FitchRatings

Transparency Report

Kingdom of Saudi Arabia

May 2026

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This Transparency Report is published in accordance with Article 22 of the Credit Rating Agencies Regulations issued by the Board of the Capital Market Authority Pursuant to its Resolution Number 3-58-2014 Dated 17/1/1436H Corresponding to 10/11/2014G Based on the Capital Market Law Issued by Royal Decree No. M/30 dated 2/6/1424H. It provides information on the operations of Fitch Ratings in the Kingdom of Saudi Arabia for the fiscal year ending December 2025.

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Definitions

Analysts: Individuals who perform Credit Rating Activities.

Analytical Group: See Global Analytical Group.

ASIC: The Australian Securities & Investments Commission.

Boards: The boards of directors of FRI (the "FRI Board"), FRIL (the "FRIL Board") and FRL (the "FRL Board") collectively.

Business and Relationship Management (or "BRM"): The group that carries out ratings-related commercial and marketing activities independently of the Global Analytical Group.

Chief Compliance Officer (or "CCO"): The individual who leads the Global Compliance Group and reports jointly into the General Counsel and Executive Vice President (Legal and Regulatory) of Fitch Group, and the Independent Directors of the Boards. The CCO is responsible for the goals, strategy and status of the Global Compliance Group, the compliance program, and certain other compliance processes and controls including those undertaken by the department's sub-teams.

Chief Risk & Credit Officer (or "CRCO"): The individual who reports to the President of Fitch Ratings and leads the Risk Group.

Chief Criteria Officer: The individual who reports to the CRCO and leads the Criteria Review and Approval Group.

Chief Information Security Officer (or "CISO"): The individual who reports to the CIO and leads the Information Security group.

Chief Information Officer (or "CIO"): The individual who reports to the President of Fitch Group and leads the technology function.

CMA: The Capital Market Authority.

Compliance: The Global Compliance Group, a department of Fitch Ratings led by the CCO which is responsible for advising on, supporting and overseeing compliance with CRA Regulation globally.

Conduct Policies: The Fitch Ratings' Code of Conduct & Ethics and related policies regarding complaints, conflicts of interest and confidentiality.

CRA: Credit Rating Agency.

CRA Regulation: The various laws, rules and regulations governing the issuance of Credit Ratings globally.

Credit Officer Group (or "COG"): The group that is independent of the Global Analytical Group and operates in an oversight capacity with respect to Fitch Ratings' analytical work. COG also ensures new or developing credit issues are shared and addressed across Analytical Groups.

Credit Rating: A rating that assesses the creditworthiness of an issuer or an issuance.

Credit Rating Activities: The activities which include data and information analysis and the evaluation, approval, issuance and review of credit ratings, including acting as the chairperson or voting member of a credit rating committee. Credit rating activities do not include general analytical management activities and oversight (including discussing issues with Analysts under direct supervision), attendance at management meetings or participating as an observer (i.e., non-voting member) in a credit rating committee.

Criteria Review and Approval Group (or "CRAG"): The group that is independent of the Global Analytical Group and reviews new methodologies or models, and amendments to existing methodologies or models that would have a material impact on a given set of ratings as required under Fitch Ratings' policy.

ESMA: The European Securities and Markets Authority.

FCA: The Financial Conduct Authority.

Fitch Australia: Fitch Australia Pty Ltd.

Fitch Ratings: Fitch Ratings, Inc. and each of its credit rating affiliates that issues Credit Ratings under the trade name "Fitch Ratings".

Fitch Ratings' Code of Conduct & Ethics: The document based upon the global best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, and, with respect to any given jurisdiction in which Fitch Ratings conducts Credit Rating Activities, is consistent with all laws, rules and regulations applicable to Fitch Ratings in such jurisdiction. All Fitch Ratings policies and procedures reflect Fitch Ratings' Code of Conduct & Ethics.

Fitch KSA: Fitch Australia Pty Ltd – KSA Branch.

FRI: Fitch Ratings, Inc.

FRI Board: The Board of Directors of Fitch Ratings, Inc.

FRIL: Fitch Ratings Ireland Limited

FRIL Board: The Board of Directors of Fitch Ratings Ireland Limited.

FRL: Fitch Ratings Ltd

FRL Board: The Board of Directors of Fitch Ratings Ltd.

Global Analytical Head: The individual who reports to the President of Fitch Ratings and is responsible for all Analytical Groups.

Global Group Head: An individual who has global management responsibility for a specific product area (i.e. Corporates, Infrastructure & Project Finance, Structured & Fund Finance, and Financial Institutions & Public Finance). The Global Group Heads report to the Global Analytical Head. Each one has overall global management responsibility for either Corporates, Infrastructure & Project Finance, Structured & Fund Finance, and Financial Institutions & Public Finance.

Global Analytical Group: any employee, including analytical employees, administrators and others that work in any of the following groups:

- Corporates, Infrastructure & Project Finance
- Structured & Fund Finance
- Financial Institutions & Public Finance

Risk Group: The group led by the CRCO that develops, coordinates and reports on the risk management activities of Fitch Group.

Hearst Ratings II, Inc.: The special purpose subsidiary through which the Hearst Corporation retains its ownership interest in Fitch Group, Inc.

INED: Independent Non-Executive Director and refers to an outside member of the Boards.

Information Security: The group led by the CISO which provides oversight and governance over the information security programme at Fitch Group and oversees information security for all of Fitch Group's business units[1].

IOSCO: The International Organization of Securities Commissions.

KSA: The Kingdom of Saudi Arabia.

KSA CRA Regulation (or "KSA CRAR"): the Credit Rating Agencies Regulations issued by the Board of the Capital Market Authority Pursuant to its Resolution Number 3-58-2014 Dated 17/1/1436H Corresponding to 10/11/2014G Based on the Capital Market Law Issued by Royal Decree No. M/30 dated 2/6/1424H.

Ratings Operations: The group of employees that report directly, or indirectly, to the Chief Operating Officer of Fitch Ratings.

Ratings Process Manual (or "RPM"): The document that specifies minimum policy and procedural requirements to be applied by Analysts globally and the procedures applicable to all ratings, rating outlooks, rating assessments, credit opinions and scores.

UK CRA Regulation (or "UK CRAR"): The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019.

[1] This group was formerly (to March, 2025) known as "Technology Risk".

1. Compliance with Credit Rating Agencies Regulations and Other Relevant Laws and Regulations

Fitch Ratings has adopted a set of bulletins, policies and procedures, including the Code of Conduct & Ethics, the Rating Process Manual and the Business & Relationship Management Process Manual amongst others, (collectively, the "Operational Procedures") in order to achieve the regulatory mandate based on the principles of objectivity, integrity, transparency and independence. These Operational Procedures address, among other issues:

- The segregation of commercial and analytical activities, and the determination of Credit Ratings,
- Governance relating to criteria, methodologies, and models, and
- File maintenance and recordkeeping associated with the above-mentioned activities.

Fitch Ratings also has Operational Procedures which are designed to ensure that Fitch Ratings complies with the various rules and regulations to which it is subject, including, but not limited to, the regulations in the KSA. For further information please see Section (3.3. Policy Framework).

To support and supplement the Operational Procedures, Fitch Ratings adopted a second set of functions, policies and procedures (the "Internal Quality Control System"). The Internal Quality Control System covers all aspects of Fitch Ratings'' operations pertaining to the determination of Credit Ratings. The components of the Internal Control Structure Governing the Determination of Credit Ratings are presented in section 3 of this report.

2. Legal Structure and Ownership

Legal Structure

Fitch Ratings operates in the Kingdom of Saudi Arabia through a branch of Fitch Australia Pty Ltd established in the KSA under the Corporations Law of Queensland, and is registered with ASIC as an Australian Financial Services Licensee pursuant to section 913B of the Corporations Act 2001.

Ownership

Fitch Australia Pty Ltd is 100% owned by Fitch Ratings Ltd ("FRL")[2]. FRL is 100% owned by Fitch Ratings, Inc. ("FRI").

FRI is 100% owned by Fitch Group, Inc., a holding company, which in turn is 100% owned indirectly by the Hearst Corporation.

The Hearst Corporation is a privately held diversified media and information company with headquarters in the United States. Its major interests (in addition to owning 100% of Fitch Group, Inc.) include ownership of magazines, newspapers, cable networks, television broadcasting, internet and marketing services businesses, TV production, newspaper features distribution, and real estate. It also maintains significant holdings in automotive and medical/pharmaceutical business information companies. The Hearst Corporation retains its ownership interest in Fitch Group, Inc. through Hearst Ratings II, Inc.

[2] FRL is established in England and Wales and is incorporated in accordance with applicable national law and registered with the FCA under the UK CRA Regulation.

3. Internal Control Structure Governing the Determination of Credit Ratings

3.1. Introduction

This section describes Fitch Ratings' internal controls related to the issuance of Credit Ratings. The definition of Credit Ratings, along with both other capitalized terms that may be used in this document and other material information pertaining to Credit Ratings, are set forth on Fitch Ratings' publicly available website[3].

3.2. Board Oversight

The Boards operate under structured board procedures. Each of the Boards performs its oversight activities on behalf of Fitch Ratings globally. In addition, where necessary pursuant to applicable local law, the local boards of directors of other Fitch Ratings' CRA entities may perform additional oversight activities.

Among other matters, the Boards are responsible for the oversight and management of FRI, FRIL and FRL in accordance with their fiduciary responsibilities and standards established by the laws of the jurisdictions in which FRI, FRIL and FRL are organised, including approval of all components of the internal control framework, as well as overseeing that its components are subject to monitoring and regular update by management.

The Boards have delegated responsibility for the day-to-day running of FRI, FRIL and FRL to a senior management team with sufficient skill and experience to ensure the sound and prudent management of FRI, FRIL and FRL. The senior management team is responsible for the development and performance of controls and for assessing the adequacy and effectiveness of the control environment, establishing, implementing and updating the internal policies and procedures[4] supporting the internal control framework. In establishing these policies and procedures, the senior management team has a documented decision-making process and defined roles and responsibilities.

The Boards oversee, among other matters:

a. The process and maintenance of internal controls for the determination and issuance of Credit Ratings;

b. The publishing of new and materially amended criteria and methodologies pertaining to determining Credit Ratings;

c. The approval of new and materially amended policies pertaining to determining Credit Ratings;

d. The programme designed to manage conflicts of interest;

e. The compensation and promotion processes; and

f. The compliance and governance processes, including the efficiency of the CRAG.

3.3. Policy Framework

All Fitch Ratings policies and procedures reflect the principles of its Code of Conduct & Ethics[5], which is based upon the global best practices outlined in the IOSCO Code of Conduct Fundamentals for CRAs[6]. They are also consistent with all laws, rules and regulations applicable to Fitch Ratings in any jurisdiction in which Fitch Ratings conducts Credit Rating Activities .

During the policy development or amendment stage, input is gathered from relevant stakeholders within Fitch Ratings including, where appropriate, the senior management of the Global Analytical Groups, the Risk Group, the Legal Group, Ratings Operations (including Regulatory Affairs, Policies and Procedures), the Business and Relationship Management Group ("BRM"), the Compliance Department ("Compliance"), and any others as may be required. Once a new or amended policy is finalised, it is subject to review and approval in accordance with Fitch Ratings' internal protocols. Some of Fitch Ratings' policies are also subject to review by the Boards. The Compliance Department has been granted the authority to

[3] http://www.fitchratings.com/site/definitions

[4] The term "policies and procedures" refers to internal documents that govern or direct how Fitch Ratings or its staff should perform activities, including obligations reflecting the requirements of global CRA Regulations.

[5] The Code and the Related Policies are available to the public on the Fitch Ratings' public website www.fitchratings.com/ethics#code-of-conduct

[6] The IOSCO Code is available at www.iosco.org/library/pubdocs/pdf/ioscopd437.pdf

access necessary information, conduct monitoring, enforce Compliance measures, and conduct any other activities necessary to perform the specified Compliance functions outlined herein.

3.4. Three Lines of Defence

Fitch Ratings' internal control structure is designed to ensure that its employees comply with Fitch Ratings' policies and procedures relating to or associated with the issuance of Credit Ratings. This control structure follows the model of three lines of defence (Control Functions), and is ultimately overseen by the Boards:

a. *First Line of Defence:* The management teams within the Global Analytical Groups, BRM and Ratings Operations (see below in 3.5);

b. *Second Line of Defence:* the Risk Group, the Global Compliance Group, and the Information Security ("InfoSec") team (see below in 3.6); and

c. *Third Line of Defence:* Internal Audit, and external or outsourced third-party audits (see below in 3.7), as needed.

3.5. First Line of Defence

The overall responsibility to ensure that Fitch Ratings' policies and procedures relating to or associated with the issuance of Credit Ratings are followed rests with the senior managers and all members of the first line of defence.

3.5.1. Global Analytical Group

The senior managers of the Global Analytical Group are: (i) the Global Analytical Head; (ii) the Senior Global Group Heads; (ii) the Global Group Heads of analytical groups (where these exist); and (iii) the Regional Group Heads of analytical groups covering specific geographical areas (where these exist).

3.5.2. Business & Relationship Management

Fitch Ratings maintainsa separate BRM Group which carries out ratings-related commercial and marketing activities independently of the Global Analytical Groups. This structure helps ensure that analytical staff are not influenced by business considerations. All discussions with an issuer, originator, arranger, sponsor, servicer or any other party that interacts with Fitch Ratings on behalf of the issuer concerning rating fees, fee arrangements or billings are handled by BRM, finance and accounting staff, members of the Legal Department, or others who are employed by Fitch Ratings to handle billing or fee collection matters, outside the Global Analytical Group. BRM staff also follow policies and procedures designed to ensure compliance with anti-money laundering laws, international sanctions, and anti-bribery and anti-corruption laws, as well as other aspects of CRA regulation.

3.5.3. Ratings Operations

Ratings Operations is responsible for developing, implementing and monitoring procedures and controls with respect to the Credit Rating process in response to regulation, Fitch Ratings policy, and senior management guidance. Ratings Operations works with members of the Global Analytical Group, BRM, Compliance, Risk, Human Resources, Legal and IT to identify risks and implement procedural, training and/or technical solutions in support of Fitch Ratings' control framework and analysts' compliance with the firm's policies and procedures. Ratings Operations also produces management reports and analysis to support the Global Analytical Groups' compliance with the various procedures outlined in the Ratings Process Manual.

3.6. Second Line of Defence

Fitch Ratings' core control functions of Risk, Compliance and InfoSec comprise the Second Line of Defence. These functions operate at a global, rather than local level, with staff based in Fitch Ratings' offices around the world providing support and oversight to all Fitch Ratings offices globally.

In addition to its oversight activities outlined below, Risk contributes to the development of a training program, the Fitch Credit Academy, to provide a formal structure to develop and assess the knowledge and skills analysts need to be effective in evaluating credit. Analysts are trained on fundamental credit concepts, and in some cases specialised curricula designed to provide relevant knowledge and skills appropriate for each Global Analytical Group, sector and region, as applicable.

3.6.1. Risk Group

The Risk Group is independent of the Global Analytical Groups, managed by the Chief Risk and Credit Officer ("CRCO") and includes the Credit Officer Group, the Credit Review Group, the Criteria Review and Approval Group, the Operational Risk Review Team, the Credit Commentary and Research Group, supported by the Risk Enhanced Analytics Group. The CRCO reports to the President of Fitch Ratings, and the work of the Risk Group functions informs the regular reporting of the CRCO on the effectiveness of Fitch Ratings' policies and procedures to the Board.

3.6.1.1. Credit Officer Group

The Credit Officer Group comprises Group Credit Officers ("GCOs") who leverage their participation in the mainstream of rating committees and analytical group discussions to ensure new or developing issues are shared and addressed across Analytical Groups. The GCOs therefore serve as an oversight function with respect to Fitch Ratings' analytical work. GCOs each report to a global GCO, who in turn reports to the CRCO. They are therefore independent of the Analytical Groups. GCOs may attend and vote in rating committees. They may also attend Criteria Review Committees ("CRCs"), but cannot vote in CRCs. In fulfilling these responsibilities, the GCOs conduct the following activities, among others:

- Aggregate risks across ratings by focusing on risk identification and promoting coordination across sectors and regions; and may challenge credit thinking with alternative viewpoints;
- Conduct reviews for assessing ratings performance and ratings comparability;
- Link rating trends with current fundamentals, macro-economic developments and expectations by sector;
- Monitor Analytical Groups to ensure consideration of new developments with an appropriate sense of urgency and rigor and reports on and make recommendations in certain cases;
- Oversee the execution of reviewing unique or complex ratings proposals by the Analytical Groups;
- Develop and publish areas of topical research that address current credit market issues, and/or can be used to frame priorities ore and
- Review analytical aspects of exceptions, incidents and Analytical Complaints.

3.6.1.2. Credit Review Group

The Credit Review Group ("CRG") scrutinises the work of the Analytical Groups in two main areas:

- CRG carries out reviews of rating committee papers against applicable rating criteria as part of the Evaluating Committee Robustness ("ECR") program. CRG members attend committees as part of their review work, subject to the conditions of the RPM, but do not vote; and

- CRG carries out the role of primary Investigator on Analytical Complaints when submitted to Fitch, in which role they work with GCOs and Analytical Management to evaluate Complaints and generate recommendations for action where appropriate.

3.6.1.3. Criteria Review and Approval Group

The Criteria Review and Approval Group ("CRAG") is independent of the Global Analytical Groups and includes the Chief Criteria Officer, Head of Model Validation, Model Validation Group, Ratings Performance Analytics, Criteria Officers and Risk Enhanced Analytics. The Chief Criteria Officer reports to the CRCO. CRAG serves as an oversight function with respect to Fitch Ratings' credit ratings criteria and related models. In fulfilling these responsibilities, CRAG conducts the following activities, among others:

- CRAG independently evaluates criteria and model proposals and their impact on ratings performance through CRCs determining whether the presented data and information provide a reasonable basis to support the use of the criteria or model;
- CRAG determines when proposed changes to criteria or models are sufficiently material to warrant approval by the Board of FRI and for recommending approval to the Board;
- Conducts regular transition and default studies and develops other quantitative ratings performance indicators to monitor the performance of Fitch's credit ratings over time and across analytical sectors and geographical regions to review the consistency of application of criteria;

- Manages a database of criteria and models to measure compliance with the requirements to review such criteria and models and to ensure only validated models are used;
- Reviews criteria proposals and conducts model validation to ensure that all criteria, assumptions and models applied in the ratings process are rigorous, systematic and evaluated based on historical experience; and
- Oversees the review, resolution, and reporting of errors related to models and criteria.

The processes followed by CRAG in reviewing and approving criteria are laid out in full in Bulletins 32 and 32A.

3.6.1.4. Operational Risk Review

The Operational Risk Review team ("ORR") provides oversight of the policies, procedures and controls designed to manage the risk of loss arising out of Fitch Ratings' operations, including operationally-focused legal, reputational, strategic and commercial risks to the business. In fulfilling these responsibilities, ORR conducts the following activities, among others:

- Execution of the annual analysis of Fitch Ratings' operational risks, via review and analysis of the Risk and Control Self Assessments ("RCSA") conducted by each first line risk owner, which includes the evaluation of the effectiveness of existing, new or changed operational controls;
- Coordinates quarterly Operational Risk Committee meetings with first- and second-line risk owners;
- Works with other business areas to support policies and procedures related to business continuity plans and disaster recovery;
- Manages the annual Dodd Frank attestation process, which includes coordinating all Internal Audit control testing results, data and information with all other potential findings (Exceptions and Incidents, Complaints, RCSA), and working with various stakeholders to ensure appropriate outcomes; and
- Actions monthly reporting for IT incidents, whilst owning governance for report content and distribution.

ORR, in partnership with the Information Security team, is jointly responsible for maintaining and monitoring the ICT Risk Management Framework, including the production of the annual ICT Risk Management Self-Assessment report.

3.6.1.5. Credit Commentary and Research

The Credit Commentary and Research team works with the Analytical Groups to comment on items of topical urgency, as well as thematic and cross-group credit research topics.

While CCR may comment on topical credit events related to a credit rating, any events that alter a credit rating must instead go through the rating committee process and be communicated via a Rating Action Commentary ("RAC").

Members of CCR may attend rating committees, subject to the conditions of the RPM, but may not vote.

3.6.2. Global Compliance Group

Compliance is responsible for advising on, supporting and overseeing compliance with the various laws, rules and regulations governing the issuance of CRA Regulations promulgated in the jurisdictions in which Fitch Ratings operates, along with those requirements set forth in Fitch Ratings' Code of Conduct and Ethics and related policies regarding complaints, conflicts of interest and confidentiality (collectively, "Conduct Policies").

Compliance supports, monitors and reports on Fitch Ratings' compliance with CRA Regulations and the Conduct Policies on an ongoing basis through the functions described below, as well as by analysing information obtained via Fitch Ratings' Ethics Hotline and internal incident reporting systems.

Compliance is led by the Global Chief Compliance Officer (the "CCO"), who reports jointly into the General Counsel of Fitch Group, and the Independent Directors of the Boards (the "Independent Directors"), Compliance is present in multiple locations with local Compliance Officers as needed for resources or required by regulations. The CCO informs the Independent Directors and the General Counsel on the goals, strategy and status of the Compliance Department, the compliance program, and certain other Compliance processes and controls including those undertaken by the Department's four core functions, as described further below:

3.6.2.1. Regulatory Compliance

Regulatory Compliance is responsible for maintaining (either directly or in conjunction with local country management) Fitch Ratings' licence or registration in all jurisdictions where Fitch Ratings is licenced or registered as a credit rating agency. This maintenance includes making periodic (e.g. monthly, annual, etc.) reporting and filings and any additional "as needed" reporting, along with making any necessary public or regulatory disclosures of issues or events. In addition, this team manages all regulatory exams and other regulatory requests for documents and information. Further, the team helps coordinate Fitch Ratings' responses to all exam findings and recommendations, and tracks and monitors Fitch Ratings' completion of agreed management actions. The team regularly liaises with regulators on a global basis through in-person visits or conference calls. Moreover, Regulatory Compliance is responsible for oversight of the processes regarding the handling and resolution of Conduct Complaints, as defined in Fitch Ratings' Complaints Handling policy. Finally, Regulatory Compliance conducts outreach to Fitch Ratings' offices in Latin America, Asia Pacific, Europe, and the Middle East through either on-site visits or teleconferences. Each regional Regulatory Compliance team is overseen by a regional head for the Americas, Asia Pacific, EU and UK/MEA. Each regional Regulatory Compliance team is responsible for regulatory compliance matters within their specific region;

3.6.2.2. Personal Conflicts Monitoring ("PCM")

The PCM team administers Fitch Ratings' Global Securities Trading and Conflicts of Interest Policy ("Bulletin 13"). Bulletin 13 establishes policies designed to minimise actual and apparent conflicts that may arise from employees' personal investment activity, outside interests and external relationships, and gifts, business events and entertainment. PCM utilises a third-party trade surveillance platform to monitor Fitch Ratings employees' trading activity. PCM also administers the initial securities holdings certification and compliance questionnaire for new hires, as well as an annual compliance recertification of securities holdings and compliance questions for existing staff. Further, PCM is responsible for administering the exceptions and recusals that arise as a result of a potential conflict related to Bulletin 13;

3.6.2.3. Compliance Testing ("CT")

The CT team conducts testing throughout Fitch Ratings to assess compliance with Fitch Ratings' policies and procedures, and the effectiveness of internal controls implemented with respect to its Credit Rating and related regulatory activities. CT develops annually a risk-based compliance test plan derived from, among other factors, outcomes of compliance risk assessments, previous CT findings and risks identified through regulatory findings or other issues, incidents or trends. Compliance Testing conducts its testing throughout the year and presents its reports, including corrective action plans for findings identified, to senior management. CT also monitors the aging of previously identified findings, and escalates overdue findings as appropriate;

3.6.2.4. E-Surveillance

E-Surveillance conducts electronic communications surveillance on approved channels (Microsoft Outlook, Microsoft Teams, Bloomberg Email/Messenger, and Salesforce Chatter) for Fitch Ratings employees that are most often in possession of Confidential Information and Material Non-Public Information, as defined by Fitch Ratings Bulletin 41. E-Surveillance flags communications that may represent breaches or violations of Fitch Ratings' policies or procedures for review and follow-up, and where appropriate triggers disciplinary or remedial action; and

3.6.2.5. Compliance Communications and Data, Systems and Metrics

Compliance officers sitting outside of the above four functional teams provide support to those teams with respect to managing Fitch Ratings' policy, procedure and training framework globally, delivering regulatory disclosures, and creating reports and metrics for monitoring the effectiveness of Compliance controls.

3.6.3. Information Security

Fitch Group's InfoSec function manages the information security programme and supporting infrastructure for Fitch Ratings globally. InfoSec is headed by Fitch Group's Chief Information Security Officer ("CISO"), who reports to Fitch Group's Chief Information Officer ("CIO"). InfoSec operates primarily as a second line function at Fitch, with a mandate focused on security governance, policy, risk management, independent oversight and challenge. While InfoSec operates certain first line security controls in practice (e.g., aspects of access management and certain security tooling), it does so while maintaining clear separation of duties, decision rights, and escalation paths.

InfoSec:

- Creates, manages, and leads the implementation of Fitch Group's information security program, including security governance and policy;
- Identifies, assesses, and oversees the management of information security risks associated with Fitch Ratings' technology processes used in the issuance and publication of credit ratings, in coordination with IT and senior members of the business, Legal and Compliance teams;
- Provides independent oversight and challenge of information security risk decisions, control effectiveness, and remediation progress, escalating issues as appropriate through established governance forums;
- Plays a material role in developing and maintaining operational resilience plans, including those related to the issuance and publication of credit ratings;
- Implements and manages foundational security controls designed to prevent and detect information security threats, and designs and tracks objective metrics tied to those controls; and
- Manages and/or oversees access control for systems, ratings data and applications in compliance with confidentiality and conflict of interest policies, maintaining appropriate separation of duties and decision rights.
- Establishes and maintains a robust ICT Risk Management Framework to identify, assess, and mitigate technology-related risks across the organisation.

3.7. Third Line of Defence

3.7.1. Internal Audit

Internal Audit ("IA") is the third line of defence assisting senior management and the Boards in protecting the assets and reputation of Fitch Ratings. In particular, IA provides independent and objective assurance as to the adequacy and effectiveness of Fitch Ratings' internal controls framework, controls and governance processes. The Head of IA reports to the Independent Directors and the General Counsel for administrative purposes. At least annually, the Head of IA submits to the Independent Directors and the General Counsel an internal audit plan for review and approval. The internal audit plan consists of a work schedule for the following fiscal year. It is developed based on a prioritisation of the audit universe using a risk-based methodology, including input from the Independent Directors, the General Counsel and other members of Fitch Ratings' senior management. The Head of IA reviews and adjusts the plan, as necessary, in response to changes in Fitch Ratings' business, risks, operations, programs, systems and controls. Any significant deviation from the approved internal audit plan is communicated to the Independent Directors and the General Counsel through periodic reporting or direct communication, as applicable. After the conclusion of an internal audit engagement, the Head of IA (or his or her designee) issues and distributes a written report. The audit report includes Management's response and corrective action with regard to the specific findings and recommendations. Management's response includes a timetable for anticipated completion of corrective actions. IA is also responsible for appropriate follow-up, and all findings remain in an "open issues file" until cleared. The Head of IA periodically reports to the Independent Directors and the General Counsel on the purpose, authority and responsibility of IA as well as progress and performance regarding the audit plan.

IA also oversees the testing of internal controls supporting the ratings process. The testing is done globally and at least semi-annually supporting the assessment of the effectiveness of internal controls under the US SEC Dodd- Frank Control Act and CRA Regulations on monitoring and evaluating the adequacy and effectiveness of systems, internal control mechanisms and arrangements established in accordance with the regulation.

3.8. Technology Group

Fitch Group's Technology function manages the technology infrastructure for Fitch Ratings globally. The Technology group is headed by Fitch Group's Chief Technology Officer, who reports to Fitch Group's Chief Information Officer.

The Technology Group tasks and responsibilities include (but are not limited to):

- Maintains and monitors infrastructure including desktops, networks and data applications and process for ongoing operations;
- Plays a material role in supporting business continuity plans, including those related to the issuance and publication of credit ratings;
- Manages and tests disaster recovery plans; and
- Together with Ratings Operations, develops custom applications required to support core ratings activities such as workflow systems, analysis and surveillance systems, and publishing and document management systems, and maintains those applications and systems.

4. Information on Allocation of Staff

The table below details the total number of analytical staff employed by Fitch Ratings globally that are registered to work as primary analysts on public Credit Ratings for rated entities based in the KSA as of 31 December 2025.

Primary Analysts[7]	47

The total number of analytical staff employed by Fitch Ratings globally responsible for methodology and model management appraisal as of 31 December 2025 is detailed in the table below.

Methodology Review and Validation	11
Model Review and Validation	12
Methodology Development	175
Model Development	30

Fitch KSA had three full-time employees as of 31 December 2025:

- The General Manager (Registered Person), reporting to the Managing Director of Middle East and Sub-Saharan Africa, (based in Dubai, UAE); and
- A Senior Administrator and an Associate Director, both reporting to The General Manager of Fitch KSA.

The Compliance Officer (Registered Person) duties are performed by the Compliance Director – Middle East, who is based in Dubai, UAE and reports to the Head of Compliance, UK/MEA, who is based in London, UK.

Further information on senior management can be found in section 8 of this report under the title “Management”.

[7] Fitch KSA did not employ any analytical staff as of 31 December 2025.

5. Record Keeping Policy

Fitch Ratings has global file maintenance and record-keeping policies and practices that are designed, collectively, to ensure that it maintains adequate records in accordance with all applicable laws and regulations including, but not limited to, the KSA CRA Regulation. There are two main record-keeping policies that apply: The File Maintenance and Recordkeeping Policy for Analysts, and the File Maintenance and Recordkeeping Policy for BRM.

Additional details regarding the exact content of the information that must be included in certain documents referenced in the File Maintenance and Recordkeeping Policy for Analysts (such as rating committee minutes) are contained in internal manuals that provide detailed procedural guidance on the rating process.

Other non-analytical groups, such as the Accounts Group, maintain separate internal recordkeeping policies.

Collectively, these policies and procedures require that, among other things, Fitch Ratings maintains records for a period of at least five years that cover:

a. Documents including internal records and working papers used or created in support of determining and assigning any Credit Rating;

b. Electronic or written communications received or sent by Fitch Ratings and its employees concerning fee negotiations;

c. The solicitation status of each Credit Rating;

d. The established procedures and methodologies used by Fitch Ratings to determine Credit Ratings;

e. The procedures and measures implemented by Fitch Ratings to comply with any applicable regulation; and

f. External and internal communications, including saved emails received and sent by Fitch Ratings and its employees that relates to initiating determining, maintaining, monitoring, changing or withdrawing a Credit Rating.

6. Outcome of the Annual Internal Review of the Compliance Function

Internal Audit conducted its annual audit of the Global Compliance Group with a review of the regulatory filing, public disclosures, and regulatory change processes. The audit identified three findings that are being remediated in line with management actions detailed in the audit report.

7. Information on Revenue

Description of Rating Activities

Fitch Ratings' business activities are based on the provision of independent analysis and rating opinions regarding a variety of risks in the financial markets. Such rating activities include the development and provision of analytical opinions using a number of rating scales, ratings-related data and peer analysis tools, rating models, surveillance products, research products and other analytical services. These scales, products and services all reflect Fitch Ratings' independent risk analysis.

Fitch Ratings' rating opinions do not comment on the suitability of any particular type of investment or the appropriate level of risk for any user of these rating opinions. In preparing its rating opinions, Fitch Ratings is indifferent to the rating or assessment levels achieved and neither suggests nor cautions against individual 'target' levels of rating or assessment. Consequently, Fitch Ratings does not provide advisory or consulting services to any entity.

Revenue

The table below provides the revenue derived by Fitch KSA from Credit Rating Activities[8] during the 12-month financial period ending 31 December 2025.

Total Revenue	
Fitch KSA (SAR)	20,725,000

8 Fitch KSA does not derive revenue from non-credit-rating activities.

8. Governance Statement

Corporate Governance Code

Fitch Australia is set up in a manner consistent with applicable Australian corporate law. Fitch Australia operates in accordance with its by-laws and all applicable laws and regulations.

The individual board members of Fitch Australia comprise the following:

David Brooks– Executive Director

Wai Cheong Chong – Executive Director

The Boards operate according to the Board Oversight Procedures to ensure that each respective board has oversight of all Fitch Ratings policies and procedures related to the (i) creation, maintenance and enforcement of policies and procedures for determining Credit Ratings, (ii) creation, maintenance and enforcement of policies and procedures for addressing, managing and disclosing conflicts of interest, (iii) effectiveness of the internal control system with respect to policies and procedures for determining Credit Ratings and (iv) compensation and promotion policies and practices of Fitch Ratings.

The Board Oversight Procedures cover all Fitch Ratings' globally applicable policies and procedures, and therefore the board-level reviews set forth within the relevant procedures are conducted on behalf of all of Fitch Ratings, i.e. all the Fitch companies engaged in its ratings business, including Fitch Australia and its Fitch KSA branch.

The Boards meet on a quarterly basis and, among other items, receive regular reporting from senior staff members. All reports are global in nature, therefore relevant individuals will report on topics and issues which might be relevant to Fitch Australia and Fitch KSA.

Management

Fitch Ratings complies with all local corporate law requirements as well as applicable corporate governance requirements. As such, Fitch Australia is set up in a manner consistent with applicable local corporate law.

The organisation of Fitch Ratings' analytical management is not structured around Fitch Ratings' corporate organisation. Each analyst employed within Fitch Ratings reports to a regional group head, in some cases through a series of line managers. The regional rating group heads report ultimately to a Global Group Head.

Currently the three Fitch Ratings' Senior Global Group Heads are based in the United States. All three Analytical Senior Global Group Heads report to the Global Analytical Head who is based in the UK, and reports to the President of Fitch Ratings, based in the UK.

Internal Controls and Risk Management Pertaining to Financial Reporting

The Finance Group, headed by the International Controller reporting to the Global Controller (who reports to the Chief Financial Officer of the Fitch Group),, is responsible on a day-to-day basis for ensuring that the production of all relevant financial reports and accounts of Fitch Ratings are in accordance with all statutory requirements and that controls are in place to ensure operational risks (such as error and fraud) are addressed appropriately.

The adequacy and operation of controls over financial reporting are reviewed on an on-going basis by the senior Finance staff. These controls are further considered by Fitch Ratings' external auditors during the annual external audit process and formally considered by the Directors as part of their approval of the audited financial statements. In addition, the adequacy and operation of controls is reviewed by way of audit activity, undertaken by the parent entity Internal Audit function and an external global audit firm.

9. Policies for Distributing Credit Ratings, Reports and Updates

Fitch Ratings' policies on distributing Credit Ratings, reports and updates are set forth in the Code of Conduct & Ethics and in the RPM. All Fitch Ratings' public ratings and rating outlooks, and related rating actions and opinions, including withdrawal of a rating are published free of charge on a non-selective basis on its free public website www.fitchratings.com. As appropriate or as is otherwise required, Fitch Ratings simultaneously distributes an announcement of the rating or rating action, together with any related commentary including rating outlooks, through wire services or other media outlets.

10. Material Changes to Systems, Resources and Procedures

There were no material changes to Fitch Ratings' bulletins, policies and procedures in 2025.

11. Audited Financial Statements and Material Information Concerning Financial Position

The financial statements of Fitch KSA for the year ended 31 December 2025 (together with the independent auditor's report) are attached.

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

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

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

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

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Statement of profit or loss and other comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	6
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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the head office
Branch of Fitch Australia Pty Ltd.
(Saudi Arabian Branch)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Branch of Fitch Australia Pty Ltd. ("the Branch"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and applicable requirements of the Regulations for Companies and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the management, are responsible for overseeing the Branch's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF BRANCH OF FITCH AUSTRALIA PTY LTD. (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte and Touche & Co.
Chartered Accountants

Mazen Al-Omari
Certified Public Accountant
License No. 480
3 Dhul Hijjah, 1447H
May 20, 2026

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

	Notes	**2025** ⃁	2024 ⃁
ASSETS			
Non-current assets			
Property and equipment	5	**18,172**	-
Deferred tax assets	12	**9,886**	73,514
Total non-current assets		**28,058**	73,514
Current assets			
Prepayments and other current assets	6	**244,960**	120,000
Trade receivables	7	**3,319,794**	1,631,637
Due from a related party	16	**-**	571,830
Cash and cash equivalents	8	**7,694,809**	3,834,121
Total current assets		**11,259,563**	6,157,588
TOTAL ASSETS		**11,287,621**	6,231,102
HEAD OFFICE EQUITY AND LIABILITIES			
Head office equity			
Capital	1	**500,000**	500,000
Capital contribution	18	**800,000**	800,000
Retained earnings		**1,575,126**	849,315
Total head office equity		**2,875,126**	2,149,315
LIABILITIES			
Non-current liabilities			
Employees’ defined benefit liabilities	9	**29,716**	199,557
Total non-current liabilities		**29,716**	199,557
Current liabilities			
Accruals and other payables	10	**836,211**	659,641
Trade payables		**-**	12,695
Deferred income	11	**1,304,336**	741,177
Due to a related party	16	**6,124,400**	2,424,412
Income tax payable	12	**117,832**	44,305
Total current liabilities		**8,382,779**	3,882,230
TOTAL LIABILITIES		**8,412,495**	4,081,787
TOTAL HEAD OFFICE EQUITY AND LIABILITIES		**11,287,621**	6,231,102

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

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

	Notes	**2025** ⃁	2024 ⃁
Revenue	13	**20,725,412**	5,835,905
Operating expenses	14	**(19,873,353)**	(5,653,518)
Operating profit		**852,059**	182,387
Reversal of allowance for doubtful debts	7	**8,306**	115,287
Other expenses	15	**(12,627)**	(41,988)
Profit before tax		**847,738**	255,686
Taxation	12	**(176,180)**	(54,025)
PROFIT FOR THE YEAR		**671,558**	201,661
Other comprehensive income/ (loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/ (loss) of employees' defined benefit liabilities	9	**54,253**	(36,378)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**725,811**	165,283

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Capital ⃁	Capital contribution ⃁	Retained earnings ⃁	Total ⃁
January 1, 2024	500,000	800,000	684,032	1,984,032
Profit for the year	-	-	201,661	201,661
Other comprehensive loss for the year	-	-	(36,378)	(36,378)
Total comprehensive income for the year	-	-	165,283	165,283
December 31, 2024	500,000	800,000	849,315	2,149,315
Profit for the year	**-**	-	**671,558**	**671,558**
Other comprehensive income for the year	**-**	-	**54,253**	**54,253**
Total comprehensive income for the year	**-**	-	**725,811**	**725,811**
December 31, 2025	**500,000**	**800,000**	**1,575,126**	**2,875,126**

The accompanying notes form an integral part of these financial statements

BRANCH OF FITCH AUSTRALIA PTY LTD.
(SAUDI ARABIAN BRANCH)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 ⃁	2024 ⃁
OPERATING ACTIVITIES		
Profit before tax	**847,738**	255,686
Adjustments for		
Reversal of allowance for doubtful debts	**(8,306)**	(115,287)
Provision for employees' defined benefit liabilities	**95,377**	76,370
Depreciation of property and equipment	**8,901**	-
Movement in working capital:		
Trade receivables	**(1,679,851)**	(78,468)
Prepayments and other current assets	**(124,960)**	551,199
Due from a related party	**571,830**	(387,687)
Trade payables	**(12,695)**	343
Accruals and other payables	**176,570**	(53,196)
Deferred income	**563,159**	114,643
Due to a related party	**3,545,147**	(537,773)
Cash generated from/ (used in) operations	**3,982,910**	(174,170)
Employees' defined benefit liabilities	**(56,124)**	-
Income tax paid	**(39,025)**	(91,943
Net cash generated from/ (used in) operations	**3,887,761**	(266,113)
INVESTING ACTIVITIES		
Purchase office equipment	**(27,073)**	-
Net cash used in financing activities	**(27,073)**	
Net change in cash and cash equivalents	**3,860,688**	(266,113)
Cash and cash equivalents, January 1	**3,834,121**	4,100,234
CASH AND CASH EQUIVALENTS, DECEMBER 31	**7,694,809**	3,834,121
NON-CASH TRANSACTION:		
Employees' defined benefit liabilities transferred to related parties	**154,841**	-

1. GENERAL INFORMATION

Branch of Fitch Australia Pty Ltd. (“Saudi Arabian Branch ") was registered in the Kingdom of Saudi Arabia under the Commercial registration number 1010612747 dated 12 Safar 1439H corresponding to November 1, 2017, and under SAGIA license No. 10211380976497 dated 10 Ramadan 1438H corresponding to June 5, 2017. The Branch is fully owned by Fitch Australia Pty Ltd, a limited liability company registered in Australia whereas The Hearst Corporation is the ultimate parent company.

The principal activities of the Branch are to provide credit rating services.

The registered address of the Branch is in Riyadh, Kingdom of Saudi Arabia and having unified number 7003785677.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised Standards applied with no material impact on the financial statements.

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- *Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability*
  An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- *Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments*

  These amendments:

  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

  The amendments are effective for reporting periods beginning on or after January 1, 2026 with earlier application permitted.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) ISSUED (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

- *IFRS 18, 'Presentation and Disclosure in Financial Statements'*
  This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  The new standard is effective for reporting periods beginning on or after January 1, 2027 with earlier application permitted.

- *Annual Improvements to IFRS Accounting Standards – Volume 11*
  Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.

  The amendments are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted.

- *IFRS 19 'Subsidiaries without Public Accountability: Disclosures*
  IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Standards) to provide reduced disclosures when applying IFRS Standards in its financial statements.

  The new standard is effective for reporting periods beginning on or after January 1, 2027 with earlier application permitted.

- *Amendments to IFRS 9 and IFRS 7—Contracts Referencing Nature-dependent Electricity*

  The following requirements of IFRS 9 are affected by the amendments:

  - the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and

  - the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument.

  The amendments are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted.

  Management of the Branch do not expect that the adoption of the above Standards will have a material impact on the Branch's financial statements in future periods.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed in Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis of preparation
These financial statements have been prepared under the historical cost basis, except as otherwise mentioned in below accounting policies.

The financial statements are presented in Saudi Riyals ("⃁") being the functional currency of the Branch.

Revenue
Revenue is measured based on the consideration to which the Branch expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties such as value added tax. The Branch recognizes revenue when it transfers control of a service to a customer.

The Branch recognizes revenue from credit rating, commentary and research services to various sectors.

Revenue is measured at the fair value of the consideration received or receivable.

Operating expenses
Operating expenses are recognized in the statement of profit or loss as and when incurred.

Foreign currencies
In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Employee benefits

Employees' defined benefit liabilities
The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Branch recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurements

Curtailment gains and losses are accounted for as past service costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits (continued)

Employees' defined benefit liabilities (continued)
The Branch presents the first two components of defined benefit costs in profit or loss in relevant line items and remeasurements are presented in other comprehensive income.

Short-term employee benefits
A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits
Retirement benefits made to funded defined contribution plans in respect of its Saudi employees are expensed when incurred.

Income tax
The Branch is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Income tax is provided on an accruals basis and computed on adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Deferred income tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Branch expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

Withholding tax
The Branch withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, including dividend payments to the non-resident shareholders, as required under Saudi Arabian Income Tax Law.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Deferred income tax (continued)

Value added tax
Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash and cash equivalents
Cash and cash equivalents comprise cash at banks, cash on hand, short term deposits, demand deposits and highly liquid investments with original maturity of three months or less, net of outstanding bank overdrafts which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less.

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable are recorded in the statement of financial position under accruals and other payables. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Financial instruments
Financial assets and financial liabilities are recognised in the Branch’s statement of financial position when the Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Branch may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Branch may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Branch may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Impairment of financial assets
The Branch always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Branch’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Branch recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Branch measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Branch compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Branch considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Branch's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Branch's core operations.

Definition of default
The Branch employs statistical models to analyze the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Branch.

Irrespective of the above analysis, the Branch considers that default has occurred when a financial asset is more than 120 days past due unless the Branch has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the debtor;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the Branch, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the debtor (s) would not otherwise consider;
(d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganization; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write off policy
The Branch writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Branch in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at the original effective interest rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

<u>*Derecognition of financial assets*</u>
The Branch derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Branch neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Branch recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Branch retains substantially all the risks and rewards of ownership of a transferred financial asset, the Branch continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Branch has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities
Financial liabilities that are not designated as FVTPL, are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

<u>*Derecognition of financial liabilities*</u>
The Branch derecognizes financial liabilities when, and only when, the Branch's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases
For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Branch recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Branch's accounting policies, which are described in note 2, the management of the Branch are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that, period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of trade receivables
An allowance for doubtful accounts receivable is determined based on a combination of factors to ensure that receivables are not overstated due to un-collectability. Factors involved in this determination include aging and customers' financial conditions.

Long-term assumptions for employees' benefits
Employees' defined benefit liabilities and benefit payments represent obligations that will be settled in the future and require assumptions to project obligations and fair values of plan assets, if any. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates and employment turnover. Periodically, management of the Branch consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employees' defined benefit costs incurred.

5. PROPERTY AND EQUIPMENT

	Office Equipment ⃁
Cost:	
January 1, 2025	-
Additions	**27,073**
December 31, 2025	**27,073**
Accumulated depreciation:	
January 1, 2025	-
Charge for the year	**8,901**
December 31, 2025	**8,901**
Net book value:	
December 31, 2025	**18,172**

6. PREPAYMENTS AND OTHER CURRENT ASSETS

	2025 ⃁	2024 ⃁
Prepayments	**122,137**	-
Deposits	**120,000**	120,000
Accrued income	**2,823**	-
	244,960	120,000

7. TRADE RECEIVABLES

	2025 ⃁	2024 ⃁
Trade receivables	**3,339,507**	1,659,656
Less: allowance for doubtful debts	**(19,713)**	(28,019)
	3,319,794	1,631,637

Movement in allowance for doubtful debts is as follows:

	2025 ⃁	2024 ⃁
January 1	**28,019**	143,306
Reversal of allowance during the year	**(8,306)**	(115,287)
December 31	**19,713**	28,019

The average credit period on accounts receivables is from 60 to 90 days. No interest is charged on the trade receivables outstanding balance.

The Branch measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Branch writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

7. TRADE RECEIVABLES, NET (CONTINUED)

The following table details the risk profile of trade receivables based on the Branch's provision matrix. As the Branch's historical credit loss experience does not show a significantly different loss pattern for different customer segments, the allowances for doubtful debts based on past due status is not further distinguished between the Branch's different customer types.

	Trade receivables – Past due but not impaired				
December 31, 2025	**Not past due ⃁**	**31-90 ⃁**	**91-365 ⃁**	**Above 365 ⃁**	**Total ⃁**
Expected credit loss rate %	**0.27%**	**1.64%**	**7.70%**	**-**	**0.59%**
Gross carrying amount	**2,625,499**	**699,961**	**14,047**	**-**	**3,339,507**
Less: Lifetime ECL	**(7,141)**	**(11,491)**	**(1,081)**	**-**	**(19,713)**
Net trade receivables	**2,618,358**	**688,470**	**12,966**	**-**	**3,319,794**

	Trade receivables – Past due but not impaired				
December 31, 2024	Not past due ⃁	31-90 ⃁	91-365 ⃁	Above 365 ⃁	Total ⃁
Expected credit loss rate %	0.33%	2.79%	2.79%	-	1.69%
Gross carrying amount	743,152	593,504	323,000	-	1,659,656
Less: Lifetime ECL	(2,474)	(16,542)	(9,003)	-	(28,019)
Net trade receivables	740,678	576,962	313,997	-	1,631,637

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances and short-term deposits with original maturities of three months or less. At December 31, 2025 and 2024, cash and cash equivalents consist of a bank balance.

9. EMPLOYEES' DEFINED BENEFIT LIABILITIES

Movements in the present value of the employees' defined benefit obligation in the current year were as follows:

	2025 ⃁	2024 ⃁
January 1	**199,557**	86,809
Current service cost	**88,393**	72,247
Interest cost	**6,984**	4,123
Transferred to the related parties	**(154,841)**	-
Payments	**(56,124)**	-
Re-measurement (gain)/ loss	**(54,253)**	36,378
December 31	**29,716**	199,557
Amount recognized in profit or loss:		
Current service cost	**133,767**	72,247
Interest cost	**6,984**	4,123
Settlement gain	**(45,374)**	-
	95,377	76,370

9. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2025	2024
Discount rate	**5.40%**	3.90%
Salary increase rate	**5.00%**	4.00%
Turnover rate	**Moderate**	Moderate

Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	2025 **⃁**	2024 ⃁
Increase		
Discount rate (+100 bps)	**26,790**	(179,298)
Salary (+100 bps)	**33,349**	224,305
Decrease		
Discount rate (-100 bps)	**33,213**	223,507
Salary (-100 bps)	**26,626**	(178,272)

In presenting the above sensitivity analysis, the above present value of the employees' defined benefit liabilities has been calculated using the projected unit credit method at the end of the reporting period.

The employee benefit plan exposes the Branch to the following risks:

Discount risk
A decrease in the discount rate will increase the plan liability.

Final salary risk
The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk
Benefits are paid when an employee leaves employment either through resignation or retirement. The rate of withdrawal therefore affects the timing of the payment.

Mortality risk
The risk that the actual mortality rate is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

9. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Undiscounted expected total benefit payments are as follows:

	2025 ⃁	2024 ⃁
Within one year	**2,633**	7,846
1-2 years	**1,607**	7,368
2-3 years	**1,523**	11,405
3-4 years	**1,443**	12,366
4-5 years	**1,989**	12,617
6 years and more	**51,097**	271,265

The weighted average duration of the employees' defined benefit liabilities is 10.81 (2024: 11.08 years.)

10. ACCRUALS AND OTHER PAYABLES

	2025 ⃁	2024 ⃁
Accrued employees' benefits	**141,962**	356,468
Value added tax payable	**320,751**	87,976
Accrued professional fees	**370,304**	212,072
Others	**3,194**	3,125
	836,211	659,641

11. DEFERRED INCOME

The amount of ⃁ 0.74 million recognised in deferred income at the beginning of the period has been recognised as revenue for the current year (2024: ⃁ 0.63 million).

12. TAXATION

The movement in income tax liability is as follows:

	2025 ⃁	2024 ⃁
January 1	**44,305**	90,638
Charge for the year	**112,552**	45,610
Paid during the year	**(39,025)**	(91,943)
December 31	**117,832**	44,305

Income tax charge for the year is as follows:

	2025 ⃁	2024 ⃁
Provision for the year	**112,552**	45,610
Deferred tax for the year	**63,628**	8,415
	176,180	54,025

12. TAXATION (CONTINUED)

Income tax provision can be reconciled to the accounting profit is as follows:

	2025 ⃁	2024 ⃁
Profit before tax	**847,738**	255,686
Reversal of allowance for doubtful debts	**(8,306)**	(115,287)
Employees' defined benefit obligation	**(127,561)**	112,748
Prior year losses	**(154,023)**	(73,843)
Others	**4,912**	48,746
Tax profit	**562,760**	228,050
Non-Saudi holding	**100%**	100%
Tax base	**562,760**	228,050
Tax @ 20%	**112,552**	45,610

The tax rate used for the 2025 and 2024 reconciliations above is the corporate tax rate of 20% payable by the Branch in the Kingdom of Saudi Arabia on taxable profits attributable to the foreign shareholder.

The Branch has submitted income tax returns up to the year ended December 31, 2025 and has obtained relevant certificates. Assessments from date of inception to 2025 have yet to be issued by the ZATCA.

Deferred tax
Movement of the deferred tax asset is as follows:

2025	**Opening balance** ⃁	**Recognized in profit or loss** ⃁	**Closing balance** ⃁
Deferred tax asset in relation to:			
Employees' defined benefit liabilities	**39,911**	**(33,968)**	**5,943**
Allowance for doubtful debts	**5,604**	**(1,661)**	**3,943**
Carry forward tax losses	**27,999**	**(27,999)**	**-**
	73,514	**(63,628)**	**9,886**

2024	Opening balance ⃁	Recognized in profit or loss ⃁	Closing balance ⃁
Deferred tax asset in relation to:			
Employees' defined benefit liabilities	17,362	22,549	39,911
Allowance for doubtful debts	28,661	(23,057)	5,604
Carry forward tax losses	35,906	(7,907)	27,999
	81,929	(8,415)	73,514

13. REVENUE

The Branch derives revenue from credit rating, commentary and research services to various sectors and consideration agreed is recognized upon the delivery of contracted services in accordance with the contracts terms.

	2025	2024
	⃁	⃁
Point in time	**16,306,991**	4,231,490
Point over time	**4,418,421**	1,604,415
	20,725,412	5,835,905

14. OPERATING EXPENSES

	2025	2024
	⃁	⃁
Shared service cost (note 16)	**15,186,789**	2,141,850
Employees' salaries and other benefits	**2,435,347**	2,031,344
Professional fees	**901,585**	528,643
Operating lease expenses (note 17)	**757,828**	679,017
Travel	**399,148**	122,321
Others	**192,656**	149,026
	19,873,353	5,652,201

15. OTHER EXPENSES

	2025	2024
	⃁	⃁
Exchange losses	**12,627**	41,988
	12,627	41,988

16. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of the shareholders of Fitch Australia Pty Ltd, related group companies, the general manager of the Branch and his close family members and key management personnel and their close family members. The Branch carries out transactions with various related parties at agreed terms.

Trading transactions
During the year, the Branch had transactions with the following related parties:

Name	**Relationship**
Fitch Australia Pty Ltd	Shareholder
Fitch Regional Headquarter Company	Affiliate
Fitch Ratings Ltd. – UK	Affiliate

The significant transactions and the related approximate amounts are as follows:

	2025	2024
	⃁	⃁
Shared service cost	**15,186,789**	2,141,850
Employees' defined benefit liabilities transferred to related parties	**154,023**	-

16. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

a) Due from a related party was as follow:

	2025 ⃁	2024 ⃁
Fitch Learning Higher Training Institute	**-**	571,830

b) Due to related parties were as follow:

	2025 ⃁	2024 ⃁
Fitch Ratings Ltd. - UK	**5,937,210**	2,424,412
Fitch Regional Headquarter Company	**187,190**	-
	6,124,400	2,424,412

The amounts due to related parties is interest free and unsecured and though have no fixed date of repayment but are expected to be settled within twelve months from the end of the reporting period.

Compensation of key management personnel of the branch
Key management consists of executive management. Compensation paid / payable to key management personnel during the year is:

	2025 ⃁	2024 ⃁
Short term benefits	**1,063,950**	1,268,700

17. SHORT TERM LEASES

The Branch leases office premises for a short term period. These leases are negotiated for an average term of one year and rentals are fixed for one year.

Amount recognized statement of profit or loss is as follows:

	2025 ⃁	2024 ⃁
Expense relating to short term leases	**757,828**	679,017

18. CAPITAL CONTRIBUTION

This represents additional capital contribution from the Head Office to finance the operations of the Branch. In 2023, the Head Office contributed ⃁ 0.8 million. The contribution is interest free and payable at the discretion of the Branch.

19. INANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital management
The Branch's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximize the return to stakeholders through the optimization of the debt and equity balance.

The Branch's management manage the Branch's capital structure and make adjustments to it in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis.

Categories of financial instruments

Financial assets

	2025	2024
	⃁	⃁
Cash and cash equivalents	**7,694,809**	3,834,121
Trade receivables	**3,319,794**	1,631,637
Deposits	**120,000**	120,000
Due from a related party	**-**	571,830
	11,134,603	6,157,588

Financial liabilities

	2025	2024
	⃁	⃁
Trade payables, accruals and other payables	**512,260**	581,235
Due to a related party	**6,124,400**	2,424,412
	6,636,660	3,005,647

The Branch carries cash at banks, trade receivables and due from related parties and accrued income at amortised cost.

Financial risk management objectives
The treasury function of the parent company provides services to the business, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Branch through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Where possible, the Branch aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Market risk
Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates may affect the Branch's income. The Branch was potentially exposed to market risk, in the form of foreign currency risk and interest rate risk as described below, during the year.

Foreign currency risk management
The Branch undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Management monitors the fluctuations in currency exchange rates and manages its effect on the financial statements accordingly. Management believes that the Branch is not materially exposed to currency risk.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Branch has no borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Branch. The Branch has adopted a policy of only dealing with creditworthy counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade receivables consist of limited customers, mainly from Kingdom of Saudi Arabia. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Branch does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Branch's short and medium-term funding and liquidity management requirements. The Branch manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Branch's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Branch can be required to pay.

	Weighted average effective interest rate %	**Less than 1 year ⃁**	**1 – 5 years ⃁**	**Total ⃁**	**Carrying amount ⃁**
December 31, 2025					
Trade, accruals and other payables	-	**512,260**	-	**512,260**	**512,260**
Due to a related party	-	**6,124,400**	-	**6,124,400**	**6,124,400**
		6,636,660	-	**6,636,660**	**6,636,660**

	Weighted average effective interest rate %	Less than 1 year ⃁	1 – 5 years ⃁	Total ⃁	Carrying amount ⃁
December 31, 2024					
Trade, accruals and other payables	-	581,235	-	581,235	581,235
Due to a related party	-	2,424,412	-	2,424,412	2,424,412
		3,005,647	-	3,005,647	3,005,647

19. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Branch's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Branch's financial assets and liabilities are not materially different from their carrying values.

20. RETIREMENT BENEFIT INFORMATION

The Branch makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan is ⃁ 35,103 (2024: ⃁ 101,727).

21. EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to December 31, 2025 and occurring before the date of the approval of the financial statements that are expected to have a significant impact on these financial statements.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on May 20, 2026.