

FITAIHI HOLDING GROUP COMPANY
(A Saudi Joint-Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

FITAIHI HOLDING GROUP COMPANY
(A Saudi Joint-Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT**TO THE SHAREHOLDERS,
FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH - SAUDI ARABIA
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the consolidated financial statements of Fitaihi Holding Group Company - a Saudi Joint Stock Company - "the Company" and its subsidiaries (collectively referred to as the "Group"), which include the consolidated statement of financial position as of December 31, 2025, and consolidated statement of profit or loss and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated 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 ("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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of Fitaihi Holding Group Company for the year ended December 31, 2024 were audited by another independent auditor who expressed a modified opinion on those financial statements on 31/3/2025 (corresponding to 2/10/1446H).

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS,
FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH - SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (Continued)

Existence and valuation of inventory	
Key audit matter	How the matter was addressed in our audit
<p>The value of inventory amounted to 100.9 million Saudi riyals as of December 31, 2025 (2024: 99.9 million Saudi riyals), which represents approximately 20% (2024: 20%) of the Group's total assets. Inventories are stated at cost or net realizable value, which is lower.</p> <p>The existence and evaluation of inventory were identified as a key matter for the audit for the year ending December 31, 2025, due to the materiality of the inventory balance in addition to the judgments and assumptions used by the Group's management when determining the appropriate provision for inventory.</p> <p>The factors that are taken into consideration when determining the appropriate provision for inventory include the following:</p> <ul style="list-style-type: none"> - Evaluating the level of non-moving and slow-moving inventory based on the level of obsolescence of inventory items, taking into account their nature, age, and sales expectations using historical sales experience and other qualitative factors. - Determine the net realizable value based on future expectations and other factors. 	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the Group's accounting policies for recognizing and measuring inventory in line with the requirements of the relevant accounting standard. - We observed a sample of the inventory counting process performed by the group. - We selected a sample of inventory items and compared the quantities we counted with the recorded quantities. - We Made inquiries regarding obsolete inventory items and examined the condition of a selected sample of stock items that were inventoried by us. - We tested the net realizable value of inventory by examining subsequent sales at the end of the year by examining a sample of items and comparing the net realizable value with the book value of inventory at the end of the year to verify the adequacy of the associated provision. - We evaluated the inventory allocation methodology and the key assumptions used by the group's management in measuring inventory at cost or net realizable value, which is lower, by conducting a retrospective test and comparing previous estimates with actual results. - We evaluated the adequacy and appropriateness of the disclosures related to the consolidated financial statements in line with the requirements of the relevant international financial reporting standards.

Other information

Other information consists of the information included in the Group's annual report for the year ended December 31, 2025, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to communicate that to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS,
FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH - SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**Responsibilities of management and Those Charged with Governance for the consolidated financial statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS,
FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH - SAUDI ARABIA
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JEDDAH: March 10, 2026
Ramadan 21, 1447H



FOR EL SAYED EL AYOUTY & CO.



Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT-STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Property and equipment	7	40,884,833	41,470,052
Right-of-use assets	8	1,841,160	2,032,290
Investment in an associate company	9	194,065,033	190,832,938
Investments in equity instruments at fair value through other comprehensive income	10	155,158,881	154,962,278
Total non-current assets		391,949,907	389,297,558
Current assets			
Inventory	11	100,925,609	99,872,240
Trade and other receivables	12	952,843	1,676,764
Cash and cash equivalents	13	3,156,878	6,622,551
Total current assets		105,035,330	108,171,555
Total assets		496,985,237	497,469,113
EQUITY AND LIABILITIES			
Equity			
Share capital	14	275,000,000	275,000,000
Statutory reserve	15	68,676,942	68,676,942
Retained earnings		110,816,696	111,931,577
Reserve in equity instruments at fair value through other comprehensive income	10	21,873,503	18,221,696
Reserve of cashflows hedge of the associate company		890,015	2,799,694
Total equity		477,257,156	476,629,909
Non-current liabilities			
Liabilities for right-of-use assets - non-current portion	8	833,138	764,958
Employees defined benefit obligations	16	2,557,474	2,127,829
Total non-current Liabilities		3,390,612	2,892,787
Current liabilities			
Liabilities for right-of-use assets - current portion	8	1,118,930	1,486,634
Trade and other payables	17	11,928,941	13,285,556
Provision for zakat	23	3,289,598	3,174,227
Total current liabilities		16,337,469	17,946,417
Total liabilities		19,728,081	20,839,204
Total equity and liabilities		496,985,237	497,469,113

The accompanying notes from (1) to (28) form an integral part of these consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of:

Chief Executive Officer
Chief Financial Officer

Yasser Yehia Abdelhamid

Authorized Board Member

Ibrahim Hassan Almadhoun

Chairman of Board of directors

Ahmed Hassan Fitaihi

FITAIHI HOLDING GROUP COMPANY

(A SAUDI JOINT-STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	Note	December 31, 2025	December 31, 2024
Net sales	18	45,183,292	42,134,894
Cost of sales	19	(28,417,345)	(24,905,364)
Gross profit of sales		16,765,947	17,229,530
Selling and distribution expenses	20	(12,908,122)	(11,950,514)
General and administrative expenses	21	(12,269,738)	(13,160,278)
Loss from operation		(8,412,913)	(7,881,262)
Company's share of the business result of the associate company	9	3,582,366	17,876,777
Dividend from equity instrument at fair value through other comprehensive income	10	10,020,369	7,932,713
Gross profit		5,189,822	17,928,228
Finance costs – lease liabilities		(86,605)	(135,780)
Other income / (expenses) – Net	22	2,200,610	(101,617)
Profit before Zakat		7,303,827	17,690,831
Zakat	23	(3,258,188)	(3,175,773)
Net profit for the year		4,045,639	14,515,058
Earnings per share:			
Basic and diluted earnings per share from net profit for the year attributable to the shareholders of the parent company	24	0.015	0.053

The accompanying notes from (1) to (28) form an integral part of these consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of:

Chief Executive Officer
Chief Financial Officer

Yasser Yehia Abdelhamid

Authorized Board Member

Ibrahim Hassan Almadhoun

Chairman of Board of directors

Ahmed Hassan Fitaihi

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT-STOCK COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
Expressed in Saudi Riyals

	Note	December 31, 2025	December 31, 2024
Net profit for the year		4,045,639	14,515,058
Items that will not to be reclassified subsequently to profit or loss:			
Change in value of investment in equity instruments at fair value	10	3,731,731	(15,080,556)
Re-measuring profit of employee defined benefit plan	16	75,148	410,291
Group's share of Re-measuring profits of defined benefit plan of the associate company	9	1,559,408	1,228,350
Group's share in revaluation (loss) of investment in equity instrument through other comprehensive income of the associate company	9	-	(4,104)
Items that will be reclassified subsequently to profit or loss			
Group's share in change of fair value for cash flow hedge of the associate company	9	-	(1,089,044)
Total items in the consolidated statement of other comprehensive income		5,366,287	(14,535,063)
Total comprehensive (loss) / Income		9,411,926	(20,005)

The accompanying notes from (1) to (28) form an integral part of these consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of:

Chief Executive Officer
Chief Financial Officer

Yasser Yehia Abdelhamid

Authorized Board Member

Ibrahim Hassan Almaghron

Chairman of Board of directors

Ahmed Hassan Fitaihi

FITAIHI HOLDING GROUP COMPANY

(A SAUDI JOINT-STOCK COMPANY)
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2025
 Expressed in Saudi Riyals

	Share capital	Statutory reserve	Retained earnings	Reserve of fair value through other comprehensive income of the associate company	Reserve of fair value through other comprehensive income	Reserve in equity instruments at fair value through other comprehensive income	Total equity
Balance as at January 1, 2025	275,000,000	68,676,942	111,931,577	2,799,694	-	18,221,696	476,629,909
Net income for the year	-	-	4,045,639	-	-	-	4,045,639
Other comprehensive income	-	-	1,634,556	-	-	3,731,731	5,366,287
Total comprehensive income	-	-	5,680,195	-	-	3,731,731	9,411,926
Transfer to retained earnings	-	-	79,924	-	-	(79,924)	-
The Group's share of the transfer of hedging reserve	-	-	-	(1,909,679)	-	-	(1,909,679)
Dividends	-	-	(6,875,000)	-	-	-	(6,875,000)
Balance at December 31, 2025	275,000,000	68,676,942	110,816,696	890,015	-	21,873,503	477,257,156
Balance as at January 1, 2024	275,000,000	68,676,942	95,775,635	3,869,738	6,347	33,302,252	476,649,914
Net income for the year	-	-	14,515,058	-	-	-	14,515,058
Changes in other comprehensive income during the year	-	-	1,638,641	(1,089,044)	(4,104)	(15,080,556)	(14,535,063)
Total comprehensive income	-	-	16,153,699	(1,089,044)	(4,104)	(15,080,556)	(20,005)
Transfer to retained earnings	-	-	2,243	-	(2,243)	-	-
Balance at December 31, 2024	275,000,000	68,676,942	111,931,577	2,799,694	-	18,221,696	476,629,909

A - The amounts presented under retained earnings for the year 2025 represent the profit attributable to the owners of the parent company amounting to SAR 93,593,909, in addition to the remeasurement reserve of employees' defined benefit obligations for the parent company amounting to SAR 2,260,109, as well as the remeasurement reserve of employees' benefits for the associate company amounting to SAR 14,962,678.

The accompanying notes from (1) to (28) form an integral part of these consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of:

Chief Executive Officer
 Chief Financial Officer

Yasser Jehia Abdelhamid

Authorized Board Member

Ibrahim Hassan Alrajchon

Chairman of Board of directors

Ahmed Hassan Fitaihi

FITAIHI HOLDING GROUP COMPANY

(A SAUDI JOINT-STOCK COMPANY)
 CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 Expressed in Saudi Riyals

	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before zakat	7,303,827	17,690,831
Adjustments to reconcile profit before zakat to net cash flows from operating activities:		
Depreciation of property and equipment	1,735,450	1,251,354
Depreciation of right-of-use assets	1,301,778	1,302,156
Cost of current service - Employees defined benefit obligations	532,974	826,539
Cost of interest - Employees defined benefit obligations	118,140	83,364
Gains on disposal of property and equipment	-	(60,000)
Finance charge of the right-of-use assets	86,605	135,780
Group's share of result of associate company	(3,582,366)	(17,876,777)
Dividends from investment in equity instruments at fair value through other comprehensive income	(10,020,369)	(7,932,713)
	(2,523,961)	(4,579,466)
Changes in working capital:		
Inventory	(1,053,369)	(5,710,580)
Trade and other receivables	723,921	813,024
Trade and other payables	(1,356,615)	3,813,099
	(4,210,024)	(5,663,923)
Zakat paid	(3,142,817)	(2,781,764)
Employees defined benefit liabilities paid	(146,321)	(43,523)
	(7,499,162)	(8,489,210)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for additions to property and equipment	(1,150,231)	(2,998,844)
Payments for additions to investments in equity instruments at fair value through other comprehensive income	-	(25,887)
Proceeds from the sale of investments in equity instruments at fair value through other comprehensive income	3,535,128	-
Proceeds from dividends from investments in associated companies	-	4,331,901
Proceeds from dividends from investments in equity instruments at fair value through other comprehensive income	10,020,369	7,932,713
Proceeds from the sale of property and equipment	-	60,000
	12,405,266	9,299,883
Net cash generated from investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(6,875,000)	-
Liabilities and debit interest paid for lease contracts	(1,496,777)	(1,436,242)
	(8,371,777)	(1,436,242)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(3,465,673)	(625,569)
Cash and cash equivalents at the beginning of the year	6,622,551	7,248,120
Cash and cash equivalents at the end of the year	3,156,878	6,622,551
Non-cash transactions		
Changes in investments in equity instruments at fair value through other comprehensive income	3,731,731	(15,080,556)
Re-measuring profit of employee defined benefit plan	75,148	410,291
Group's share of Re-measuring profits of defined benefit plan of the associate company	1,559,408	1,228,350
Transfer - Group's share (loss) of cashflows hedge of the associate company	(1,909,679)	(1,089,044)

The accompanying notes from (1) to (28) form an integral part of these consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of:

Chief Executive Officer
 Chief Financial Officer

 Yasser Yehia Abdelhamid

Authorized Board Member

 Ibrahim Hassan Almadhoun

Chairman of Board of directors

 Ahmed Hassan Fitaihi

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
Expressed in Saudi Riyals

1. General

1.1 General Information

Fitaihi Holding Group Company ("the Company" or "the Parent Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Ministerial Resolution No. 1058 dated Ramadan 9, 1418(H) and commercial registration number 4030085128 issued in Jeddah on Shaaban 2, 1412 H (corresponding to February 5, 1992), and Listed in the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia .

The main activities of the Group and its subsidiaries are as follows:

- a) The activities of the holding company (Management of subsidiaries of holding companies, investment of the funds of subsidiaries of holding companies, ownership of real estate and transfers necessary for holding companies, provision of loans, guarantees, and financing to subsidiaries of holding companies, ownership of industrial property rights of holding companies, lease of industrial property rights to holding companies).
- b) Wholesaling of gold and precious Metal, retail sale of precious metals and gemstones.
- c) Buying and selling precious metals and gemstones.
- d) Import, sale, and purchase of precious metals and gemstones.
- e) Welding and polishing workshops (jewelers).
- f) Electronic trade.
- g) Wholesale of carpets and rugs.
- h) Retail trade in sweets, chocolate
- i) Retail trade of blankets, sheets, linens, and bedspreads.
- j) Retail for home appliances and various handicrafts cutting tools, ceramics, and household utensils
- k) Retail trade of business and handicrafts, antiques, and gifts.
- l) Wholesale of bags.
- m) Wholesale of household utensils and table accessories.
- n) Wholesale of gifts and luxuries.
- o) Auctions are not in stores.
- p) Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

The registered address of the Company is the building of the Fitaihi Holding Group Company, Madinah Road, north of the Emirate of Makkah Al-Mukarramah Region, PO Box 2606, Jeddah 21461, Kingdom of Saudi Arabia, the main center of the Company is located in Jeddah.

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
Expressed in Saudi Riyals

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

1.2. Commercial registration Of Group As 31 Dec 2025

<u>Branch name</u>	<u>Branch commercial registration number</u>	<u>Date</u>	<u>City</u>
Branch of Fitaihi Holding Group	7014702216	21/11/2007	Jeddah
Saudi Tawteen for Maintenance & Operation	7001809073	07/07/2012	Jeddah
Fitaihi Retail Company, One person company	7011025603	04/12/2007	Jeddah
Branch of Fitaihi Retail Company	7013611251	17/01/2016	Jeddah
Branch of Fitaihi Retail Company	7013085399	06/11/2007	Jeddah
Branch of Fitaihi Retail Company	7014068089	05/11/2003	Jeddah
Branch of Fitaihi Retail Company	7013840330	05/02/1992	Jeddah
Branch of Fitaihi Retail Company	7011794794	05/02/1992	Jeddah
Branch of Fitaihi Retail Company	7006653443	09/06/2014	Jeddah
Branch of Fitaihi Retail Company	7006539386	29/07/2013	Jeddah
Branch of Fitaihi Retail Company	7003755100	28/12/2016	Jeddah
Branch of Fitaihi Retail Company	7011439960	05/02/1992	Jeddah

1.3. Subsidiaries

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership percentage as of December 31, 2025</u>	<u>Ownership percentage as of December 31, 2024</u>	<u>Activity</u>
Fitaihi Retail Company One person company	Jeddah- KSA	Direct 100%	Direct 100%	Buying and selling precious metals and gemstones, Welding and polishing workshops (jewelers), and electronic trade. Retail trade-in perfumes, cosmetics, gifts (lighters, buttons, pens, watches), wholesale trade in Chinese crystal, antiques, household utensils required, leather products, towels, linens, and clothes also wholesale trade in all kinds of foodstuffs and establishment and management of business centers.
Saudi Tawteen for Maintenance & Operation	Jeddah- KSA	Direct 100%	Direct 100%	Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
Expressed in Saudi Riyals

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Functional and Presentation Currency

The consolidated financial statements are presented in Saudi Riyal (SAR), which is also the functional and presentational currency of the Group.

2.3 Basis of Measurement

The consolidated financial statements have been prepared on historical cost basis, except for, if mentioned otherwise.

3. BASIS OF CONSOLIDATION

The Group's consolidated financial statements include the financial statements of the parent company and its Subsidiaries "the Group" as of December 31, 2025. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns by exercising its influence over the entity. In particular, the Group controls the entity if - and only if - the Group has:

- Control over the entity (existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its control over the investee to affect its returns

In general, there is an assumption that the majority of voting rights will lead to control. In order to reinforce this assumption and when the Group has a level below the majority of voting rights or similar rights in the investee company, the Group takes into account all relevant facts and circumstances when assessing whether the Group has influence over the investee, and these facts and conditions include the following:

- Contractual arrangements with others who are entitled to vote in the investee company.
- Rights arising from other contractual arrangements.
- Group voting rights and potential voting rights.

The Group reassesses whether it is still exercising control over the investee, or not, when facts and circumstances indicate that there is a change in one or more of the three elements of control. The consolidation of the subsidiary begins from the date on which the Group controls the subsidiary and continues until the removal of the controls. The assets, liabilities, income, and expenses of the subsidiary acquired or sold during the period are included in the consolidated financial statements from the date the Group acquires control until the date the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income is distributed between the shareholders of the Group's parent company and the non-controlling interests, even if this distribution may lead to a deficit balance in the non-controlling interests. If necessary, adjustments are made to the financial statements of subsidiaries in the event that there are significant differences between the parent company and the subsidiary in order to reconcile its accounting policies with the financial policies of the Group. All assets, liabilities, equity, income, expenses, and cash flows relating to transactions between Group companies are eliminated in full when the financial statements are consolidated.

Proper accounting treatment has been done for any change in ownership interest in a subsidiary that does not result in a loss of control equity.

If the Group loses control of a subsidiary, it excludes the assets (including goodwill if any), liabilities, and any other components of the subsidiary's equity, and any gain or loss resulting from loss of control is recorded in the consolidated statement of profit or loss. Any share of the investment is recognized at fair value.

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4. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of significant accounting policies applied by the Group in preparing the consolidated financial statements. The accounting policies below have been applied consistently to all periods presented in the consolidated financial statements:

4.1 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognized as expenses.

Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls the company when it is exposed or has the right to various returns as a result of its participation in the company and has the ability to influence those returns through its control of the company.

Subsidiaries are consolidated from the date on which control commences and until the control of that control ceases, as the Group uses the acquisition method of accounting when control is transferred to the Group.

The acquisition cost is measured at the fair value of the determined assets acquired and the fair value of the equity interest previously held by the subsidiary. The increase in the acquisition cost plus the fair value of the non-controlling interests over the net value of the determined assets acquired and recognized as goodwill is recorded in the consolidated statement of financial position.

Non-controlling interests

Non-controlling interests are measured by their percentage of the net assets of the company acquired at the date of acquisition. If the business combination is achieved in stages, the carrying value at the date of acquisition of the previously held shares of the company acquired in the acquired company is re-measured at fair value on the date of the acquisition and any profits or losses arising from the re-measurement are recognized in profit or loss. Both transactions and unrealized profit or loss resulting from transactions between Group companies are eliminated. Accounting policies of subsidiaries are adjusted as necessary to ensure consistency with the policies adopted by the Group.

Shares in companies using the equity method

The group's shares in equity-invested companies consist of shares in associated companies. Associates are those entities over which the group has a significant influence. An important influence is the ability to participate in decisions regarding the financial and operating policies of the investee, but it is not joint control or control of these policies.

The Group's investments in the associate are accounted for using the equity method. Under this method, investment in associates is recognized at cost. Subsequent to initial recognition, these financial statements include the group's share of the profits or loss and other comprehensive income of the investee companies accounted for using the equity method until the ceases date of the significant effect.

4.2 New standards and amendments to standards and interpretations

The amendments to existing standards that have been issued but are not yet effective as of the date of issuance of these financial statements, as set out below, are intended to be adopted by the Company, where applicable, when they become effective:

- Amendments to the classification and measurement of financial instruments – amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”, effective for annual periods beginning on or after 1 January 2026.
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026, including amendments to:
 - IFRS 1 “First-time Adoption of International Financial Reporting Standards”
 - IFRS 7 “Financial Instruments: Disclosures”
 - IFRS 9 “Financial Instruments”
 - IFRS 10 “Consolidated Financial Statements”
 - IAS 7 “Statement of Cash Flows”
- Contracts Referencing Nature-dependent Electricity – amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026.
- IFRS 18 “Presentation and Disclosure in Financial Statements”, effective for annual periods beginning on or after 1 January 2027.
- Amendment to IFRS 21 “Translation to a Hyperinflation Presentation Currency”, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, effective for annual periods beginning on or after 1 January 2027.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.3. Fair value measurement

The Group measures financial instruments such as investment in equity instruments at fair value at each consolidated financial statement.

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 assets or liabilities, or
- In the absence of the principal market, in the most advantage market for the assets or liabilities.

The principal market or most advantage one must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The ability of market participants to generate economic benefits through the best and maximum use of the asset or its sale to other market participants that would use the asset in its best and maximum use when measuring the fair value of non-financial assets.

All assets and liabilities that are measured at fair value or disclosed in the consolidated financial statements are categorized into a hierarchy of fair value levels listed below and on the basis of significant lower-level inputs to measure the fair value as a whole:

Level 1: Quoted prices (unadjusted) in an active market for similar 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.

With respect to the assets and liabilities that are recognized in the consolidated financial statements at fair value frequently, the Group determines whether the transfer between the hierarchical levels to measure the fair value has been done by reassessing the classification (based on significant lower-level inputs to measure the fair value as a whole) at the end of each financial year.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of assets and liabilities and a hierarchy of levels of fair value measurement mentioned above. The disclosures related to the fair value of financial instruments and non-financial assets that are measured at fair value, or their fair value are disclosed in the relevant notes.

4.4. Revenue recognition from contracts with clients

Revenue arises mainly from the sale of gold and Jewelry and revenue from operations. To determine whether revenue is to be recognized, the Group follows a five-step process that is as follows:

- 1- Determine the contract concluded with the customer.
- 2- Determine the performance obligations.
- 3- Determine the transaction price.
- 4- Allocation of the transaction price to performance obligations.
- 5- Revenue is recognized when performance obligations are satisfied.

The group often enters into transactions that involve a group of the group's products and services. In all cases, the total transaction is determined for the contract between the various performance obligations based on the relative selling prices.

The transaction price for the contract excludes any amounts collected on behalf of other parties.

Revenue is recognized at a specific point in time when the Group fulfills its performance obligations by transferring the promised goods or services to its customers.

The following are the specifications that must be fulfilled before revenue is achieved:

Selling of Goods

Revenue from selling of goods is recognized when the potential risks and expected gains of these sales are transferred from the Group's responsibility to the buyer's responsibility, with the possibility of realizing the revenue, usually when the goods are delivered to the buyer.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4. Revenue recognition (Continued)

Dividend

Revenue is recognized when the Group is entitled to receive these distributions, and this is usually done when shareholders in the investee companies approve it.

4.5. Expenses

All expenses, including operating expenses, general and administrative expenses, and other expenses, are recognized and included in the consolidated statement of profits or losses in the financial period in which those expenses were realized.

Selling and distribution expenses are those expenses that relate to sales and distribution staff and other incidental expenses related there to, and all other expenses are classified as general and administrative expenses.

4.6. Zakat

The Parent Company measures and recognizes the provision for zakat for each financial year separately in accordance with the regulations of the Zakat, Tax and Custom Authority ("ZATCA") on the basis of the accrual principle. The provision for zakat is charged separately in the consolidated statement of profit or loss. Any additional amounts payable, if any, will be recorded in the same year upon completion of the final assessment.

4.7. Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, The Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

Transactions in foreign currency are initially recorded by the entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the consolidated statement of profits or losses with the exception of monetary items that are designated as part of the hedge of the Group's net investment in foreign operations. These are recognized at other comprehensive income consolidated statement until the net investment is disposed of, at which time, the cumulative difference amount resulted is reclassified to profit or loss in the consolidated statement of profit or loss. The burdens and changes resulting from the differences in the change in those monetary items are dealt with in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.8. Cash Dividends and Non-Cash Distributions to Shareholders of The Parent Company

Initial dividends are recognized as liabilities in the period in which they are approved by the Board of Directors. According to the Company's Articles of Association, the General Assembly determines the percentage of profits to be distributed to shareholders from net profits less reserves, if any. The Company may distribute interim dividends on a semi-annual or quarterly basis to its shareholders, pursuant to a mandate from the General Assembly of the Board of Directors, which is renewed annually.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.9. Property and equipment

Items of property and equipment are initially recorded at cost less accumulated depreciation and accumulated impairment losses. Work in progress is not depreciated.

The cost includes the cost of the replaced part of the property and equipment and borrowing costs of long-term construction projects if recognition requirements are met. When significant parts of property and equipment are replaced at specified intervals, the Group recognizes those parts as individual assets with a specific useful life and consumption. Likewise, when a thorough examination is performed, its costs are recognized in the carrying value of property and equipment as a replacement cost if the recognition conditions are met. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss when incurred.

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

<u>Property and equipment</u>	<u>Annual depreciation rate</u>
Buildings	3% - 5%
Decoration	15%-50%
Control devices, elevators, and air conditioners	20%-33%
Vehicles	20% - 25%
Machineries	20% - 25%
Furniture and fixture	12.5% - 25%

The recognition of any item of property and equipment ("the asset") is canceled upon its disposal or when no economic benefit is expected from its use or sale in the future. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in the consolidated statement of profit or loss upon disposal.

The residual value, useful lives, and methods of depreciation of property and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, if necessary.

4.10. Work in progress

Capital work-in-progress represents all costs relating directly and indirectly to the construction in progress and is capitalized as property and equipment when ready for the intended use.

4.11. Leases

The group evaluates whether the contract is rent or contains rent, at the beginning of the contract the group will recognize the right-of-use asset and the corresponding lease obligation in relation to all lease agreements in which the tenant is, except for short-term leases and low-value asset rentals.

a) Right-of-use assets

The lease is recognized as a right-of-use asset with its corresponding obligations on the date when the leased assets are ready for use by the Group. Each lease payment is allocated between the commitment and the cost of financing. The cost of financing is recognized in the consolidated profit or loss statement over the lease term. The assets of the right of use are depreciated over the productive life of the asset and the duration of the lease, whichever is shorter, and on a straight-line basis.

The right-of-use assets are measured initially at the cost and consist of:

- The amount of the initial measurement of the lease obligation,
- Any lease payments made in or prior to the start date of the lease minus the rental incentives received;
- Any initial direct costs, and
- Recovery costs, where applicable.

b) Lease obligations

On the date of commencement of the lease, the group records rental obligations measured in the current value of rental payments made over the duration of the lease. Rental payments include fixed payments (including core fixed payments) minus any receivable rental incentives, variable rental payments based on an indicator or rate, and amounts expected under residual value guarantees. Rental payments include the price of exercising the purchase option when there is reasonable certainty that the group will exercise this right in addition to penalty payments for the cancellation of the lease if the terms of the lease provide for the group's practice of cancellation. For variable rental payments that do not depend on an index or rate, they are recorded as an allowance in the period during which they are paid. Rental payments are deducted using the interest rate included in the lease or the group's increased borrowing rate.

c) Short-term leases and leases with low-value assets

Short-term leases are leases with a lease of 12 months or less. Low-value assets are items that do not meet the group capitalization limits and are considered to be not material to the group's financial position statement as a whole. Short-term lease payments and low-value asset leases are recognized on a straight-line basis in the statement of consolidated profit or loss.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.12. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Group's investments in the associate company are accounted for using the equity method. Under this method, investment in associate companies is recognized at cost. The investment book value is adjusted to determine the changes in the group's share of the company's net assets on the date of the acquisition. The goodwill or joint ventures are included in the investment book value and are not tested separately to ensure that there is no impairment in its value.

The consolidated statement of comprehensive income reflects the Group's share of the results of the associate company's operations. Any change in the other comprehensive income of those investments is presented as part of the group's other comprehensive income. In addition, when there is a direct fixed change in the ownership equity of the associate company, the Group records its share of any changes, when applicable, in the statement of changes in equity. Unrealized profit and loss resulting from transactions between the group and the associate company is excluded based on the group's share in the associate company.

The total share of the Group in the earnings or losses of the associate company is recognized in the consolidated statement of profit or loss separated of operating profit and represents the profit or loss and non-controlling interest in the subsidiaries of the associates.

The financial statements of the associate company are prepared in the same period as the Group's consolidated financial statements. If necessary, adjustments are made to bring accounting policies in line with those of the group.

After applying the equity method, the Group determines whether it is necessary to prove the loss of the impairment in the investment of the associate company. The Group determines on the date of each report whether there is any objective evidence that investment in the associate company has impaired its value. When this is the case, the Group calculates the amount of impairment as the difference between the recoverable value of the associate company and its book value, and the loss is recognized as "impairment losses in the associate company", in the consolidated statement of profit or loss.

At the end of each reporting period, the Group's management assesses whether there is any indication that an impairment loss recognized in prior periods for investment may no longer exist or may have decreased, and if any such indication exists, the recoverable amount is estimated. In all cases, the carrying amount to be determined (the net amount after amortization or depreciation) should not increase if no impairment loss had been recognized for the investment in previous years; the impairment loss is immediately reversed in the consolidated statement of profit or loss.

When the significant impact on an associate company is lost, the Group measures and demonstrates any investments held at fair value. Any difference between the book value of the associate company when the significant impact loss and the fair value of the retained investments and the earnings of the disposed is recognized in profit or loss.

4.13. Financial Instruments

Financial assets

The Group classifies financial assets according to the following categories:

- Those that are subsequently measured at fair value (whether through other comprehensive income, profits or losses), and
- Those that are measured at amortized cost.

The classification depends on the Group's business model of managing its financial assets and the contractual terms of cash flows.

All financial assets that are not classified as measured at amortized cost or fair value through other comprehensive income, as described below, are measured at fair value through profit or loss. Net gains and losses, which include any interest or dividend income, are recognized in profit or loss.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.13. Financial Instruments (Continued)

Financial assets at amortized cost

A financial asset is measured at amortized cost, using the effective interest method, if both of the following conditions 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;
- 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.

When assessing whether an asset is held within a business model with the objective to hold assets to collect contractual cash flows, the group takes into account:

- Management policies, Group objectives, and the performance of those policies in practice.
- Risks that affect the performance of the business model (and the financial assets held within the business model), and in particular, the way those risks are managed.
- How management evaluates the performance of the portfolio.
- Whether the management strategy focuses on earning contract commission income.
- The degree of recurrence of any sales of expected assets.
- The reason for any asset sales.

Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss arising from discontinued operation is recognized in the profit or loss.

Investments in Debt Instruments at Fair Value through Other Comprehensive Income

Investments in debt instruments that meet the following conditions are measured at fair value through other comprehensive income:

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

Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. All other changes in the carrying amount of these instruments are recognized in other comprehensive income and accumulated under the investment valuation reserve in equity instruments. When these instruments are disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to the consolidated statement of profit or loss.

Investments in equity Instruments at Fair Value Through Other Comprehensive Income

Upon initial recognition, the Group can make an irreversible selection (as per each instrument) to determine that the investment in equity instruments will be treated at fair value through other comprehensive income. This is not permitted if the investment is held for the purpose of trading.

A financial asset is held for trading if:

- It is acquired primarily for the purpose of selling or repurchasing in the near term.
- The investment is part of a profit-taking portfolio in the short term. or
- If it is a derivative instrument.

Investments in equity instruments are measured through other comprehensive income, initially at fair value, in addition to transaction costs. Thereafter, they are measured at fair value, recognizing the gains and losses resulting from changes in the fair value in the other comprehensive income. It is never reclassified to the consolidated statement of profit or loss and there is no impairment will be recorded in the consolidated statement of profit or loss.

Dividend income is recognized in the consolidated statement of profit or loss when the group has the right to receive the dividend, unless the dividend clearly represents a recovery of part of the investment cost.

The investment revaluation reserve includes the net cumulative change in the fair value of the investment in equity measured at fair value through other comprehensive income. When these financial instruments are disposed of, the amount accumulated in the fair value is transferred from the reserve to the retained earnings.

The Group has elected to present changes in the fair value in other comprehensive income for all equity investments previously classified as available for sale financial investments, as these investments are not held for trading.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.13. Financial Instruments (Continued)

Impairment of financial assets

The Impairment of financial assets is measured using the "expected credit losses" model. The " expected credit losses" model is applied to financial assets measured at amortized cost and to debt instruments measured at fair value through other comprehensive income and not to investments in equity instruments.

The Group applies the simplified approach in calculating the Impairment. expected credit losses are estimated on the financial assets using the experience of the historical credit loss of the group, while adjusting them to general economic conditions and evaluating both the current trend and expectations of conditions at the date of the report, including the time value of money wherever it is appropriate.

The measurement of expected credit losses is evidence of the probability of default, or the default given loss (i.e. the size of the loss if there is a default). The assessment of the probability of default is based on historical data that is modified by information that expected the future as described above.

The Group recognizes profit or loss in the impairment separately in the statement of profit or loss, and provisions for losses for financial assets that are measured at amortized cost are deducted from the total carrying amount of the financial assets.

Disposal of the Financial Assets

The Group de-recognizes the financial asset only when the contractual rights to cash flows from the asset expire or transfer the financial asset and the risks and rewards of ownership to another entity. If the Group does not transfer or substantially retain all the risks and rewards of ownership of the asset, the Group continues to recognize its held share in the assets and liabilities associated with the financial asset to the amounts it may have to pay.

Financial liabilities

Initial Recognition and Measurement

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

All of the Group's financial liabilities are classified and measured at amortized cost, using the effective interest method. The Group does not have financial liabilities at fair value through profit or loss.

De-recognition of Financial Obligations

The Group removes the recognition of financial liabilities only when these liabilities are fulfilled, canceled, or expired.

4.14. Offset

The financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position only when a legal right exists and the Group has the intention to settle the assets and liabilities recorded on a net basis to achieve the assets and settle the liabilities at the same time.

4.15. Inventory

Inventory is stated at lower of cost and net realizable value and the cost is calculated according to the following principles:

- Diamond jewelry at the actual cost price per piece.
- Goldsmiths and raw materials of gold by weight and gemstones based on weighted average.
- Clothing, shoes, antiques, gifts, perfumes, cosmetics, and other goods on a weighted average basis.

The realizable value is the estimated selling price less all costs that may be incurred to get the product disposed of.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.16. Impairment of non-financial assets

At the date of preparing the consolidated financial statements, the Group assesses whether there is an indication that the value of an asset is impaired. If there is any indication of this, or when there is a need to conduct an annual impairment test for the asset, the group estimates the recoverable value of the asset. Recoverable amount is the higher of fair value or cash-generating unit less costs to sell and value in use, and is determined for the single asset unless the asset generates cash flows that are largely independent of expenditures generated from other assets or groups of assets. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices, or other available fair value indicators.

The Group basis its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets, excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

4.17. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the obligation amount. In cases where the Group expects to recover some or all of the provisions, i.e. under an insurance contract, the recoveries are recognized as a separate asset only when the recovery process is confirmed. The expense related to the provision is presented in the consolidated statement of profit or loss after deducting any recoverable amounts.

If the effect of time value of money is material, provisions are deducted using the current pre-tax rate, which, when appropriate, reflects the risks associated with that obligation. When the discount is used, the increase in the provision due to the passage of time is recognized as finance costs.

4.18. Employee Benefits obligations

The present value of the defined benefit cost to employees is determined by an actuary, and it is paid at the end of the service in accordance with the law applied in the Kingdom of Saudi Arabia.

The re-measurement of defined benefit liability, which comprise of actuarial gains and losses, the effect of the asset level (excluding the amounts included in the net returns on the net defined benefit obligations), and the returns on the plan assets (excluding the amounts involved in the net returns on the net defined benefit obligations), are immediately recognized in the consolidated statement of financial position and within the retained earnings through the consolidated statement of other comprehensive income. The re-measurement is not reclassified to profit or loss in subsequent periods.

Post-employment costs are recorded in the consolidated statement of profit or loss at either:

- The date the plan was modified, or the date the plan was reduced, or
- On the date that the Group records the related restructuring costs - whichever occurs first.

Net interest is calculated by applying the discount rate to the net liability or principal of the defined benefit obligation. The Group records the following changes in the net benefit obligation defined under "cost of sales", "general and administrative expenses" and "selling and distribution expenses" in the consolidated statement of profit or loss (according to position):

- Service costs which consists of service costs, Post-employment costs, and profits and losses related to reducing the duration of the Plan or routine adjustments.
- Net interest expense or income.

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5. CRITICAL JUDGMENT, SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUPMTION

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

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 Group based its assumptions and estimates on available information when the consolidated financial statements were prepared. Existing information and assumptions about future, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A) Useful lives of Property and Equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

B) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset)

C) Impairment of Non-Financial Assets

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs of sell calculation is based on available data from binding sales transactions, conducted at arms' length, for similar assets or observable market prices less incremental costs of sell of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are extracted from its budget for the next five years and do not include restructuring activities that the Group is not yet committed to significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-flows and the growth rate used for extrapolation purposes.

D) Zakat provision

When the group estimates the amount of zakat due, the group's management takes into consideration the applicable laws and previous decisions and provisions of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

E) Defined Benefit Plan

The cost of employees' terminal benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover (employment, termination, resignations). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year-end. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, Management considers the market yield on high quality corporate/government bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand, and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note (16).

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5. CRITICAL JUDGMENT, SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUPMTION (CONTINUED)

F) Measuring the fair value of financial instruments

When the fair value of the financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on the prices traded in active markets, the fair value is determined by using valuation methods including the discounted cash flow method. Inputs to these methods are made through observable markets where possible, and when this is not feasible, a degree of diligence is required to determine the fair value. The judgments include consideration of inputs such as liquidity risk, credit risk, and volatility. Changes in the assumptions relating to these factors can affect the fair value of the financial instruments.

G) Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and an allowance applied according to the inventory type and the degree of ageing or obsolescence, based on net realizable value, representing the estimated selling price net of the estimated costs to perform the sale.

H) Leases - Estimating the incremental borrowing rate

The Group 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 Group 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 Group '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 (for example, when leases are not in the subsidiary's functional currency). The Group 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 subsidiary's stand-alone credit rating).

I) Going concern

The Group's management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

6. SEGMENT REPORTING

The segment is considered an essential part of the group that provides specific products or services (business segment) or provides products or services in a specific economic environment (geographic segment) and its profits and losses differ from the profits and losses of other segments. The group presents the business segment due to conducting most of its activity within the Kingdom of Saudi Arabia. Saudi Arabia.

The activities of the Parent Company (Fitaihi Holding Group Company), and the subsidiary company (Fitaihi Retail Company), are concentrated in the trade of gold, jewelry, precious commodities, clothing, furnishings, and accessories. The company's segment consists of the following:

<u>2024</u>	<u>Commercial activity</u>	<u>Investing activity</u>	<u>Total</u>
Revenue	42,134,894	25,809,490	67,944,384
Gross profit	17,229,530	25,809,490	43,039,020
Net (Loss) /profit for the year	(2,571,627)	17,086,685	14,515,058
Assets	115,153,612	382,315,501	497,469,113
Liabilities	16,056,692	4,782,512	20,839,204
<u>2025</u>	<u>Commercial activity</u>	<u>Investing activity</u>	<u>Total</u>
Revenue	45,183,292	13,602,609	58,785,901
Gross profit	16,765,947	13,602,609	30,368,556
Net Profit for the year	(1,312,171)	5,357,810	4,045,639
Assets	112,923,863	384,061,374	496,985,237
Liabilities	15,064,526	4,663,555	19,728,081

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7. PROPERTY AND EQUIPMENT

	Land	Buildings	Decoration	Control devices, elevators, and air conditioners	Furniture and fixture	Vehicles	Equipment	Projects Under progress	Total
Cost									
As of January 1, 2024	21,479,493	94,254,822	54,570,611	31,984,141	18,025,976	1,318,989	3,628,884	-	225,262,916
Additions during the year	-	-	-	-	23,159	-	83,629	2,892,056	2,998,844
Disposals during the year	-	-	-	(7,388,701)	-	-	-	-	(7,388,701)
As of December 31, 2024	21,479,493	94,254,822	54,570,611	24,595,440	18,049,135	1,318,989	3,712,513	2,892,056	220,873,059
Additions during the year	-	-	-	-	545,231	-	42,726	562,274	1,150,231
Transfer	-	-	-	3,370,541	83,789	-	-	(3,454,360)	-
As of December 31, 2025	21,479,493	94,254,822	54,570,611	27,965,981	18,678,155	1,318,989	3,755,239	-	222,023,290
Accumulated depreciation									
As of January 1, 2024	-	76,472,713	54,570,611	31,900,352	17,756,995	1,318,989	3,520,694	-	185,540,354
Charged for the year	-	1,062,366	-	-	146,886	-	42,102	-	1,251,354
Disposals during the year	-	-	-	(7,388,701)	-	-	-	-	(7,388,701)
As of December 31, 2024	-	77,535,079	54,570,611	24,511,651	17,903,881	1,318,989	3,562,796	-	179,403,007
Charged for the year	-	983,604	-	518,148	172,288	-	61,470	-	1,735,450
As of December 31, 2025	-	78,518,683	54,570,611	25,029,799	18,076,109	1,318,989	3,624,266	-	181,138,457
Net book value									
As of December 31, 2025	21,479,493	15,736,139	-	2,936,182	602,046	-	130,973	-	40,884,833
As of December 31, 2024	21,479,493	16,719,743	-	83,789	145,254	-	149,717	2,892,056	41,470,052

The depreciation is allocated among expenses as follows:

	December 31, 2025	December 31, 2024
Selling and distribution expenses (Note 20)	639,381	144,935
General and administrative expenses (Note 21)	1,096,069	1,106,419
	1,735,450	1,251,354

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8. RIGHT OF USE ASSETS

8.1 Right of use assets – movement during the year ended 31 December as follows:

	December 31, 2025	December 31, 2024
Cost		
As at 1 January	5,210,198	5,210,198
Disposal during the year	(125,563)	-
Addition during the year	1,144,874	-
As at 31 December	6,229,509	5,210,198
Accumulated amortization		
As at 1 January	3,177,908	1,875,752
Amortization for the year	1,301,778	1,302,156
Disposal during the year	(91,337)	-
As at 31 December	4,388,349	3,177,908
Net book value as at 31 December	1,841,160	2,032,290

The Amortization is allocated among expenses as follows:

	December 31, 2025	December 31, 2024
Selling and distribution expenses (Note 18)	1,301,778	1,302,156
	1,301,778	1,302,156

Right-of-use assets represent lease contracts for the selling branches of one of the subsidiaries. The total interest expense from the lease liabilities recognized during the year ending December 31, 2025 amounted to 86,6 thousand Saudi riyals (2024: 135,8 thousand Saudi riyals).

8.2. Lease Liabilities

	December 31, 2025	December 31, 2024
Non-current portion of liabilities for right to use assets	833,138	764,958
Current portion of liabilities for right to use assets	1,118,930	1,486,634
Total lease liabilities	1,952,068	2,251,592

9. INVESTMENTS IN ASSOCIATE COMPANY

Investments in associates consist of the following:

	<u>Country of incorporation</u>	<u>Main Activity</u>	<u>Ownership %</u>		<u>2025</u>	<u>2024</u>
			<u>2025</u>	<u>2024</u>		
International Medical Center Company	Kingdom of Saudi Arabia	Management and operation of hospitals	19,2529%	19.2529%	194,065,033	190,832,938
					194,065,033	190,832,938

9.1. The movement in the investment balance as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	190,832,938	177,152,860
Group's share of the business results of the associate company	3,582,366	17,876,777
Group's share of Re-measuring profits of defined benefit plan of the associate company	1,559,408	1,228,350
Group's share in cash flows hedge	-	(1,089,044)
The Group's share of the transfer of hedging reserve	(1,909,679)	-
Group's share of change in equity instrument through other comprehensive income of the associate company	-	(4,104)
Dividends	-	(4,331,901)
Balance as at the end of the year	194,065,033	190,832,938

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9. INVESTMENTS IN ASSOCIATE COMPANY (CONTINUED)

9.2. The following is the statement clarify the summary of the consolidated statements of profit or loss of the International Medical Center:

	December 31, 2025	December 31, 2024
Revenue	1,389,218,389	1,465,325,256
Cost of revenue	(1,142,974,876)	(1,113,277,515)
Selling and distribution expenses	(12,894,197)	(7,530,530)
General and administrative expenses	(232,551,123)	(274,129,082)
Other income - net	34,864,401	41,771,893
Finance costs	(10,629,074)	(9,276,871)
Net Profit before zakat and non-controlling interests	25,033,520	102,883,151
Zakat	(4,200,186)	(8,512,188)
Deduct: Non-controlling interests	14,517	(5,465)
Net income of the parent company	20,847,851	94,365,498
Other comprehensive income that may be reclassified to the consolidated statements of profit or loss:		
Gains of re-measurement the defined benefit plans	8,100,255	4,928,821
(Loss) on equity instrument at fair value through other comprehensive income	-	(21,315)
Other comprehensive income that will be reclassified to income in subsequent period:		
Change in fair value to cover cash flow risks	-	(4,898,192)
Total statement of other consolidated comprehensive income items before non-controlling interest	28,948,106	94,374,812
Deduct: Non-controlling interests	(658)	-
Net comprehensive income for the year of the parent company	28,947,448	94,374,812
The share of Fitaihi Group in net change of the associate's equity	5,573,223	18,169,888

9.3. The following is the statement of financial position of the International Medical Center Company as of December 31:

	December 31, 2025	December 31, 2024
Non-current assets	1,280,428,423	1,153,596,389
Current assets	554,084,339	645,842,395
Non-Current liabilities	(478,107,346)	(545,311,900)
Current liabilities	(426,287,853)	(340,783,037)
Non-controlling interests	26,598	12,739
The net assets of the associate	930,144,161	913,356,586
The share of Fitaihi Group in net assets of the associate	179,079,725	175,847,630
Amounts paid in excess of the share of the company assets when purchasing the investment	14,985,308	14,985,308
Book value of investment in the associate	194,065,033	190,832,938

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10. INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2025	December 31, 2024
<u>Cost</u>		
Balance as at the beginning of the year	136,740,582	136,714,695
Additions during the year	-	25,887
Disposal during the year	(3,455,204)	-
Balance as at the end of the year	133,285,378	136,740,582
<u>Movement in reserve of equity instruments at fair value through other comprehensive income</u>		
Balance as at the beginning of the year	18,221,696	33,302,252
Net movement during the year	3,731,731	(15,080,556)
Transfer to retained earnings	(79,924)	-
Balance as at the end of the year	21,873,503	18,221,696
Net book value as at the end of the year	155,158,881	154,962,278

- All investments as at the end of the year are listed on the stock exchange.
- Dividends from investments in equity instruments at fair value through other comprehensive income for the fiscal year ended December 31, 2025 amounted to SR 10,020,369 (2024: SR 7,932,713).

11. INVENTORY

	December 31, 2025	December 31, 2024
Jewelry and gold	92,763,738	92,018,500
Gold and jewelry materials	5,718,052	5,621,299
Accessories and others	1,979,993	1,953,713
Boxes and packaging tools	463,826	278,728
	100,925,609	99,872,240

12. TRADE AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Trade receivables	-	15,089
Prepayments expenses	303,959	259,587
Due from sale of subsidiary	-	785,478
Advances to suppliers	436,590	391,861
Other receivables	212,294	241,196
	952,843	1,693,211
Less: Expected credit loss	-	(16,447)
	952,843	1,676,764

The movement in expected credit loss in value is as follows:

	December 31, 2025	December 31, 2024
Balance as at the beginning of the year	16,447	16,447
Used during the year	(16,447)	-
Balance as at the ending of the year	-	16,447

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13. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand	114,628	110,789
Cash at banks	3,042,250	6,511,762
	3,156,878	6,622,551

14. SHARE CAPITAL

As of December 31, 2025, the share capital amounted to Saudi Riyals 275,000,000 (December 31, 2024: Saudi Riyals 275,000,000), consisting of 275,000,000 ordinary shares (December 31, 2024: 275,000,000 ordinary shares), fully paid, with a nominal value of Saudi Riyal 1 per share.

15. STATUTORY RESERVE

As per the Company's bylaws and the previous company's regulations, a transfer of 10% from the annual net profit to the statutory reserve and the ordinary general assembly may decide to discontinue setting aside such percentage when the reserve reaches 30% of paid-in capital and due to the achievements of the required percentage the company has suspended any transfer this year.

16. EMPLOYEE DEFINED BENEFIT LIABILITIES

	December 31, 2025	December 31, 2024
Balance as at the beginning of the year	2,127,829	1,671,740
Net benefit expense recognized in the consolidated statement of profit or loss	651,114	909,903
Actuarial (gain) recognized in the consolidated statement of comprehensive income during the year	(75,148)	(410,291)
Paid during the year	(146,321)	(43,523)
Balance as at the end of the year	2,557,474	2,127,829

Net benefit expense (recognized in the consolidated statement of profit or loss) is as shown below:

	December 31, 2025	December 31, 2024
Current service cost	532,974	826,539
Finance costs	118,140	83,364
	651,114	909,903

Actuarial (Gains) recognized in comprehensive income during the year comprises of:

	December 31, 2025	December 31, 2024
Actuarial (Gains) resulted from changes in financial assumptions	2,869	(87,132)
Actuarial (Gains) resulted from changes in experience	(78,017)	(323,159)
	(75,148)	(410,291)

The principle actuarial assumptions used in the calculation of the employees' current defined benefit obligations are as follows:

	December 31, 2025	December 31, 2024
Discount rate	5.34%	5.36%
Salary increase rate	3%	3%
Mortality rate	From 0.000594 To 0.024783	From 0.000594 To 0.024783
Employees turnover rate	From 5% To 25%	From 5% To 25%

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16. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

The effect of change in one of the actuarial assumptions that has reasonable change in the rate in the defined benefit obligation, with all other variable assumptions constant is presented as follows:

	December 31, 2025	December 31, 2024
Discount rate +1%	2,421,649	2,011,022
Discount rate -1%	2,709,730	2,259,079
Salary increase +1%	2,723,788	2,271,157
Salary increase -1%	2,406,764	1,998,241

The above sensitivity analysis has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected in future years in respect of defined benefit plan:

	December 31, 2025	December 31, 2024
Within the next 12 months (next annual reporting year)	621,519	483,243
Between 2 and 5 years	1,770,867	1,686,972
Between 6 and 10 years	2,045,565	1,877,273
Over 10 years	5,035,258	4,930,270

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (2024: 6 years).

17. TRADE AND OTHER PAYABLES

	December 31, 2025	December 31, 2024
Trade payables	8,240,974	8,974,890
Accrued expenses	524,792	468,870
Advances from customers	1,136,925	1,832,264
VAT payables	372,434	548,254
Other credit balances	1,653,816	1,461,278
	11,928,941	13,285,556

18. Sales

	December 31, 2025	December 31, 2024
Retail Sales	45,183,292	42,134,894
	45,183,292	42,134,894

The Group's retail sales mainly represent sales of gold and jewelry, in addition to other complementary goods.

Point in time recognition of revenues

	December 31, 2025	December 31, 2024
Sales transferred at a point in time	45,183,292	42,134,894
	45,183,292	42,134,894

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19. Cost of sales

	December 31, 2025	December 31, 2024
Cost of goods sold	(28,417,345)	(24,905,364)
	(28,417,345)	(24,905,364)

Cost of sales includes the cost of gold, jewelry and other complementary goods sold.

20. SELLING AND DISTRIBUTION EXPENSES

	December 31, 2025	December 31, 2024
Salaries, wages, and other benefits	5,673,027	5,676,385
Depreciation of property and equipment (Note 7.1)	639,381	144,935
Amortization of right-of-use assets (Note 8.1)	1,301,778	1,302,156
Advertising and marketing	1,984,082	1,394,567
Electricity and water	792,503	827,159
Bank charges	471,225	436,901
Mail and phone	130,200	99,500
Cleaning and errands	371,295	381,706
Maintenance expenses	364,758	352,866
Insurance	202,945	185,640
Subscriptions fees	33,815	134,590
Security expenses	655,200	654,500
Others	288,913	359,609
	12,909,122	11,950,514

21. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2025	December 31, 2024
Salaries, wages, and other benefits	8,019,930	9,111,467
Depreciation of property and equipment (Note 7.1)	1,096,069	1,106,419
Board of directors and committee remunerations	1,200,000	1,200,000
Professional and consulting fees	890,000	490,000
Subscription fees	420,888	414,529
Maintenance expenses	114,883	210,303
Electricity and water	200,105	273,285
Others	327,863	354,275
	12,269,738	13,160,278

22. OTHER INCOME / (EXPENSES)

	December 31, 2025	December 31, 2024
Other income	351,016	17,332
Other expenses	(130,835)	(178,949)
Gain from the sales of property and equipment	-	60,000
Closed Accounts of Untraceable Customers/Suppliers	1,980,429	-
	2,200,610	(101,617)

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23. ZAKAT PAYABLE

A) The movement in zakat payable for the Group as follows:

	December 31, 2025	December 31, 2024
Balance as at the beginning of the year	3,174,227	2,780,218
Charged during the year	3,258,188	3,175,773
Paid during the year	(3,142,817)	(2,781,764)
Balance as at the end of the year	3,289,598	3,174,227

B) Zakat status

1. Years from the date of establishment until December 31, 2023:

The company finalized its zakat status for the years from the date of incorporation until December 31, 2023.

2. The year ending on December 31, 2024:

The company submitted the zakat declaration for the year ending on December 31, 2024, paid the zakat due thereon, and obtained an unrestricted zakat certificate for the said year. The Zakat, Tax and Customs Authority has not issued the zakat assessment for the said year as of December 31, 2025.

24. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated from net income for the year by dividing the net income for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding. Diluted earnings per share is equal to basic earnings per share.

The following table reflects the net income data for the year and the number of shares used to calculate the basic and diluted earnings per share:

	December 31, 2025	December 31, 2024
Profit for the year	4,045,639	14,515,058
Weighted average number of ordinary shares outstanding (share)	275,000,000	275,000,000
Basic and diluted earnings per share from the net profit for the year attributable to shareholders of the parent company	0.015	0.053

25. RELATED PARTIES' TRANSACTIONS

The related parties represent major shareholders, board of director members, and key management of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties.

25.1. Traction with related parties

The following are the main transaction to related parties without preferential terms during the year ended on 31 December 2025 and 31 December 2024 and related party balances as on 31 December 2025 and 31 December 2024:

Description	Nature of the relationship	Nature of the transaction	Transactions during the year ending December 31		Balance as of 31 December	
			2025	2024	2025	2024
Sheikh/ Ahmed Hasan Fitaihi	Chairman of Board of Directors	Sales of goods	1,221,480	1,928,695	-	-

25.2. Allowances and rewards for members of the Board of Directors and senior executives

The compensation of key executive management employees and the Board of Directors during the year is as follows:

	December 31, 2025	December 31, 2024
Salaries and other benefits	2,427,889	2,362,904
End of service benefits	92,750	92,750
Rewards and allowances for attending Board of Directors sessions	1,200,000	1,200,000
	3,720,639	3,655,654

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Group's use of financial instruments exposes to a variety of financial risks. The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The board of directors has the overall responsibility for the establishment and oversight of the Group's risk management framework and developing and monitoring the risk management policies in close co-operation with the Group's operating units. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, the Group is exposed through its operations to the following financial risks:

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximize the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The Group's capital structure consists of equity and debt comprising share capital, the statutory reserve, and retained earnings.

Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets		
Amortized cost		
Cash and cash equivalents	3,156,878	6,622,551
Trade and other receivables	<u>952,843</u>	<u>1,676,764</u>
Financial liabilities		
At amortized cost		
Trade and other payables	11,928,941	13,285,556
Lease liabilities	<u>1,952,068</u>	<u>2,251,592</u>

Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Foreign Currency risk

The Group's significant transactions are done in Saudi riyals, US dollars, British pounds, euros, and Egyptian pounds. The US dollar is pegged against the Saudi Riyal at a fixed exchange rate. Management monitors fluctuations in currency exchange rates and manages their effects on the consolidated financial statements. Currency risk is the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the risks of currency exchange fluctuations in its normal business cycle. The risks related to currency fluctuations associated with financial instruments are concentrated in currency fluctuations of the Group's foreign investments, as the main Group's investments in the stock market are concentrated on the Egyptian Stock Exchange, and therefore their fair value is affected by the exchange rate of Egyptian pound from one period to another. According to the economic and political conditions in Egypt, the Group considers that most of its investments are for long-term strategic purposes.

The carrying values of the assets denominated in foreign currencies of the Group at the end of the fiscal year are as follows:

<u>As of December 31, 2024</u>	<u>Foreign Currency</u>	<u>Foreign Currency Balance</u>	<u>Exchange rate</u>	<u>Total</u>
Investments in equity instruments at fair value through other comprehensive income	EGP	2,100,552,866	0.073772	154,962,278
Cash and bank balances	EUR	1,209	3,79	4,587
Cash and bank balances	GBP	847	4,04	3,425
Cash and bank balances	CHF	446	3,78	1,688
				<u>154,971,978</u>

<u>As of December 31, 2025</u>	<u>Foreign Currency</u>	<u>Foreign Currency Balance</u>	<u>Exchange rate</u>	<u>Total</u>
Investments in equity instruments at fair value through other comprehensive income	EGP	1,974,825,000	0.078568	155,158,881
Cash and bank balances	EUR	1,207	3.63	4,378
Cash and bank balances	GBP	845	4.04	3,415
Cash and bank balances	CHF	444	3.67	1,630
				<u>155,168,304</u>

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Stock price Risk

The Group is exposed to market price risks on its investments in shares traded and arising from the uncertainty in the future value of shares traded. Reports on investment in shares traded are regularly reported to Top management.

Interest rate and liquidity risks management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The group is not exposed to interest rate risk, as the group's management relies fundamentally on providing liquidity through the group's operational and investment operations, and it does not rely on facilities and loans. Therefore, sensitivity interest rate analysis has not been presented.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments or the associated cash flows will fluctuate due to changes in interest rates. The Group does not have a significant variable of interest.

Fair value of financial instruments

For financial reporting purposes, the Group has used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, and describe as follows:

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

The valuation of each publicly traded investment is based upon the closing market price of that stock as of the valuation date, less the discount if the security is restricted

Fair values of investments in unquoted equity shares classified in Level 3 are determined based on the investees' latest reported net asset values as at the date of the consolidated statement of financial position.

Details of financial instruments carried at fair value are as below:

Nature of financial instrument	Carrying value SAR	Level 1 SAR	Level 2 SAR	Level 3 SAR
As at 31 December 2024				
Investments in quoted equity shares	<u>154,962,278</u>	<u>154,962,278</u>	<u>-</u>	<u>-</u>
As at 31 December 2025				
Investments in quoted equity shares	<u>155,158,881</u>	<u>155,158,881</u>	<u>-</u>	<u>-</u>

Other financial instruments have been carried at amortized cost. At the respective reporting dates, the fair value for these instruments approximates the amortized cost considered for financial reporting and disclosed in the respective schedules.

There have been no transfers between levels during the reporting periods.

The Group does not have unquoted investment, therefore sensitivity analysis has not been presented

27. SIGNIFICANT EVENTS

Management believes that there have been no significant subsequent events since the date of the statement of financial position as at December 31, 2025 up to the date of preparation of these financial statements that could have a material impact on the Company's financial position.

28. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements for the year ended December 31, 2025 were approved by the Board of Directors on March 10, 2026 (corresponding to Ramadan 21, 1447H).