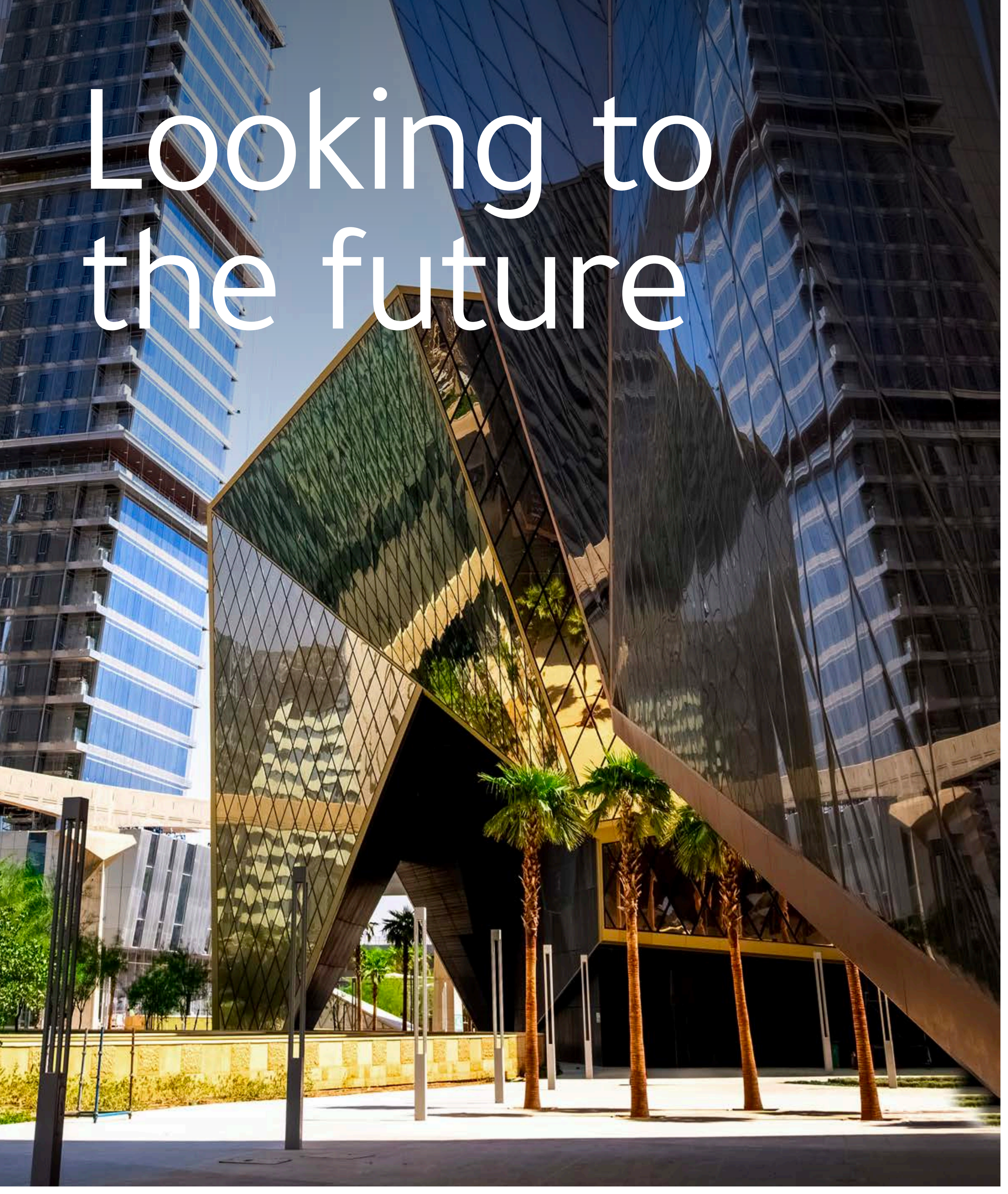
Looking to the future



Annual Report 2025

SEDCO CAPITAL

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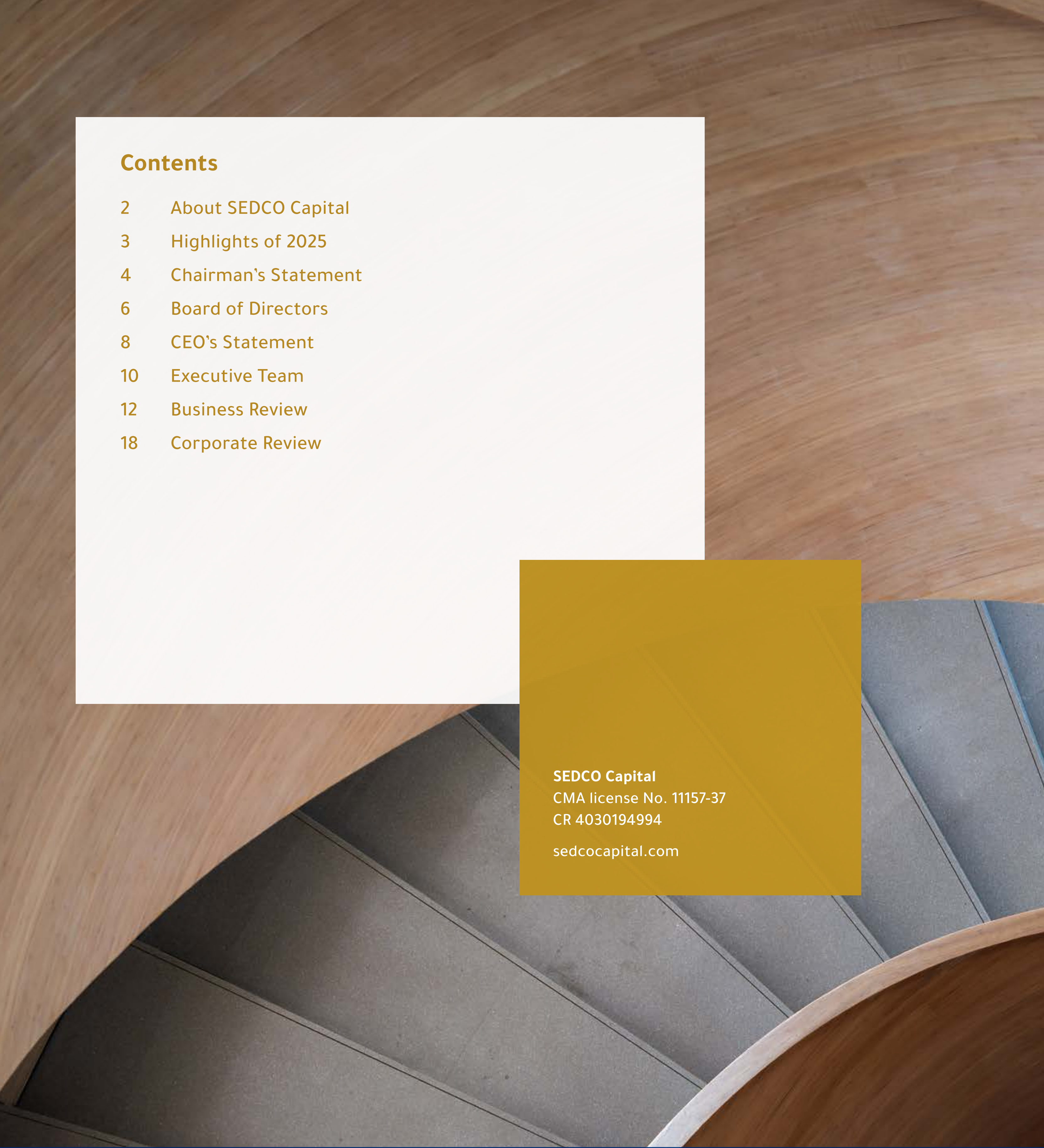

Contents

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In 2025, we continued to deliver strong financial results and double-digit growth, underpinned by the efficiency of our asset management and the trust of our investors.

Assets under management grew by 37%, while our platform expanded by 52% through the launch of 42 new funds - diversifying our offering and strengthening the market's confidence in our performance.

With this momentum, we press ahead with our long-term strategic vision, set in motion at the start of 2025, committed to deepening our investment capabilities, maximizing value for our clients, and driving growth to new horizons.

About SEDCO Capital

SEDCO Capital is a Shariah-compliant, ESG led asset management and investment advisory firm.

We provide clients with investment solutions through a dynamic asset allocation process across diversified asset classes that deliver strong risk-adjusted returns.

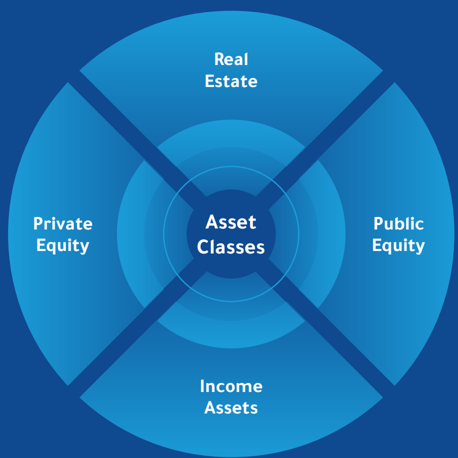
The firm is headquartered in Jeddah with offices in Riyadh and Luxembourg.

Licensed Capabilities

Asset Management

Providing best-in-class investment solutions is the core of what we do. Our funds and discretionary portfolio management (DPM) accounts are tailored to each client's objectives and risk appetite.

Our Luxembourg-based SEDCO Capital Global Funds are acknowledged as the world's largest and most diversified Shariah-compliant and ESG funds platform.



Corporate Finance

Our Corporate Finance Department is an experienced sell-side and buy-side advisory resource that provides clients in Saudi Arabia with a combination of in-depth market intelligence research and invaluable decision-making information.

Administration and Custody

Flawless execution, safekeeping and maintenance of assets are key disciplines that contribute to the performance of an investment, from the simplest to the most complex structure.

Our expertise and comprehensive infrastructure minimize transactional, legal, and taxation risks and are integral to our performance.

Advisory

Our advisory services are tailored to help clients make informed decisions on their investments. Clients benefiting from bespoke services often upgrade their accounts to DPM in testimony to the quality of our services in this area.

Highlights of 2025

+52%

We expanded our offerings by 52% in 2025 by introducing 42 innovative investment products tailored to evolving client needs.

+100%

We expanded the firm's client base by 100%, welcoming multiple new partners through our tailored and personalized approach.

⃁50.6 billion

Assets Under Management and Advisory reached ⃁50.6 billion, a 37% increase, showcasing our expertise in managing large, diversified portfolios.

+19%

Revenue surged 19% to ⃁284 million, underscoring the rapid impact of our new expansion strategy.

+33%

Driven by rigorous operational efficiency, we generated a 33% year-on-year increase in net income.

Chairman's Statement

We will continue to consolidate our position as a trusted partner to our clients and investors by maintaining a strong focus on innovation, institutional excellence, and the diversification of our revenue streams.

SEDCO Capital's exceptional performance in 2025 reaffirmed the value of a clear, disciplined and consistent strategy, anchored in sustainable growth, innovation, client centricity and the delivery of long-term value to our investors.

This strategy, supported by focused execution and institutional discipline, has strengthened the firm's market position and provided a solid foundation for the next phase of growth.

As SEDCO Capital's public profile continues to rise, so does its responsibility as an industry leader: to contribute to the advancement of Islamic asset management, both regionally and globally, and to help elevate the sector to higher levels of trust, credibility and excellence.

Innovation and strategic foresight remain central to this ambition. Accordingly, SEDCO Capital intends to embark on a digital transformation journey aimed at developing a state-of-the-art technological infrastructure capable of keeping pace with rapid developments in digital solutions and artificial intelligence. Beyond technology, this transformation will further strengthen our operational foundations, enhance the quality of decision making, and support the firm's long term competitiveness.

Human capital will continue to be a cornerstone of SEDCO Capital's success. Our people are our competitive edge - we invest seriously in finding, growing and holding onto the best employees across every function. This includes investing in specialized graduate development programs and structured career paths designed to prepare the next generation of leaders with the capabilities, discipline and ambition required to support the company's continued evolution.

Looking ahead, SEDCO Capital will continue to strengthen its institutional, financial, and regulatory readiness. This will involve maintaining the highest standards of governance and transparency, reinforcing the resilience and sustainability of our business model, and positioning the firm for long-term growth and market leadership.

We will also continue to consolidate our position as a trusted partner to our clients and investors by maintaining a strong focus on innovation, institutional excellence, and the diversification of our revenue streams.

On behalf of SEDCO Capital, I join the Board of Directors in extending our sincere gratitude to the Kingdom's wise leadership, led by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud - may Allah protect them - for their steadfast support and guidance.

I would also like to express my appreciation to the firm's executive management and employees for their outstanding contribution during the year. Their dedication, professionalism and commitment have been instrumental in advancing SEDCO Capital's strategic objectives. I also extend my thanks to our shareholders and to our regulators in Saudi Arabia and Luxembourg for their continued support and oversight.

Finally, I would like to thank our clients and investors for their continued trust. SEDCO Capital remains firmly committed to acting in their best interests, serving them with diligence and integrity, and delivering the value they have come to expect from us.

Abdullah Baarmah
Chairman

Board of Directors

Abdullah Baarmah
Chairman (non-independent)

Mr Baarmah joined the SEDCO Capital Board in 2010, before which he was heading the Global Fixed Income Department at NCB Capital. He commenced his career in banking as a futures trader with the National Commercial Bank's Treasury division in 1994, and went on to hold positions of responsibility in the division.

He holds a degree in Business Administration from the University of Portland, Oregon, USA.

Rayyan Nagadi
Vice Chairman (non-independent)

Eng. Nagadi is CEO of SEDCO Holding. He was previously an advisor to His Excellency the Minister of Finance and currently serves on the boards and executive committees of several companies including the Capital Market Authority's Advisory Committee.

Eng. Nagadi brings more than 20 years of experience in both the public and private sectors, leading mega projects in various sectors including banking, public utilities, petrochemicals, infrastructure and building materials.

He holds a Bachelor's Degree in Applied Electrical Engineering from King Fahd University of Petroleum & Minerals (KFUPM), Dhahran, Saudi Arabia.

Khalid Al-Gwaiz
Board Director (independent)

Mr Al-Gwaiz has more than 40 years' experience in banking, business and strategic management. He is Chairman of Riyadh Cables and is a member of the Nomination and Remuneration Committee. He is also Chairman of Saudi Pharmaceutical Industries and Executive Committee Chair. Additionally, he serves on the Boards of Al Rajhi Bank and Bawan Company.

Mr Al-Gwaiz's career has included key management positions at ACWA Holding, Astra Industries, Samba Financial Group, Arab National Bank, the National Company for Cooperative Insurance, and the Saudi Industrial Development Fund.

He received his Bachelor's degree in Urban Planning from the University of Washington in Seattle, Washington, USA. He attended several executive training courses including Chase Manhattan Bank, New York; Harvard Business School, Boston; and INSEAD, France.

Ahmed AlJasser
Board Director (independent)

Mr AlJasser has 33 years' experience in leadership roles in financial services, capital markets, and investment banking, including audit, risk management, and corporate governance.

He serves as Vice Chairman and Audit Committee member of Arab Sea Information Technology Company, Board Member and Chairman of the Audit Committee and NRC member of Saudi Postal and Logistic Services Company, and Chairman of the Audit Committee of Naqel Express, SPL Digital Company, and King Abdullah Endowment for KAA Foundation.

He also serves on the Audit Committees of Saudi Post, Fouj Marketing Company, and MDR Investment Company. Previously he held various leadership positions as the Deputy Governor of the National Development Fund, Acting CEO of the Events Development Fund, and other leading positions at the Capital Market Authority (CMA) and SAMBA Financial Group. In addition, he was a board member and audit committee member of many government institutions and companies.

Mr AlJasser holds a BSc. in Industrial Management from King Fahd University of Petroleum & Minerals, and certified Capital Market Examinations CME-1. He earned executive leadership programs from INSEAD and San Diego and board governance from IMD.

Quintin Price
Board Director (independent)

Mr Price has a distinguished four-decade career in the financial services sector. For the past nine years, he has acted as a senior advisor and served on the boards of several public and private companies.

He is currently the Chairman of Oxford University Endowment Management, Chairman of Russell Wood Ltd, and Senior Independent Director of F&C Investment Trust, a FTSE-100 company. In addition, he is Chairman of the Asset Allocation Committee of Capital Generation Partners (CapGen); a member of the Board of Aperture Investors in the US, and Chair of the Investment Committee of The Leverhulme Trust, one of the largest endowments in the UK, where he is also a Trustee.

He was educated at the universities of Bristol and Oxford.

Hashim AlMihdar
Board Director (non-independent)

Eng. Hashim AlMihdar is an expert in family wealth management, through his work in several family offices and international companies across different sectors and industries.

He holds a Master's degree in Management, Design, and Manufacturing and is a member of the Association of Chartered Certified Accountants (ACCA), Cambridge, UK. Additionally, he has a Bachelor's degree in Manufacturing Systems Engineering with Management from King's College, London, UK.

Ossama Banaja
Board Director (non-independent)

Mr Banaja is the Chief Investment Officer at SEDCO Holding, a role held since March 2021. He leads the company's investment strategy across direct investments, overseeing portfolio development, value creation, and capital deployment. He has over 20 years of experience in private equity and investment banking, with a strong track record of executing complex transactions and driving strategic growth initiatives.

Prior to joining SEDCO Holding, he served as Director of Domestic Holding Investments at the Public Investment Fund (PIF), where he was responsible for developing greenfield investment strategies in new sectors within KSA. Earlier in his career, he was Vice President of Private Equity at Jadwa Investment, leading multiple investments and post-acquisition value creation programs. He also held the position of Assistant Vice President at Partners Group, focusing on direct private equity co-investments and due diligence.

Mr Banaja is currently serving on multiple boards and executive committees, including United International Transportation Company (Budget Saudi Arabia), ELAF Group, Bupa Arabia for Cooperative Insurance Company, and AlAndalus Education Company.

He holds an MBA in Finance and Business Law from New York University and a Bachelor's degree in Economics from Boston University.

Chief Executive Officer's Statement

Driven by our proven asset management capabilities and the continued trust of our investors, SEDCO Capital delivered outstanding results in 2025. The firm achieved double-digit growth across Assets Under Management (AUM), Net Income and Revenue, while continuing to expand its client base and investment platform.

AUM reached ⃁50.6 billion, representing growth of 37% compared with the previous year. This performance demonstrates our ability to manage large and diversified portfolios, respond to increasingly sophisticated client requirements, and deliver investment solutions across market cycles.

Our focus on operational efficiency and disciplined investment management also translated into strong financial performance. Net Income increased by 33% year-on-year to ⃁80 million, while Revenue grew by 19% to ⃁284 million, reflecting our continued commitment to generating profitability in a measured and sustainable manner.

During the year, our product platform expanded by 52%, supported by the launch of 42 new investment funds. This significantly broadened the investment choices available to our clients. Such exceptional growth reflects the strength of our investment track record, the effectiveness of our marketing initiatives, and the increasing confidence placed in SEDCO Capital as a trusted asset manager.

While 2025 was a year of significant growth, it was also marked by active management and the continued refinement of our product portfolio. We enhanced several key funds, including the SEDCO Capital IPO Fund, SEDCO Capital REIT Fund, SEDCO Capital Multi Asset Traded Fund, and SEDCO Capital Saudi Freestyle Artificial Intelligence Fund, to ensure continued alignment with evolving investor needs.

The SEDCO Capital REIT Fund delivered consistent quarterly cash distributions throughout the year and continued to successfully execute several strategic real estate transactions. The fund expanded its portfolio through the acquisition of two modern new office buildings, Palm View Offices in Al Diriyah and an office building located on King Abdulaziz Road, with total investments amounting to ⃁823 million, further strengthening the fund's stable income-generating asset base. In addition, a sale agreement was signed for the Al-Jazirah residential compound in Riyadh with a transaction value of ⃁100.75 million, generating an investment return of approximately 228%.

SEDCO Capital also continued to strengthen its reputation for innovation, launching new asset classes, service offerings, and launching our new mobile application in 2025.

The launch of our new local private equity asset class expanded our investment capabilities into high-growth local opportunities and reinforced our role as a long-term value creation partner for Saudi businesses and as a committed supporter of this important growth sector.

Our first local private debt fund marked another significant milestone, enabling us to offer financing solutions with attractive risk-adjusted returns. In parallel, our new local feeder funds were established to serve as a direct channel for local investors to access SEDCO Capital's state-of-the-art investment platform in Luxembourg, offering high-quality, global liquid strategies that combine geographic diversification with Shariah-compliant and ESG-aligned investment principles.

In direct support of the Kingdom's economic diversification agenda, our new Investment Banking division was established to provide investors and corporates with high-quality corporate finance advisory services.

Looking ahead, we will continue to implement our comprehensive three-year strategy, launched at the beginning of 2025, with a focus on deepening our investment capabilities, strengthening client outcomes, and accelerating sustainable growth across our various platforms.

In the near term, we will broaden our reach across key investor segments, particularly the endowment sector, while continuing to expand into the small- to medium-sized wealth segments.

As we build a more comprehensive and diversified investment platform, we will continue to expand our asset classes through the launch of new products in Local Private Equity and Infrastructure. SEDCO Capital's ability to respond swiftly and effectively to the Kingdom's economic transformation will remain a major strategic priority.

In closing, I join the Board of Directors in acknowledging the continued guidance, oversight, and support of the Kingdom's Capital Market Authority (CMA) and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

Despite persistent geopolitical uncertainty and related economic headwinds, we enter 2026 with cautious optimism and a firm conviction that SEDCO Capital is well positioned for continued growth and long-term success.

Abdulwahhab Abed
Chief Executive Officer

Executive Team

Abdulwahhab Abed
Chief Executive Officer

Mr Abed is SEDCO Capital's Chief Executive Officer, his latest role in an illustrious 18-year association with the firm. A results-driven leader, he is well regarded in the investment and asset management industry for successfully managing a diverse range of business lines.

Mr Abed brings to the role extensive hands-on experience in charting strategic business plans; negotiating investment opportunities across a range of asset classes and geographies; structuring funding for portfolios; developing optimal exit strategies; and building shareholder and client value. He also has sound legal expertise and proven experience in leading merger and acquisition (M&A) transactions and in negotiating deals and partnerships with a wide array of regional and international corporates.

Before his appointment as CEO, Mr Abed held various roles in the firm, the most recent of which were Chief Business Development Officer, Chief Investment Officer, Head of Corporate Finance, Head of Real Estate and Vice President of Private Equity. He currently chairs the Investment, Management Committee and the Product Development Committee.

Mr Abed has an MBA (Finance major) and a BSc (Finance and Accounting double majors), both from Bentley University's McCallum School of Business in the USA. Mr Abed is a graduate of Misk 2030 Leaders program.

Ahmed Tourson
Chief Financial and Operations Officer

Ahmed Tourson has worked with SEDCO Capital since 2015, bringing a wealth of expertise in investment operations, securities, support services, auditing, and financial analysis. Previously, he held key roles at Deloitte & Touche Middle East and KPMG Saudi Arabia, where he specialized in independent audit, quality assurance, and financial advisory.

Over 15 years, Mr Tourson has developed a strong track record in financial oversight, risk management, and strategic financial planning. Beyond his role at SEDCO Capital, he currently serves as Chairman, Board Member or Audit Committee Chairman in several companies.

Mr Tourson holds a Bachelor's in Accounting Sciences from King Fahd University of Petroleum and Minerals, and has completed the CFO Executive Program at London Business School.

Christian Guckel
Chief Risk Officer

As Chief Risk Officer, Christian Guckel focuses on investment research, portfolio construction and portfolio analytics. He joined the firm in 2014 and is a member of the Investment Committee, Asset Management Committee and Tactical Asset Allocation Committee.

Previously, he was an Investment Director for a Swiss asset management and advisory services firm. He also served as Portfolio Manager at Man Investments' multi-manager business and with HSBC Trinkaus & Burkhardt in the Structured Solutions Group. He started his career in risk control and management with Stadtsparkasse Magdeburg.

Mr Guckel has an MBA from Colorado State University and a Master's (equivalent) in Finance from Otto-von-Guericke University, Germany. He is a certified Chartered Financial Analyst, a Financial Risk Manager, Chartered Alternative Investment Analyst, and an Energy Risk Professional.

Rayan Habis
Chief Human Resources Officer

Rayan Habis joined SEDCO Capital in 2021. He fulfils a pivotal role in aligning HR strategies with organizational goals and driving operational excellence. He was previously Head of Organization Development & Excellence at SEDCO Holding.

Mr Habis has more than 18 years' experience across private wealth management, Shariah-compliant investments, petrochemicals, and the retail sector. His diverse expertise encompasses HR strategy and policy, organizational development, talent management, compensation, and leadership development.

He is also a Board Member of Alshiaka and serves on the company's Nomination and Remuneration Committee. Previously he was a Board Member of Yusr International Schools.

Mr Habis has an MBA from the University of Business and Technology (UBT) and a Bachelor's in International Business Administration from King Abdulaziz University. He is certificated as a Human Resources Professional Manager and has completed executive programs at HEC Paris and IMD Business School.




Montaser Foudah
Chief Governance and Compliance Officer

Montaser Foudah joined SEDCO Capital in 2023 as Chief Governance and Compliance Officer. With more than 26 years' experience in investment and banking, he is a Certified Compliance Officer (CCO), Certified Wealth Manager (CWM) and Certified Financial Planner (CPFP).

Before joining SEDCO Capital, he was Head of Governance, Compliance and MLR at Watani Wealth Management (2017-2023). From 2007 to 2016, he held various roles at Alkhabeer Capital, including Head of Custody and Awqaf, Deputy Chief Risk and Compliance Officer, Head of Governance and Compliance, and Vice President of Wealth Management. Mr Foudah was Acting Head of the Financial Planning and Remuneration Program Unit, and Senior Client Advisory Manager at The National Commercial Bank (2004-2007). He was an Investment Marketing Officer at Riyad Bank from 1999 to 2003.

Mr Foudah has a Bachelor's degree in Business Administration from King Abdulaziz University.

Anas Baksh
Chief Internal Audit Officer

Anas Baksh joined SEDCO Capital in January 2021. His experience over 15 years includes key roles in global and leading Saudi companies. His expertise spans external and internal audits, risk, control and assurance and finance.

He began his auditing career with Deloitte in assurance and external auditing. This was followed by his role as a Retail Banking Financial Controller at The National Commercial Bank (NCB), before moving into NCB's Internal Audit Department with responsibility in the Finance and Risk areas. Before joining SEDCO Capital, he headed the newly established Finance Department at the Ministry of Culture (Jeddah Historical District Program).

Mr Baksh is a Certified Fraud Examiner (CFE) and holds a Master's of Accounting & Information Systems degree from Middle Tennessee State University (MTSU) in the USA and a Bachelor's in Accounting from King Fahd University of Petroleum and Minerals, Saudi Arabia.

Faozan Shokri
Head of Regional Real Estate

Faozan Shokri joined SEDCO Capital in 2021. He oversees the firm's real estate business and guides the team to offer unique investment products to local and regional clients. With more than 16 years' experience in real estate investment management and acquisitions, he has worked mainly in regional real estate acquiring assets on behalf of the firm's core clients.

Mr Shokri began his career with Deloitte where he was a Senior Consultant. He also has significant experience in real estate funds, development, financing and consultancy. He was involved in the acquisition of four income-generating properties currently under the SEDCO Capital REIT Fund, and the development management of SEDCO Capital BTS 1 and the divestiture process for Al Yusr International Schools.

Mr Shokri has a BA in Accounting from King Fahd University of Petroleum and Minerals, Saudi Arabia.

Bassam Al-Mutairi
Head of Multi-Assets Investment Solutions

Bassam Al-Mutairi is the Head of Multi-Assets & Investment Solutions at SEDCO Capital, with over 12 years of experience in asset management across both liquid and private asset classes. Since joining SEDCO Capital in 2014, he has managed and co-managed fixed income and public equity portfolios.

He later led the Income Assets department where he was responsible for managing fixed income, leasing and private infrastructure funds and portfolios. Following that, he assumed his current role overseeing multi-asset funds and portfolios across regional and international markets.

Mr Al-Mutairi serves as the Chairman of the firm's Product Development Committee, Vice Chairman of the Multi-Asset Allocation Committee, and member of the Investment Committee.

He holds a BA in Finance (Hons) from King Fahd University of Petroleum and Minerals.




Business Review

SEDCO Capital's growth in 2025 highlights our unwavering commitment to building lasting, profitable value for all stakeholders.

Business Review

Asset Management

Real Estate

SEDCO Capital offers an extensive range of real estate asset management services and solutions to private and institutional clients. Our primary aim is to help clients enhance income generated from their real estate assets and to boost the value of their holdings.

By encompassing various risk profiles and spanning multiple sectors including residential, retail, office, hospitality, mixed-use, and education, our portfolio meets the needs of a diverse range of investors.

In 2025, we successfully launched 20 new real estate funds and acquired several high-profile projects in the Kingdom. Bolstered by the positive market outlook for public and private diversified real estate funds, we embarked on the following key initiatives:

SEDCO Capital REIT expansion strategy
Identifying and assessing real estate properties that align with the fund's investment strategy and objectives was a key pillar of SEDCO Capital REIT's expansion strategy. The fund continued to perform well, mainly due to high occupancy rates, and maintained its quarterly cash distributions.

Expansion of real estate development funds
In partial response to rising interest rates, we formed new strategic partnerships with reputable developers, and collaborated with established landowners, to develop market-driven projects in the Kingdom's primary cities.

Development opportunities in the two Holy Cities
We strengthened our presence in Makkah and Madinah by pursuing strategic real estate development opportunities in response to sustained demand in these high-priority markets.

Mixed-use development projects in Riyadh
We expanded our focus on integrated, mixed-use developments in the capital to capitalize on the city's rapid growth and its position as a leading regional hub.

We also structured and launched several new real estate development funds in 2025. These covered a diverse range of investment opportunities and included:

In 2025, SEDCO Capital successfully launched 20 new real estate funds and acquired several high-profile projects in the Kingdom.

SEDCO Capital King Salman Park Fund - a real estate development fund (⃁3.8 billion) with the aim of developing a landmark mixed-use project in Riyadh's King Salman Park, supporting the capital's long-term urban transformation plans.

We structured two real estate development funds in Masar - with total investments exceeding ⃁1.6 billion - for prestigious mixed-use developments in key growth areas in Makkah and Masar, two destinations which continue to attract investment.

SEDCO Capital Madinah Towers Fund - a real estate development fund (⃁1 billion) which aims to develop a mixed-use project in Madinah, and to support the city's growing demand for high-quality residential, retail and hospitality offerings.

Looking ahead, the Real Estate team plans to launch a diverse range of new real estate development funds across the region.

Building on our significant progress in 2025, when growth rates jumped more than 100%, we have already secured Memorandums of Understanding - collectively valued at ⃁1 billion - for prospective real estate development funds which are expected to come onstream in 2026-2027.

The ongoing assessment and acquisition of high-quality, income-generating assets for the SEDCO Capital REIT Fund will be another major priority in the coming year.

Private Equity

SEDCO Capital provides clients with access to private equity through top-tier private equity funds and co-investment opportunities, which are sourced through our extensive global network of managers and partners.

The firm has a long history of investing in top-tier, mid-market global private equity funds, and co-investments with managers who offer deep sector knowledge in healthcare, technology, industry, consumer and education that also meet our Shariah and ESG guidelines.

In 2025, the Private Equity team invested in two new co-investment deals: Project Aero, a US-based cold-chain logistics solutions provider to healthcare clients, and Project Rai, a leading online marketplace for refurbished devices in Europe.

Entering the regional private equity market

Building on our success in international private equity over the last two decades, SEDCO Capital is expanding its footprint in local and regional private equity to capitalize on the fast-growing and dynamic private equity sector, particularly in Saudi Arabia.

The Saudi private equity market is evolving rapidly, with total deal values in 2025 surpassing $2.2 billion (according to MAGNiTT's Saudi Arabia Private Equity Report for 2025). The SEDCO Group's long history in the Kingdom affords the firm premier access to quality deals that are further filtered thanks to decades of international experience.

In 2025, the Private Equity team launched the SEDCO Capital Private Equity Education Fund, with total AUM of ⃁350 million.

Meanwhile, the team remains focused on identifying new and attractive investments in our core sectors while, as market conditions evolve, actively monitoring exit opportunities across the existing portfolio.

International Public Equity

Global equity markets remained resilient in 2025 despite heightened geopolitical tensions, trade policy uncertainty and slower economic growth. Strong corporate earnings and improving margins continued to support markets, with the S&P 500 gaining around 18%. This was driven primarily by real earnings growth rather than valuation expansion.

Technology stocks once again led performance, fueled by accelerating investment in artificial intelligence (AI), cloud infrastructure and digital transformation. Unlike previous years, AI-driven growth increasingly translated into measurable improvements in productivity, profitability and cash flows across sectors. International and emerging markets also outperformed US equities.

As inflation eased and interest rates gradually declined, fixed income regained its role as a source of income and diversification.

Our Luxembourg-based UCITS platform's AUM reached USD 1.2 billion by the end of 2025, offering eight equity funds, two income funds and one balanced strategy across the platform. Several strategies delivered strong absolute and relative performance during the year, reflecting the strength of our diversified and quality-focused investment approach.

Among the top performers, the SEDCO Capital Global Technology Fund gained 31% YTD, benefiting from continued momentum in AI and digital transformation themes, while the SEDCO Capital Asia Pacific Passive Fund returned 30% and the SEDCO Capital GEM Passive Fund delivered 19%. The SEDCO Capital US Passive Fund also posted a strong 17% return, remaining resilient despite ongoing market volatility.

In active equities, the SEDCO Capital LO Global ESG Fund outperformed its benchmark, supported by strong stock selection and quality growth exposure. Meanwhile, the SEDCO Capital China Equity Fund generated an impressive 34% return, driven by policy support, improving sentiment and attractive valuations in Chinese equities.

Business Review
continued

Looking ahead, even though geopolitical tensions and trade uncertainty may continue to create volatility, we remain constructive on global equities supported by resilient earnings growth, easing monetary conditions and the long-term opportunities arising from AI adoption and digital transformation.

We are committed to strengthening our Shariah-compliant offering and to expanding our international distribution capabilities to meet changing client needs.

Capital Markets

Regional Public Equity

The year proved to be a difficult one for Saudi equities, with the S&P Saudi Shariah Domestic Total Return Index declining 13%, making it one of the weakest-performing markets globally, while international equities gained between 15% and 40%. The market was pressured by lower oil prices, with Brent crude averaging 15% below 2024 levels coupled with - despite the Fed's easing cycle - tight domestic liquidity conditions.

SEDCO Capital IPO Fund

After more than five years of strong gains, the IPO market experienced a sharp correction in 2025. Main Market IPOs declined by about 16%, while Nomu fell over 22%, with only a minority of listings ending the year positive. Against this backdrop, the fund returned -29% before fees.

REITs strategy

The REITs strategy delivered a positive return of 1.36%, outperforming the TASI REITs Total Return Index, which declined by 1.68%. Performance was supported by the disciplined selection of high-quality REITs with diversified assets and conservative leverage profiles.

SEDCO Capital Saudi Freestyle Artificial Intelligence Fund

The fund faced challenging range-bound market conditions that impacted model performance early in the year. The fund ended 2025 down 10% before fees versus -7% for the benchmark. Encouragingly, performance improved progressively through the year as the AI models adapted and strengthened their signal generation.

Looking ahead, 2026 has started amid heightened geopolitical tensions and renewed concerns over inflation. While markets initially benefited from stronger non-oil economic activity, and improving earnings trends, geopolitical risks and supply chain disruptions have increased short-term uncertainty.

Despite this backdrop, we remain constructive on the medium-term outlook. Improved visibility on regional dynamics, a more supportive oil price environment and expected strengthening in banking system liquidity should support economic activity and earnings growth. With Saudi market valuations currently at attractive levels, we believe conditions are in place for a gradual recovery over the rest of the year.

Income Assets

SEDCO Capital offers expert advice to investors seeking returns and capital appreciation from Shariah-compliant money markets, sukuk and private credit opportunities.

The Income Assets team delivered a solid performance across all income asset classes in 2025. Notably, our money market investments achieved a robust return of 4.6%, while sukuk generated a commendable 8.2%.

In 2025, the bond market continued to experience significant volatility - most notably the 10-year benchmark - as markets reacted to evolving economic data and repeatedly revised their expectations around the Federal Reserve's policy direction.

The Fed entered the year having cut rates in late 2024, but renewed concerns over inflation prompted a more cautious stance. The pace of further cuts slowed considerably, resulting in elevated long-term yields for much of the year and prolonging uncertainty across fixed income markets.

Meanwhile, money market funds demonstrated continued resilience. With deposit rates remaining at relatively attractive levels, they maintained their position as a reliable investment class amidst ongoing global uncertainties.

In 2025, SEDCO Capital launched its first private debt offering - the SEDCO Capital SME Sukuk Fund - which aims to leverage the firm's expertise in managing fixed income products to provide investors with income and capital appreciation over the medium to long term.

The fund will invest in a diversified portfolio of Shariah-compliant sukuk instruments, issued by Saudi SMEs, in a concerted effort to establish a footprint and to capitalize on the Kingdom's rapidly growing and dynamic private credit landscape.

As attention turns to 2026, the outlook appears mixed, with the Federal Reserve expected to proceed carefully with any further rate cuts given the persistent inflation risks. Analysts foresee continued volatility in fixed income markets but remain cautiously optimistic.

Investment-grade sukuk stands out as a particularly compelling area of opportunity, underpinned by sound corporate credit fundamentals, and the prospect of a more accommodative rate environment supporting both price performance and income generation.

Money market instruments are expected to maintain their relevance for investors seeking lower-risk exposure and competitive returns as part of a diversified portfolio strategy.

Investment Banking & Corporate Finance

SEDCO Capital's Corporate Finance department is a trusted sell-side and buy-side advisory partner, offering clients across the Kingdom a combination of in-depth market research, deep regional insight and the decision-making intelligence needed to navigate Saudi Arabia's evolving business landscape.

In parallel with the ambitions of Vision 2030, we place particular emphasis on supporting Small and Medium Enterprises (SMEs), the backbone of the Kingdom's economy, by providing tailored advisory solutions that help homegrown businesses scale, institutionalize and unlock new sources of capital.

Demand from the local market remains strong, with Saudi corporates, family businesses, and SMEs continuing to form the core of our client base as they pursue growth, succession planning and capital-raising opportunities at home.

Alongside this, our buy-side activity continues to attract clients from the wider MENA region and international markets seeking exposure to the Kingdom's growth story. The team delivers retained mandates and ad hoc services, which include market intelligence, business valuations and feasibility studies.

The year has seen us further strengthen our sell-side advisory practice and deepen relationships with financial advisors, corporate investors and the family businesses that remain central to the Saudi private sector.

In addition to our equity placement capabilities, we expanded our debt advisory offering, providing clients with debt structuring, refinancing, and capital-raising solutions across conventional and Shariah-compliant formats, including sukuk and syndicated facilities, an integrated approach which allows us to deliver financing strategies aligned with each client's growth cycle, ownership structure and long-term ambitions.

Building on this momentum, 2025 marked a key step forward with the launch of our Investment Banking offering, including dedicated mergers and acquisitions advisory services. This expansion addresses the growing demand from Saudi corporates and family-owned enterprises for institutional-grade transaction support, from buy-side and sell-side M&A mandates to strategic advice on consolidation, divestitures and ownership transitions.

With this important addition, SEDCO Capital's Corporate Finance platform now offers a fully integrated suite of advisory services, positioning us to support clients across every stage of their corporate lifecycle.

Custody Services

The launch of our dual-service model for Custody and Fund Administration marks a strategic step toward internalizing the investment value chain. By successfully onboarding three funds at launch, we have demonstrated the commercial viability of this integrated offering.

Beyond enhancing operational efficiency, this initiative establishes a scalable recurring revenue stream, reduces reliance on external service providers, and improves overall margins. The offering positions us to support future AUM growth with greater operational efficiency and lower fund expenses.

Advisory

SEDCO Capital's advisory services are tailored to help clients make informed decisions about their investments, in turn increasing the firm's AUM through Discretionary Portfolio Management.

While the Advisory team remains actively engaged with long-standing investors and provides regular insights into market trends and portfolio positioning, we also look to build strong relationships with new clients wanting to collaborate closely with a trusted advisory partner.

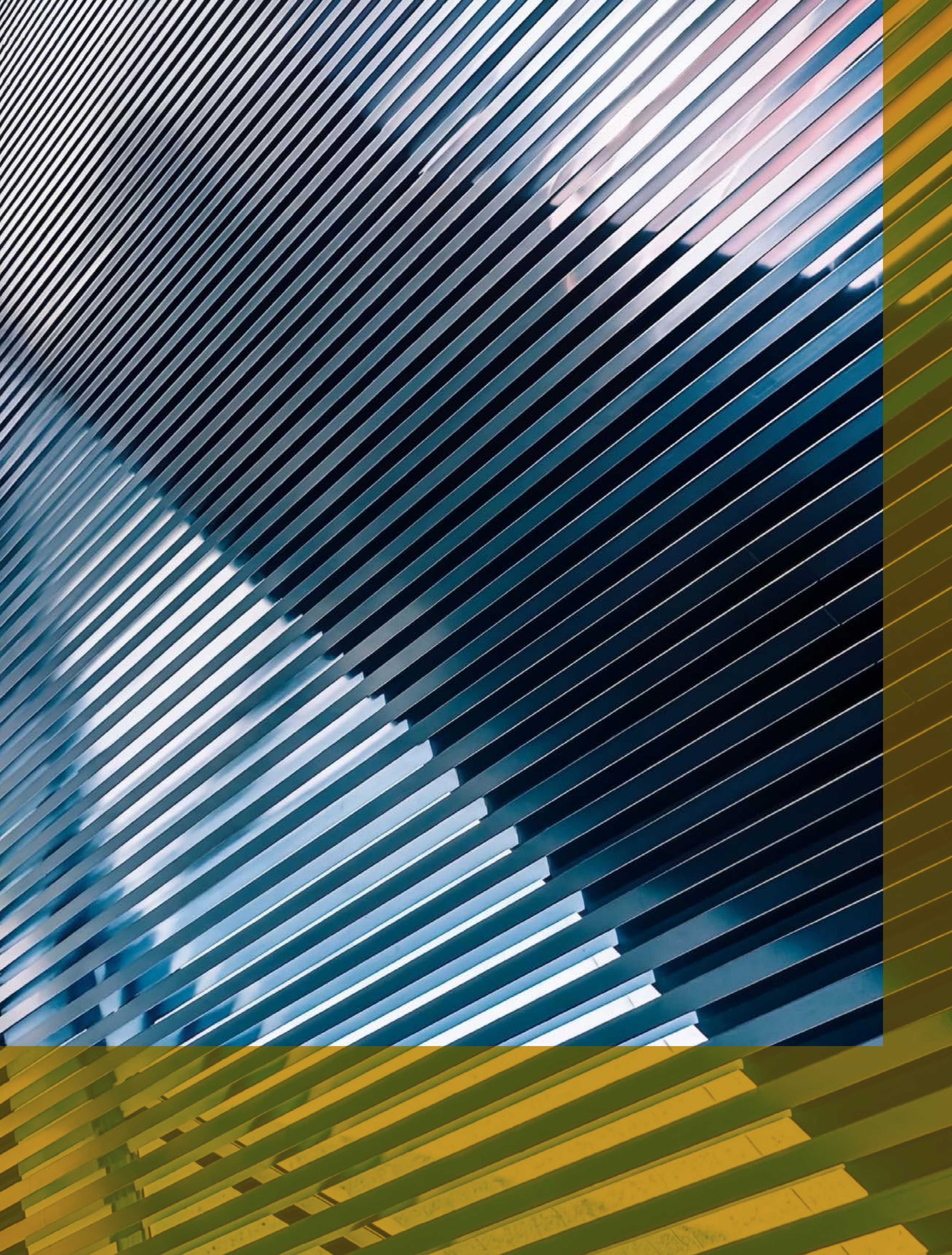
Our strategy is to target high net worth individuals, family offices, endowments, and other institutional clients by offering bespoke advisory services.

In close collaboration with clients, our role typically includes strategic and tactical asset allocation; drafting investment policy statements; governance frameworks; framing terms of reference for various committees; periodic portfolio rebalancing; and identifying and addressing structural gaps in asset allocation.

We empower our clients' investment decisions by providing access to the Advisory team's proven strengths in research, asset allocation guidance and risk assessment.

Corporate Review

Disciplined execution drives our momentum as we remain steadfast in delivering sustainable, long-term value across our operations.



Corporate Review

Business Development

Regional Business Development

In 2025, SEDCO Capital's Regional Business Development team opened 262 new client accounts, covering individual, institutional and corporate investors, simultaneously driving substantial AUM growth.

Building on its track record of strong, long-term client relationships, and the growing reputation of the firm's platform in the Kingdom, the team pursued an active strategy of market penetration, product distribution and client engagement, which resulted in significant growth in real estate, public equity, and private equity.

Strong investor appetite, and continued client confidence in SEDCO Capital's real estate capabilities resulted in a substantial increase in AUM.

The team played a central role in raising capital for the SEDCO Capital SME Sukuk Fund, the SEDCO Capital Global Monthly Distribution Fund, and the SEDCO Capital US Passive Equity Feeder Fund, broadening the firm's product reach across different investor segments.

While there was a focus on cultivating new client relationships, we stepped up our engagement with existing clients using consistent coverage, tailored investment solutions and proactive communication, to ensure that this important core group remained well served.

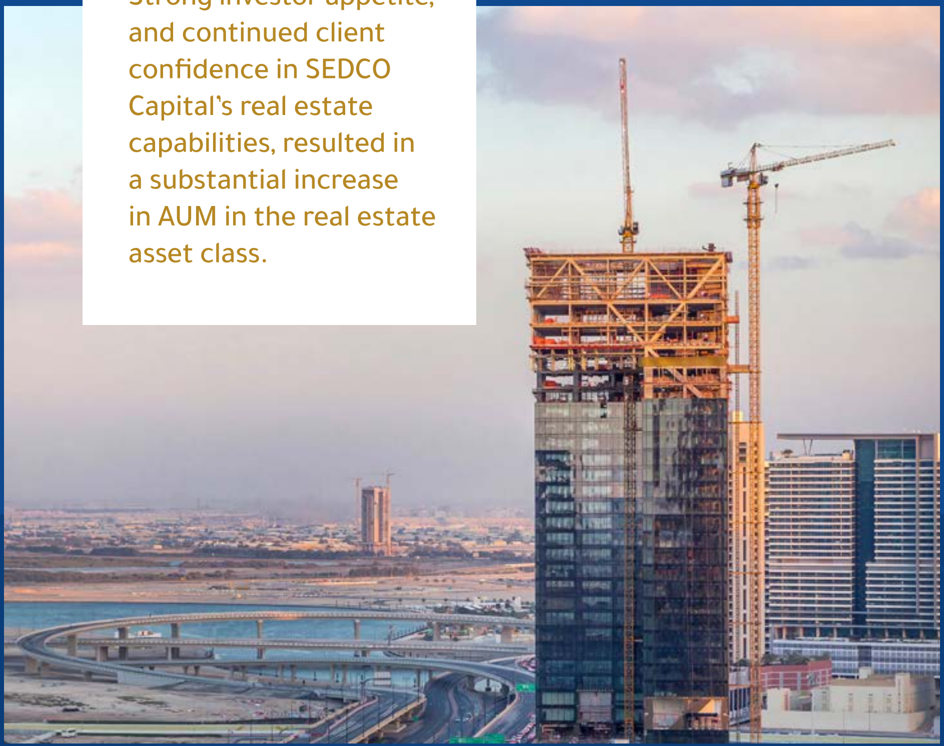
These results highlight how determined SEDCO Capital is to deliver value across the full spectrum and to position the firm to generate further growth in domestic and regional markets.

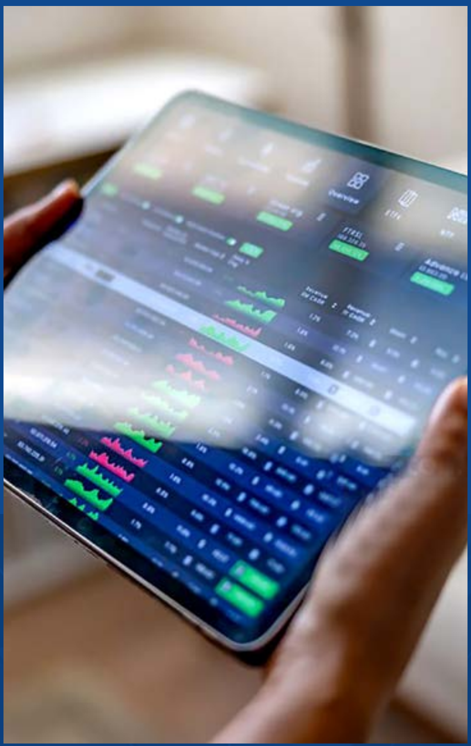
International Business Development

A focus on new client acquisition, deeper institutional engagement, and on expanding SEDCO Capital's geographic reach, helped International Business Development drive strong third-party fundraising results during 2025.

The major successes of the year included onboarding new institutional clients and distribution partners, including EIB Bank, Fujairah Bank, and the Hayel Saeed Family Office (Dubai), which has broadened our banking and family office channels across the UAE and the wider GCC region.

Strong investor appetite, and continued client confidence in SEDCO Capital's real estate capabilities, resulted in a substantial increase in AUM in the real estate asset class.





Our geographic reach now extends to Brunei, where Bank Islam Brunei Darussalam (BIBD) has confirmed its investment commitment and is onboarding our funds, beginning with the SEDCO Capital Global Technology Equity Fund. This relationship marks a significant expansion of our international footprint into Southeast Asia.

The strengthening of relationships with Islamic Development Bank (IDB) and with Riyad Capital - which has now moved from a purely international distribution channel to a direct institutional partnership - drove respectively an increase in inflows and secured a commitment into the SEDCO Capital SME Sukuk Fund.

Expanding the Lombard Odier relationship beyond the SEDCO Capital LO Global ESG Equities Fund also reaped rewards, with the onboarding of additional SEDCO Capital funds and new investments generated, while active fundraising engagement has continued.

Meanwhile, targeted roadshows in Riyadh, Jeddah, and the UAE, in partnership with Fullgoal, resulted in new subscriptions and strengthened investor engagement across the region.

Collectively, these efforts have generated strong fundraising outcomes across both new and existing relationships and with momentum continuing to build, reflect the depth of engagement, the quality of the institutional partnerships cultivated to date, and strengthened SEDCO Capital's position as a leading global provider of Shariah-compliant investment solutions.

Support Services

Operations

The Operations team delivered significant initiatives in 2025, driving SEDCO Capital's digitalization goals. We accelerated automation, expanded the firm's product and service offerings, and enhanced the client experience.

The launch of a new mobile application, in collaboration with Information Technology, enables online account opening, KYC updates, and seamless access to portfolio performance. It has improved onboarding and operational reporting and reduced manual processing.

We also successfully implemented the Oracle System for Fund Accounting across all alternative investment funds and supported several new fund launches, including public feeder funds under the Capital Market Authority (CMA) framework, to expand local investor access to select international Luxembourg-based strategies.

We scaled operational infrastructure and workflows to support higher business volumes, and greater product complexity, and rolled-out fund administration and custody services for third-party clients, in support of the firm's strategy to expand services and diversify business lines.

Business Continuity

SEDCO Capital has in place a Business Continuity Plan (BCP) that can be activated quickly in response to events that might have a significant impact on the business. Since the timing and impact of disasters are unpredictable, the firm needs to be flexible when responding to actual events as they occur. The BCP ensures the effective management of risk to enable SEDCO Capital to operate with minimal disruption in the event of an incident.

Training and testing verifies that the necessary resources for the recovery of all critical business functions are available and that they can operate to the required recovery specifications. The Risk Department regularly updates SEDCO Capital's recovery plans and technology to minimize the time required to recover from a disruption.

Product Development

SEDCO Capital continued to expand its product offering with a strategic focus on regional private equity, private credit, and cross-border investment solutions.

As part of this initiative, we launched the SEDCO Capital Private Equity Educational Fund, a private equity fund established in accordance with Capital Market Authority (CMA) regulations, and focused on Saudi Arabia's higher education sector. The fund is aligned with long-term growth and strategic sectors identified within Saudi Vision 2030.

In parallel, we also boosted our private credit capabilities with the successful offering of the SEDCO Capital SME Sukuk Fund, a private fund for private credit opportunities. The strategy was developed to support financing solutions for small and medium enterprises (SMEs), while offering investors access to an income-generating asset class.

The launch in 2025 of the open-ended SEDCO Capital Global Monthly Distribution Fund signals our efforts to expand income-generating investments for investors looking for regular distributions and globally diversified exposure.

Further, we launched the first AI-driven public equity fund in Saudi Arabia, the SEDCO Capital Saudi Freestyle Artificial Intelligence Fund, to underscore the firm's growing focus on expanding innovative and technology-enabled investment solutions. This fund leverages AI and advanced data analytics to support investment decision-making in Saudi equities.

Enhancing investor access to local and international investment strategies, using cross-distribution structures and feeder fund solutions, was a major area of focus during the year.

Key developments included establishing a Luxembourg feeder structure to facilitate access for qualified foreign investors to the SEDCO Capital IPO Feeder Fund, one of the firm's regional equity strategies focused on Saudi IPOs.

Corporate Review
continued

The launch of several public feeder funds under CMA regulations is enabling local investors to access select international Luxembourg-based strategies, specifically the SEDCO Capital China Equity Feeder Fund; SEDCO Capital Global Technology Equity Feeder Fund; SEDCO Capital US Passive Feeder Fund; and the SEDCO Capital Global Sukuk Public Feeder Fund.

We also collaborated with fund distribution platforms to expand retail investor access to our real estate funds, a central pillar of SEDCO Capital's investment offer.

These initiatives exemplify the firm's ongoing commitment to product innovation and market expansion, and to providing investors with diversified investment solutions aligned with global market opportunities and evolving investor demand.

Finance & Treasury

Finance and Treasury plays a critical role in overseeing the firm's financial infrastructure, covering financial platforms; bookkeeping; proprietary investments; budgeting; and reporting systems.

The department also manages SEDCO Capital's liquidity and funding requirements and nurtures relationships with key banks, external auditors, Zakat consultants, tax authorities and counterparties.

Another area of responsibility is the regular use of economic insights and financial analysis to strengthen the firm's business strategy, enhance operational efficiency and ensure consistent performance.

Throughout 2025, the department sought to optimize SEDCO Capital's return on investment by exercising disciplined cost management and safeguarding the company's financial resilience. In close collaboration with the firm's departments, we provided the financial support, insights, and tools necessary to advance the company's strategic objectives.

The department adhered strictly to capital adequacy ratios to support current business needs and drive future growth. We are pleased to report that we completed the year with full regulatory and contractual compliance, with no breaches or penalties recorded across any of our financial, tax, or reporting obligations.

Looking ahead, we will collaborate closely with all departments to ensure the seamless adoption of the firm's strategy. Our ability to adapt to the Kingdom's evolving financial regulations, and active participation in high-profile workshops and industry forums, will be key to keeping SEDCO Capital at the forefront of financial excellence and innovation.

Middle Office

Strong investor reporting underpins the trust we build with our clients. The Middle Office safeguards this through regular reviews of content and design, and ongoing benchmarking against industry best practices. This discipline sustains the standard on which our investors rely.

In 2025, the team further strengthened the reporting framework to ensure alignment with updated regulatory requirements and market expectations, and full compliance across all public funds, private funds, and client reports. This process involved enhancing internal controls and process workflows to ensure accurate and timely reporting that meets all CMA regulatory standards.

The Office also continued to support SEDCO Capital's diverse client base by delivering a wide range of customized reporting solutions tailored to different client needs and preferences.

In parallel, ongoing efforts were made to further standardize and streamline investor communications to enhance consistency and operational efficiency.

We remain committed to delivering excellence in reporting and client service, and to supporting SEDCO Capital's reputation for transparency, professionalism, and high-quality investor communication.

Information Technology

Information Technology promotes the effective stewardship of a secure and reliable technology infrastructure with high-quality services and supports SEDCO Capital's operational and business requirements.

The year was notable for some important highlights, including the completion of the IT separation from SEDCO Holding to establish a fully independent and scalable technology environment for SEDCO Capital.

Further, we designed, built, and operationalized a dedicated enterprise IT ecosystem, featuring a modern data center; network infrastructure; internet services; IP telephony; cybersecurity controls; and core business technology platforms, in support of operational resilience and future growth.

The migration of critical enterprise systems from Oracle EBS to Oracle Fusion, covering key business functions including Human Resources, Finance, and Operations, was achieved with minimal operational disruption or impact on business continuity.

Our implementation of the 'Client Gate' digital investor platform, through both mobile application and web portal channels, enables investors to access, review, and subscribe to investment products and services through an enhanced and secure digital experience.

The integration of digital client platforms with internal operational workflows has benefited the Operations team who can now more efficiently process client requests, transactions, and servicing activities.

The firm has invested in technology, people and processes to strengthen its security against the backdrop of a growing number of cyber-attacks. These measures include robust security protocols with state-of-the-art tools to protect sensitive data and systems from cyber-related threats.

Meanwhile, continued investment in scalable digital infrastructure, enterprise applications, and operational modernization initiatives will support SEDCO Capital's long-term digital transformation and operational excellence strategy.

Human Resources

SEDCO Capital continued to invest throughout the year in strengthening its workforce and the firm's organizational capabilities, with a clear focus on building future-ready talent.

A key milestone was the successful completion of a major HR system upgrade and the transition to a fully independent operating model, which followed the conclusion of previous service arrangements with SEDCO Holding. The HR function now manages all core human capital processes internally.

This has enhanced responsiveness, strengthened operational control, and improved reporting capabilities and overall employee experience. It is a milestone that marks an important step forward in reinforcing SEDCO Capital's institutional maturity and operational self-sufficiency.

Alongside this, we advanced our competency framework using targeted and intensive training initiatives, which are designed to embed core capabilities and enhance overall performance. This was further reflected in a notable increase in training participation and learning engagement.

Leadership development remained a key priority, with ongoing investment in advanced leadership programs designed to strengthen leadership effectiveness and support the development of high-potential talent.

Together, these initiatives reflect SEDCO Capital's commitment to developing its people to be key drivers of sustainable performance and long-term success, while building a stronger foundation for future growth.

Corporate Communications

As the guardian of SEDCO Capital's brand and reputation, Corporate Communications has become the vital interface between the firm, its investors and other stakeholders.

Maintaining the firm's high profile throughout 2025 required the integration of modern and traditional communications: social media, exhibitions and events, media and investor relations, all supported by video, corporate reporting, and targeted marketing initiatives.

SEDCO Capital's involvement in the year's major events included sponsorship of the Capital Markets Forum in Riyadh during which prominent industry leaders, policymakers, and financial experts explored the factors shaping the capital markets' landscape.

The firm was also a platinum sponsor of the Cross Border Distribution Conference in Luxembourg, a bold statement of our determination to expand global investment networks and foster stronger industry collaboration.

We organized and hosted the SEDCO Capital Investment Forum 2025, held in the presence of H.E. the Governor of the General Authority of Awqaf, Mr Imad Al-Kharashi. The forum featured discussions on the key pillars of sustainable endowment portfolios, their impact on advancing the Kingdom's endowment sector, and their role in supporting the objectives of Saudi Vision 2030.

Social media featured prominently in announcing major initiatives and MoUs across the firm's social media platforms and internal channels, to ensure the widest possible visibility and to highlight the firm's strategic goals.

These included the signing of an agreement with Sumou Investment to establish five real estate investment funds valued in excess of ⃁8 billion encompassing a range of projects focused on infrastructure development, mixed-use tower construction, and multi-purpose real estate developments; the signing of a strategic partnership with King Salman Park and Ajdan Real Estate Development Company, outlining plans to establish a ⃁3.8 billion real estate fund; the successful funding of the SEDCO Capital AlAwaly Fund, which raised ⃁130 million through the Aseel platform; and a SEDCO Capital-managed fund agreement with Marriott International to develop the "Courtyard by Marriott" hotel at Masar, Makkah, featuring 1,100 rooms.

We successfully launched SEDCO Capital's new mobile application this year, driving user acquisition and awareness through a targeted go-to-market campaign across digital and traditional channels.

Finally, a targeted media campaign announcing the appointment of Mr Abdulwahhab Abed as the new CEO of SEDCO Capital generated widespread coverage across key digital media platforms. The campaign offered an excellent opportunity to explain the leadership transition and simultaneously reinforce the firm's strategic direction under its new executive leadership.

Corporate Review
continued

Awards and Recognition

In 2025, a series of prestigious industry awards and our official certification by 'Great Place To Work' served as powerful validation of our market leadership and commitment to excellence.

Cambridge Islamic Funds Awards (CIFA)

Best Islamic Fund Manager in Luxembourg

Excellence in Islamic Asset Management (Asia Pacific Region)

Best Islamic Equity Fund in Luxembourg

Family Business Awards

Executive Leadership Award (Mr Abdulwahhab Abed, CEO)

International Finance Awards (IFA)

Most Innovative Shariah-Compliant Asset Manager in Saudi Arabia

Risk Management

Risk Management continues to play a pivotal role in supporting SEDCO Capital's strategic objectives. It achieves this through proactive risk governance, operational resilience, and a client-centric approach to institutional risk oversight. The principal focus of 2025 was on data-driven insights, ESG integration, and regulatory compliance.

Strengthening risk governance and operational resilience

Quarterly reviews and updating of policies and procedures, ensured alignment with internal standards and regulatory requirements, while company-wide risk self-assessments identified potential vulnerabilities and ensured effective controls.

Annual business continuity planning (BCP) training and tests helped maintain operational readiness, while annual cybersecurity penetration tests added an important layer of defense.

Conflict-of-interest reviews for the Board and senior management, and fund governance structures, were updated to strengthen key legal and regulatory safeguards. The department also led annual risk mapping exercises to identify emerging risks.

Elevating investment oversight and due diligence

Risk Management reviewed all active CMA-registered products, and enhanced operational due diligence on investment managers, resulting in stronger governance of the investment process.

Investment risk reviews - covering public equity, fixed income, real estate and private equity - assessed risk-adjusted returns, alignment with investment objectives, and compliance with defined strategies. Liquidity stress tests and credit risk reviews assessed the resilience of funds under adverse conditions and the financial soundness of counterparties, respectively.

Independent risk evaluations of external investment managers further validated the robustness of the firm's investment oversight mechanisms.

Enhancing client transparency and data capabilities

Risk Management responded to client-driven due diligence questionnaires (DDQs) and participated in assessment meetings to examine SEDCO Capital's risk practices and operational capabilities.

The firm has invested in technology, people and processes to strengthen its security against the backdrop of a growing number of cyber-attacks.

Driving sustainable and responsible risk practices

The Risk Management team made substantial progress in advancing responsible investment (RI) principles and in integrating ESG factors into risk assessment and investment decision-making processes. An in-depth review of the UNPRI assessment results identified key areas for improvement.

SEDCO Capital's annual Task Force on Climate-related Financial Disclosures (TCFD) report identified climate-related risks, opportunities, and goals for strategic alignment with global sustainability frameworks.

Looking ahead

We are addressing the evolving risk landscape by deploying advanced data analytics and artificial intelligence to improve the early detection and mitigation of emerging risks, including cybersecurity, climate change, geopolitical instability, and technological disruption.

Enhancing our organizational resilience in a complex and uncertain global environment remains a major area of focus.

Legal

SEDCO Capital's Legal function plays an active role in supporting the firm's strategic initiatives, expansion plans, and investment growth activities from a legal and governance perspective.

We contributed during the year to the successful management and governance of more than 80 investment funds, ensured compliance with all applicable regulatory and governance requirements, supported the Investment Committee and helped facilitate investment decision-making processes.

In addition, Legal brought effective execution, transaction management, and risk mitigation to the successful acquisition of approximately 30 real estate assets and oversaw the structuring and governance management of special purpose vehicles (SPVs) and custodian entities in support of the firm's investment activities.

There were no material judgments issued against the company, or the custodian entities holding fund assets, thanks to our effective management of litigation and dispute issues.

Internal Audit

Internal Audit operates as an independent assurance and advisory body under the oversight of the Audit, Risk and Compliance Committee (ARCC). It evaluates and makes recommendations to SEDCO Capital to help enhance the effectiveness of its risk management, internal controls, and governance processes.

The department's independence, responsibilities, and scope are clearly defined in the Internal Audit Charter, and it follows the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

The ARCC reviews and approves the department's annual audit plan to ensure that the regulatory requirements, and the most significant risks facing SEDCO Capital, are adequately covered.

All scheduled audits, advisory reviews, and management-requested tasks were executed against the approved plan in 2025. Audit results, including agreed management actions and implementation timelines, were reported to the ARCC.

Internal Audit will continue to work to strengthen SEDCO Capital's accountability, governance and operational effectiveness.

Governance and Compliance

The Governance and Compliance department plays a pivotal role in safeguarding SEDCO Capital's adherence to local and international regulatory requirements. By developing and enforcing comprehensive governance frameworks, policies, and procedures, the department strengthens the firm's leadership in the promotion of ethical conduct, transparency, and the prevention of financial crime, including money laundering and terrorist financing.

A fundamental aspect of the department's mandate is to cultivate and maintain strategic relationships with key regulatory bodies, most notably the Capital Market Authority (CMA) in Saudi Arabia and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. These ongoing engagements ensure that SEDCO Capital's operations remain aligned with evolving regulatory standards and supervisory expectations.

In 2025, SEDCO Capital reported no regulatory penalties, reflecting the strength and effectiveness of its compliance framework. During the year, the CMA conducted two regulatory inspections, both of which resulted in positive outcomes with no financial violations identified. Furthermore, all observations raised by the CMA were fully addressed and closed before the year end.

This achievement was further reinforced by the successful implementation of SEDCO Capital's Anti-Money Laundering (AML) and financial crime awareness programs, which significantly boosted employee awareness of their regulatory responsibilities and institutional risk mitigation practices.

In addition, the Board of Directors approved the Compliance Monitoring Program (CMP), which became operational in 2025. This is a program designed to strengthen ongoing regulatory oversight and compliance assurance across the company, and its results and key findings are regularly reported to the Audit, Risk and Compliance Committee.

Concurrently, SEDCO Capital maintained its commitment to Shariah compliance by ensuring that all products, investment activities, and operational practices remain fully aligned with Islamic finance principles. This is achieved through proactive collaboration with the Internal Shariah Advisor and the Shariah Supervisory Board, both of which provide continuous oversight and approval to ensure that Shariah governance is fully embedded in SEDCO Capital's broader governance and compliance framework.