year ended 31 December 2025 there are no transfer of profits to reserves.

4. ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 beyond the control of the Company. These changes are reflected in the assumptions when they occur.

4.1 Defined benefit plans

The cost of end of service defined benefit and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.2 Estimating incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates (such as the stand-alone credit rating).

4.3 Estimated useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation on a straight-line basis over their estimated useful lives. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives and residual value of the assets at each annual reporting period and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprise of cash at banks and cash on hand:

	As at 31 December 2025	As at 31 December 2024
Cash at bank – Current accounts (a)	145,382,122	137,272,906
Cash in hand	22,913	14,239
Cash and cash equivalents	<u>145,405,035</u>	<u>137,287,145</u>

(a) Cash at bank includes SR 64.8 million (2024: SR 71.4 million) held with the general clearing member as part of the cash market clearing process.

6. DEPOSIT WITH CLEARING MEMBER

This represents margin deposited with the General Clearing Member (GCM) as required by the clearing house (Muqassa). Muqassa is a securities clearing center company (wholly owned by the Saudi Tadawul Group) that acts as an intermediary between two parties to a securities trade, by becoming the buyer to each seller and the seller to each buyer.

7. INVESTMENTS AT FVTPL

As at 31 December 2025, the Company held 203,430 shares of Specialized Medical Company (SMC) with a cost of SR 5,085,750 (31 December 2024: Nil). These shares were held in connection with the Company's role as an underwriter in the offering. In accordance with the Company's policy to hold such investments for a short-term period (typically between 6 to 12 months or less), the investment has been classified as Fair Value Through Profit or Loss (FVTPL). The carrying value of these shares as at 31 December 2025 is SR 3,669,877 and the Company has recorded an unrealised loss of amount SR 1,415,873.

8. TRADE AND OTHER RECEIVABLES

	As at 31 December 2025	As at 31 December 2024
Trade receivables	6,380,580	1,662,601
Advances and prepaid expenses	3,201,665	1,425,891
Employees' advances and loans	1,384,320	1,040,017
Other receivables	1,089,428	3,185,577
Due from related parties (Note 15.2)	823,484	-
	<u>12,879,477</u>	<u>7,314,086</u>

9. MARGIN RECEIVABLES

	As at 31 December 2025	As at 31 December 2024
Margin receivable	54,988,678	68,632,595
Expected credit loss	(135,047)	-
Margin receivables, net	<u>54,853,631</u>	<u>68,632,595</u>

9.1 The Company has collaterals for all balances due from margin trade receivable represented in equity shares. The fair value of these collaterals as at 31 December 2025 is SR 3,184,618,133 (31 December 2024: SR 431,334,446).

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10. PROPERTY AND EQUIPMENT

	Furniture & fixtures	Computers	Telecom equipment	Electric devices	Motor vehicles	Capital work-in-progress*	Total
Useful life (years)	3.3 – 8	3.3	3.3	3.3	4	0	
Cost							
As at 1 January 2024	789,758	5,579,511	1,226,852	1,021,630	894,248	-	9,511,999
Additions	-	205,237	-	-	-	-	205,237
As at 31 December 2024	789,758	5,784,748	1,226,852	1,021,630	894,248	-	9,717,236
Additions	-	1,121,950	-	-	-	6,279,978	7,401,928
Disposals	(782,078)	(3,184,016)	(1,148,731)	(305,510)	-	-	(5,420,335)
As at 31 December 2025	7,680	3,722,682	78,121	716,120	894,248	6,279,978	11,698,829
Accumulated depreciation							
As at 1 January 2024	788,477	4,860,119	1,220,659	861,980	183,389	-	7,914,624
Depreciation	961	332,015	2,477	87,126	223,561	-	646,140
As at 31 December 2024	789,438	5,192,134	1,223,136	949,106	406,950	-	8,560,764
Depreciation	321	473,912	2,478	69,607	223,562	-	769,880
Disposals	(782,080)	(3,184,014)	(1,148,731)	(305,510)	-	-	(5,420,335)
As at 31 December 2025	7,679	2,482,032	76,883	713,203	630,512	-	3,910,309
Net book value							
As at 31 December 2025	1	1,240,650	1,238	2,917	263,736	6,279,978	7,788,520
As at 31 December 2024	320	592,614	3,716	72,524	487,298	-	1,156,472

Property and equipment fully depreciated:

As at 31 December 2025, the balance of property and equipment fully depreciated amounted to **SR 1,586,199** (2024: SR 7,217,690).

*The additions to capital-work-in-progress are related to leasehold improvements that are being conducted at the new office and are directly attributable to preparing the premises for its intended use.

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11. INTANGIBLE ASSETS

	<u>As at 31 December 2025</u>	<u>As at 31 December 2024</u>
Cost		
As at 1 January	5,723,073	5,505,298
Additions	914,694	217,775
Disposals	(123,102)	-
As at 31 December	<u>6,514,665</u>	<u>5,723,073</u>
Accumulated amortisation		
As at 1 January	5,307,476	4,974,926
Charge for year	358,789	332,550
Disposals	(123,102)	-
As at 31 December	<u>5,543,163</u>	<u>5,307,476</u>
Net book value	<u>971,502</u>	<u>415,597</u>

11.1 The intangible assets are amortized on straight line basis over a period 3 years.

12. RIGHT OF USE ASSET AND LEASE LIABILITY

Right of use asset

	<u>As as 31 December 2025</u>	<u>As at 31 December 2024</u>
Balance at 1 January	-	-
Additions during the year	14,642,232	-
Depreciation charge	(1,045,874)	-
Balance as at 31 December	<u>13,596,358</u>	<u>-</u>

Lease liability

	<u>As as 31 December 2025</u>	<u>As at 31 December 2024</u>
Balance at 1 January	-	-
Additions during the year	12,215,157	-
Finance cost	377,693	-
Lease payments	-	-
Balance as at 31 December	<u>12,592,850</u>	<u>-</u>
Non-current portion of lease liability	10,869,472	-
Current portion of lease liability	1,723,378	-
Total lease liability	<u>12,592,850</u>	<u>-</u>

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	<u>As as 31 December 2025</u>	<u>As at 31 December 2024</u>
Less than one year	2,427,075	-
One to two years	2,427,075	-
Two to three years	2,427,075	-
More than three years	7,766,639	-
Total payments	<u>15,047,864</u>	<u>-</u>

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13. TRADE AND OTHER PAYABLES

	<u>As at 31 December 2025</u>	<u>As at 31 December 2024</u>
Accrued expenses	20,423,789	20,989,777
Other payables	984,048	1,302,037
Value added tax	431,563	75,112
Due to related parties (Note 15.1)	-	344,084
	<u>21,839,400</u>	<u>22,711,010</u>

14. BANK OVERDRAFT

As at 31 December 2025, the Company has utilized SR 54,900,000 (31 December 2024: 69,600,000) from the total bank overdraft facility of SR 600,475,000 with SAB Bank. The Company is required to repay the entire outstanding amounts under the Overdraft facility every 12 months. The interest rate over the facility is 3-month SIBOR+1% with the interest expense during the year amounting to SR 4,749,876 (31 December 2024: 1,547,524).

15. RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties in its ordinary course of business. Related parties include the Company's Shareholder (Parent Company), subsidiaries and associates of the Company's Shareholder and key management personnel. These transactions are carried out at mutually agreed terms and are approved by Company's management. The transactions and volume of balances at the end of the year were as follows:

15.1 Due to related parties

<u>Related parties' name</u>	<u>Nature of relationship</u>	<u>Amount of transactions</u>		<u>Balance as at</u>	
		<u>2025</u>	<u>2024</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
EFG Holding Company (a)	Ultimate Parent Company	344,084	4,626,274	-	344,084
EFG Hermes MENA Securities (b)	Subsidiary of the Ultimate Parent Company	-	1,742,870	-	-
				<u>-</u>	<u>344,084</u>

15.2 Due from related parties

<u>Related parties' name</u>	<u>Nature of relationship</u>	<u>Amount of transactions</u>		<u>Balance as at</u>	
		<u>2025</u>	<u>2024</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
EFG Hermes Brokerage Holding LTD (a)	The Parent Company	823,484	-	823,484	-
				<u>823,484</u>	<u>-</u>

- a. The nature of transactions represented are repayment of expenses borne by the Ultimate Parent Company on behalf of the Company and expenses borne by the Company on behalf of the Parent Company when necessary.

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15. RELATED PARTY TRANSACTIONS (CONTINUED)

- b. The nature of transactions made with the EFG Hermes MENA Securities as per the Capital Market Authority's resolution No. 2-28-2008 dated 17 Shaban 1429 H (corresponding to 18 August 2008) including the approval given to the authorized persons to conclude swap agreements with non-resident foreign persons whether they are financial institutions or individuals, in order to transfer the economic benefits of shares related to Saudi companies listed in the Saudi Stock Exchange (Tadawul) in favor of these persons. The authorized persons shall maintain the legal ownership of the shares according to the provisions and terms of the said resolution. Accordingly, the Company concluded the SWAP agreement with EFG Hermes MENA Securities. As per these agreements and in accordance with the provisions and terms of the said resolution, the Company purchases the shares of the Saudi companies listed on the Saudi Stock Exchange (Tadawul) in favor of the mentioned company. The market value of these share held under the custody of the Company amounted to SR 215,176,081 as of 31 December 2025 (SR 468,068,867 as of 31 December 2024). The total brokerage commission revenue resulted from this transaction amounted to SR 616,251 for the year ended 31 December 2025 (2024: SR 1,069,664).

15.3 Compensation of Key Management Personal

	For the year ended 31 December	
	2025	2024
Salaries and other benefit	9,564,070	7,408,847
End of service benefits during the year*	246,424	218,755
Share-based payment	478,597	59,121
Total	10,289,091	7,686,723

*The total end of service benefits payable to key management personnels as at 31 December 2025 amounts to SR 2,342,447 (31 December 2024: 2,096,023)

15.4 Board of directors' remuneration

	31 December	31 December
	2025	2024
Board remunerations	-	40,000

16 EMPLOYEES' BENEFITS OBLIGATIONS

- a) Movements in the net liabilities recognized in the statement of financial position and their components are as follows:

	31 December	31 December
	2025	2024
Balance as at the beginning of the year	6,617,071	8,335,082
Charge for the year (Note 16b)	1,350,539	1,271,278
Actuarial loss / (gain) on re-measurement of employees' benefit obligations	1,694,398	(177,140)
Transfer to related parties	(149,104)	-
Paid during the year	(8,297)	(2,812,149)
Balance as at end of the year	9,504,607	6,617,071

- b) Amounts recognized included in statement of profit or loss:

	For the year ended	
	31 December	31 December
	2025	2024
Current service cost	942,171	872,577
Interest on defined benefit obligation	408,368	398,701
	1,350,539	1,271,278

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16 EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

- c) The significant assumptions used in determining end-of-service benefit obligations for the Company's plans are shown below:

	<u>As at 31 December 2025</u>	<u>As at 31 December 2024</u>
Discount rate	5.31%	6.25%
Future salary increase rate	5.00%	5.00%

- (d) A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	<u>As at 31 December 2025</u>		<u>As at 31 December 2024</u>	
	<u>Increase (1%)</u>	<u>Decrease (1%)</u>	<u>Increase (1%)</u>	<u>Decrease (1%)</u>
Discount rate	8,501,007	10,703,773	6,063,755	7,303,104
Future Salary Increase rate	10,654,605	8,522,102	7,282,783	6,070,949

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined employees' benefits obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

17 SHARE CAPITAL

The Company's share capital of **SR 86,529,540** (2024: SR 86,529,540) divided into **8,652,954** shares (2024 : 8,652,954 shares) at SR 10 each. All shares are owned by the Parent Company.

As at 31 December 2025 and 2024, the Company's share capital are as follows:

<u>Shareholder's name</u>	<u>Share-holdings %</u>	<u>Nominal value</u>	<u>31 December 2025</u>	
			<u>No. of shares</u>	<u>Value</u>
EFG Hermes Brokerage Holding LTD - (Note 1)	100	10	8,652,954	86,529,540
	<u>100</u>		<u>8,652,954</u>	<u>86,529,540</u>
			<u>31 December 2024</u>	
<u>Shareholder's name</u>	<u>Share-holdings %</u>	<u>Nominal value</u>	<u>No. of shares</u>	<u>Value</u>
EFG Hermes Brokerage Holding LTD - (Note 1)	100	10	8,652,954	86,529,540
	<u>100</u>		<u>8,652,954</u>	<u>86,529,540</u>

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18 SHARE-BASED PAYMENT RESERVE

The Company operates equity-settled share-based payment arrangements, under which services are received from management, board members and eligible employees. The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment awards made, including the impact of any non-vesting conditions and market conditions. Service conditions and non-market performance conditions are taken into account in the number of awards expected to vest. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of awards that will eventually vest, with a corresponding credit to equity. At each reporting date, the Company revises its estimates of the number of awards that are expected to vest. The impact of the revision of original estimates, if any, is recognized in the statement of profit or loss for the period.

The Company has implemented and made awards to selected eligible employees under the following equity-settled share-based payment plan:

EMPLOYEE STOCK OWNERSHIP PLAN

The plan was implemented during the year ended 31 December 2021. Grants were awarded to eligible employees on 1 January 2021.

There were 157,248 number of shares granted on this basis on 1 Jan 2021.

The weighted-average fair value of the shares granted is SR 2.72 (11.39 EGP).

Performance shares are awarded on an annual basis and vest on each anniversary of the grant date for five years in each 1/5 of the total grant subject to the participant remaining in continued employment during the vesting period. Participants are not entitled to receive dividends during the vesting period.

The equity-settled share-based payment expenses recognized during the year with a corresponding entry directly in equity, and in total is SR 478,597 (31 December 2024: 308,771)

19. BROKERAGE COMMISSION EXPENSE

	For the year ended 31 December	
	2025	2024
Salaries and other employee benefits	28,060,033	28,086,318
SBL interest expense	2,935,307	-
Technical support and licenses for computer programs	2,837,294	2,291,972
Telephone and communication lines expense	2,343,517	2,046,022
Operations errors	1,893,364	2,394,762
Rents and Utilities	1,596,246	1,343,072
Depreciation and amortisation	1,389,811	782,951
CMA & Tadawul Fees	601,925	536,696
Others	58,160	62,683
	<u>41,715,657</u>	<u>37,544,476</u>

20. INVESTMENT ADVISORY EXPENSE

	For the year ended 31 December	
	2025	2024
Salaries and other employee benefits	16,039,385	13,991,514
Depreciation and amortisation	349,822	-
Technical support and licenses for computer programs	288,283	-
Rents and Utilities	82,126	70,384
CMA & Tadawul Fees	46,000	40,000
	<u>16,805,616</u>	<u>14,101,898</u>

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21. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2025	2024
Consultancy fees	5,354,469	4,710,717
Salaries & other benefits	5,173,229	5,253,472
Travel expenses	822,163	390,346
Depreciation and amortisation	434,908	195,738
Maintenance and security expenses	292,193	342,040
Others	1,639,319	835,737
	<u>13,716,281</u>	<u>11,728,050</u>

22. FINANCE COSTS

	For the year ended 31 December	
	2025	2024
Interest expense on overdraft facilities	4,749,876	1,547,524
Trading limit fee to GCM	1,398,622	1,016,365
Interest expense on lease liability	377,693	-
Interest on defined benefit obligation (Note 16)	408,368	398,701
	<u>6,934,559</u>	<u>2,962,590</u>

23. INCOME TAX

(a) Tax status

Tax returns are submitted to the Zakat, Tax and Customs Authority ("ZATCA") on a regular basis. Tax returns have been filed up to and including the year 2024.

The components of income tax base for the year are as follows:

	As at 31 December 2025	As at 31 December 2024
Total revenue	103,208,453	78,556,902
Total expenses	<u>(83,920,186)</u>	<u>(66,948,674)</u>
Income for the year	19,288,267	11,608,228
Add:		
Employees' benefits obligations	1,350,539	1,271,278
Others	2,364,447	356,765
Less:		
Difference between accounting depreciation and amortization and tax depreciation and amortization	516,242	(155,096)
Utilized brought forward losses	<u>(5,879,875)</u>	<u>(3,350,365)</u>
Tax base – income	17,639,620	9,730,810
Income tax	3,527,925	2,010,219

Movement in income tax is as follows:

	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year	(762,408)	(517,074)
Charge during the year	3,527,925	2,010,219
Payment during the year	-	(2,255,553)
Income tax payable / (receivable)	2,765,517	(762,408)

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23. INCOME TAX (CONTINUED)

The Company files tax declarations on a regular basis in accordance with the regulations of the ZATCA.

For the years 2014 up to and including the year 2017, ZATCA has reviewed tax declarations for these years and has not notified the Company for any tax differences, despite that the Company's declarations realize losses.

For the years from 2018 to 2024 no assessment of income tax has been reviewed by ZATCA.

The Company has been notified of withholding tax differences for years 2014 up to and including the year 2016 and have been fully paid. No such withholding tax difference has been notified to the Company for the years from 2017 to 2024.

(b) Unrecognized Deferred Tax Assets

As at 31 December 2025, the Company unrecognized deferred tax assets amounted to SR 18,111,810 (31 December 2024: 19,267,979). The Company has not recognized any deferred tax assets as the Company does not expect to utilize tax benefits within a reasonable predictable time period. The unrecognized deferred tax arises on the following:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	Temporary Difference	Tax effect	Temporary Difference	Tax effect
Employees' benefits obligations	9,504,607	1,900,921	6,617,071	1,323,414
Property, equipment and intangible assets	516,242	103,248	3,304,749	660,950
Accumulated tax losses	80,538,199	16,107,640	86,418,074	17,283,615
		<u>18,111,809</u>		<u>19,267,979</u>

24. SEGMENT REPORTS

The segments of the Company are mainly brokerage and investment advisory, which specializes in activities acting in the capacity of principal or agent in domestic and international securities and finance for the purpose of purchasing securities and custody and investment sector which involves the activities of arranging underwriter and advisory.

The following are the basic financial performance for each sector:

Selected financial information as of 31 December and for the year then ended summarized by the above business segments, is as follows:

<u>For the year ended 31 December 2025</u>	<u>Brokerage segment*</u>	<u>Investment advisory segment</u>	<u>Unallocated income & expenses</u>	<u>Total</u>
Operating revenue	46,978,866	51,217,166	-	98,196,032
Cost of revenue	(41,715,657)	(16,805,616)	-	(58,521,273)
Segment gross profit	5,263,209	34,411,550	-	39,674,759
Unallocated general and administrative expenses	-	-	(13,716,281)	(13,716,281)
Selling and marketing expenses	-	-	(3,197,153)	(3,197,153)
Expected credit losses	(135,047)	-	-	(135,047)
Unrealised loss on investments at FVTPL	-	-	(1,415,873)	(1,415,873)
Finance costs	-	-	(6,934,559)	(6,934,559)
Finance income	-	-	4,792,119	4,792,119
Foreign exchange gain	-	-	220,302	220,302
Net profit before tax	5,128,162	34,411,550	(20,251,445)	19,288,267

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24. SEGMENT REPORTS (CONTINUED)

<u>For the year ended 31 December 2024</u>	<u>Brokerage segment*</u>	<u>Investment segment</u>	<u>Unallocated income & expenses</u>	<u>Total</u>
Operating revenue	52,093,372	23,082,234	-	75,175,606
Cost of revenue	<u>(37,544,476)</u>	<u>(14,101,898)</u>	-	<u>(51,646,374)</u>
Segment gross profit	14,548,896	8,980,336	-	23,529,232
Unallocated general and administrative expenses	-	-	(11,728,050)	(11,728,050)
Selling and marketing expenses	-	-	(611,660)	(611,660)
Expected credit losses	-	-	-	-
Unrealised loss on investments at FVTPL	-	-	-	-
Finance costs	-	-	(2,962,590)	(2,962,590)
Finance income	-	-	2,954,280	2,954,280
Foreign exchange gain	-	-	427,015	427,015
Net profit before tax	<u>14,548,896</u>	<u>8,980,336</u>	<u>(11,921,005)</u>	<u>11,608,227</u>

*This includes income amounting to SR 4,614,197 with respect to Margin lending (2024: SR 2,973,337) and income amounting to SR 3,908,728 with respect to Securities lending and borrowing (2024: Nil).

Due to the nature of Company's activity and management style, it is not practical to allocate Company's assets and liabilities according to different segments.

The Company's revenue generated from the brokerage sector outside the Kingdom through a related party (Note 15) amounted to SR 616,251 representing 1.3% of total brokerage revenues for the year ended 31 December 2025 (31 December 2024 : SR 1,069,664 representing 2.05%).

25. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise of trade and other payables and bank overdraft. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as cash and cash equivalents, trade and other receivables which arise directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk and operational risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Management reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of four types of risk: interest rate risk, currency risk, profit rate risk and price risk such as equity price risk.

- Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. Management monitors the changes in interest rates risks and believes that interest rate risks to the Company are not significant, and all companies facilities on short term basis.

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25. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

- Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk on purchases and financing arrangements that are denominated in a currency other than the respective functional currency of the Company. The majority of the Company's transactions are denominated in Saudi Riyals and US Dollars which have a fixed exchange rate to the functional currency. Therefore, they are not considered to represent a significant risk to the Company. Further, the Company recognises share-based payment expense by apply EGP rate, however, the impact of currency risk is immaterial over such transaction.

- Profit rate risk

The Company's financial assets and liabilities subject to profit rate risk are not considered to represent a significant risk to the Company.

- Equity price risk

Equity price risk is the risk that the fair values of equities may decrease as a result of changes on a reasonable probabilities basis in the levels of equity indices and the value of individual stocks.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company has no significant concentration of credit risk. Cash is placed with banks having sound credit ratings of A+ to BBB+ as rated by Fitch Ratings.

Margin trade receivable are generally for terms not exceeding twelve months. Margin accounts are with counter parties that are evaluated to be credit worthy based on risk assessment procedures performed, Know Your Customer (KYC) and compliance procedures conducted prior to accepting a customer. Margin accounts are fully collateralized, and the credit risk is monitored on a daily basis for adequacy of collateral coverage in accordance with the applicable risk management policy and if required, additional margin calls are issued to customers to pledge additional assets and customer portfolios are fully / partly liquidated to ensure compliance with the applicable risk management policy.

As at 31 December 2025 and 31 December 2024 trade and other receivables, margin trade receivables and deposit with general clearing member were neither past due nor impaired and accordingly no expected credit losses have been recognized. The ageing analysis is as follow:

As at 31 December 2025	1 – 30 days	More than 30 days
Trade and other receivables*	7,646,582	646,910
Margin receivables	54,853,631	-
Deposit with general clearing member**	13,270,304	-
	<u>75,770,517</u>	<u>646,910</u>
As at 31 December 2024	1 – 30 days	More than 30 days
Trade and other receivables*	73,480,773	-
Deposit with general clearing member**	19,647,567	-
	<u>93,128,340</u>	<u>-</u>

* These does not include prepaid expenses and employee loans and advances as these are not considered to be financial assets.

** Deposit with general clearing member are made with bank having a credit rating of "A".

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25. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

c) Liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities and the Company's shareholder to meet the Company's commitments and obligations as they become due.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has utilized short-term bank facilities from banks. As at 31 December 2025, bank overdraft amounts to **SR 54,900,000** (31 December 2024: SR 69,600,000). The maximum limit of this credit facility as at 31 December 2025 amounted to **SR 600,475,000** (2024 : SR 600,475,000).

The following analysis the Company's financial liabilities into relevant maturity dates based on the remaining year at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

The ageing analysis of these trade payables is as follows:

	Carrying value	Less than one year	More than 1 years to 2 years	More than 2 years to 3 years	Over 3 years
31 December 2025					
Trade and other payables	21,839,400	21,839,400	--	--	--
Lease liability	12,592,850	2,427,075	2,427,075	2,427,075	7,766,639
Bank overdraft	54,900,000	59,649,876	--	--	--
	89,332,250	83,916,351	2,427,075	2,427,075	7,766,639
31 December 2024					
Trade and other payables	22,245,223	22,245,223	--	--	--
Bank overdraft	69,600,000	71,147,524	--	--	--
	91,845,223	93,392,747	--	--	--

26. CAPITAL MANAGEMENT

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA, to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base.

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated 04 Jumada II 1444H (Corresponding to 28 December 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required. Current year figures are presented based on amended regulations issued by CMA effective from April 1, 2023, and applied prospectively. The prior year's figures are not restated but are presented based on previous Rules and guidance. Capital adequacy ratio are as follows:

Description	As at 31 December 2025	As at 31 December 2024
Capital base:		
Tier-1 Capital (a)	149,860,828	135,872,192
Tier-2 Capital (a)	--	--
	149,860,828	135,872,192

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26. CAPITAL MANAGEMENT (CONTINUED)

	As at 31 December 2025	As at 31 December 2024
Minimum Capital Requirement		
Credit risk	14,982,548	10,397,648
Operational risk	20,626,078	16,737,169
Market risk	26,001	28,119
Total minimum capital required(b)	35,634,627	27,162,936
Surplus in capital	114,226,201	108,709,256
Total capital ratio (percentage / ratio)	33.64%	40.02%

- a) Capital base of the Company comprise of
- Tier-1 capital consists of paid-up share capital, voluntary reserve and retained earnings.
 - Tier-2 capital consists of unrealized gain of investments at fair value through statement of comprehensive income.
- b) The minimum capital requirements for credit and operational risk are calculated as per the requirements specified in the Rules. The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.
- c) The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital basis.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2025 and 2024, the fair values of financial instruments approximate their carrying values due to relatively short-term nature of these financial instruments and not significantly exposed to any financial risk except investments held at fair value through profit or loss.

31 December 2025	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVTPL	3,669,877	3,669,877	-	-	3,669,877
Total	3,669,877	3,669,877	-	-	3,669,877
31 December 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVTPL	-	-	-	-	-
Total	-	-	-	-	-

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28. CLIENT MONEY AND CUSTODIAL ASSETS

According to CMA's Authorized Persons Regulations which require separating clients' funds from company balances, the company keeps clients' funds in an omnibus account with a local bank to carry out its operations and manage its activities as on 31 December 2025. The clients' cash accounts held in a local bank amounted to **SR 157.08 million** (2024: SR 150.83 million) and therefore these balances are not included in the financial statements.

In addition to the above, the Company in accordance with the CMA resolution No. 2-28-2008 holds the shares of the Saudi companies listed on the Saudi Stock Exchange (Tadawul) on behalf of another companies (refer note 15). The market value of these shares held under the custody of the Company amounted to **SR 215.1 million** as of 31 December 2025 (SR 468.07 million as of 31 December 2024).

29. SECURITIES BORROWING AND LENDING

EFG has entered into arrangements with its customers under which it borrows listed Saudi securities solely for the purpose of lending them to another financial institution (the ultimate borrower). EFG does not have the right to sell or pledge these securities. These transactions are conducted in accordance with standard securities borrowing and lending agreements and the Securities Borrowing and Lending Regulations (SBLR) issued by Securities Depository Centre Company ("Edaa"), which do not transfer the risks and rewards of ownership of the underlying securities. The ultimate borrower provides collateral for the lent securities, which is held in custody of a separate financial institution. Consequently, the borrowed and lent securities are not recognized on the statement of financial position.

As at 31 December 2025, the fair value of securities borrowed by EFG amounted to **SAR 171.24 million** (31 December 2024: Nil), while the fair value of collateral held by the third-party financial institution in respect of these transactions as at 31 December 2025 amounted to **SAR 181.10 million** (31 December 2024: Nil).

30. COMMITMENTS

As at 31 December 2025, the Company has margin lending facilities approved for customers amounting to **SAR 242.13 million**, of which **SAR 185.19 million** remained unutilised. These commitments represent the maximum contractual amounts available for use and are subject to the Company's credit risk management policies, including collateral requirements and ongoing monitoring of margin positions. Actual utilisation will depend on customer demand and adherence to facility terms, and such commitments are not recognised in the statement of financial position until drawn.

31. SUBSEQUENT EVENTS

In March 2026, geopolitical instability in the Middle East increased due to regional military actions. The Company has determined that these developments are non-adjusting events. While the Company's financial position remains unaffected at present, management continues to assess the potential for future impacts on its business.

32. DATE OF AUTHORIZATION

These financial statements were approved by the Board of Directors on 26 Ramadan 1447H (corresponding to 15 March 2025).