THARAWAT TUWAIQ FINANCIAL COMPANY

(A Closed Joint Stock Company)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2024

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Tharawat Tuwaiq Financial Company** (A Saudi Closed Joint Stock Company) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2.2 to the financial statements, which indicates that the Company incurred a loss of SR 7.5 million for the year ended 31 December 2024 and, as of that date, its accumulated losses of SR13.2 million exceeded the 50% of its share capital. These events or conditions, along with other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management and Those Charged with Governance for the financial statements

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

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

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

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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 ISAs 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 ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

For Dr. Mohamed Al-Amri & Co.

Gihad Al-Amri
Certified Public Accountant
Registration No. 362

Riyadh, on: 25 Ramadan 1445 (H)
Corresponding to: 25 March 2025 (G)

THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	**31 December 2024**	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	10	**115,489**	111,770
TOTAL NON-CURRENT ASSETS		**115,489**	111,770
CURRENT ASSETS			
Cash and cash equivalents	6	**9,029,409**	15,503,232
Accounts receivable	7	**70,644**	904,946
Prepayments and other receivables	9	**183,686**	191,674
TOTAL CURRENT ASSETS		**9,283,739**	16,599,852
TOTAL ASSETS		**9,399,228**	16,711,622
LIABILITIES AND EQUITY			
EQUITY			
Share capital	13	**20,000,000**	20,000,000
Other reserves	12	**(36,952)**	-
Accumulated losses		**(13,219,571)**	(5,715,689)
TOTAL EQUITY		**6,743,477**	14,284,311
NON-CURRENT LIABILITY			
Employee end of service benefits	12	**234,499**	142,261
TOTAL NON-CURRENT LIABILITY		**234,499**	142,261
CURRENT LIABILITIES			
Accounts payable and accruals	11	**1,686,394**	1,486,073
Provision for Zakat	17	**201,745**	130,094
Due to a related party	8	**533,113**	668,883
TOTAL CURRENT LIABILITIES		**2,421,252**	2,285,050
TOTAL LIABILITIES		**2,655,751**	2,427,311
TOTAL LIABILITIES AND EQUITY		**9,399,228**	16,711,622

The accompanying notes from (1) to (22) form an integral part of these financial statements.

THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**31 December 2024**	31 December 2023
INCOME			
Management and performance fee		**2,422,859**	700,573
Rebate income		**700,260**	226,491
Investment income		**8,849**	7,141
		3,151,968	934,205
EXPENSES			
Salaries and related benefits		**(7,653,469)**	(4,076,710)
General and administrative expenses	15	**(3,402,895)**	(2,598,803)
		(11,056,364)	(6,675,513)
OPERATING LOSS		**(7,904,396)**	(5,741,308)
Other income	16	**568,797**	155,713
LOSS BEFORE ZAKAT		**(7,335,599)**	(5,585,595)
Zakat	17	**(168,283)**	(130,094)
LOSS FOR THE YEAR		**(7,503,882)**	(5,715,689)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Item that will not be reclassified to profit or loss:			
Remeasurements loss on employees’ defined benefit obligations	12	**(36,952)**	-
Total other comprehensive loss for the year		**(36,952)**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7,540,834)**	(5,715,689)

The accompanying notes from (1) to (22) form an integral part of these financial statements.

THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Accumulated losses	Other reserve	Total
Balance at 1 January 2023	-	-	-	-
Share capital Introduced (note 13)	20,000,000	-	-	20,000,000
Loss for the period	-	(5,715,689)	-	(5,715,689)
Other comprehensive income for the year	-	-		-
Total comprehensive loss for the year	-	(5,715,689)	-	(5,715,689)
Balance at 31 December 2023	20,000,000	(5,715,689)	-	14,284,311
Loss for the year	**-**	**(7,503,882)**	**-**	**(7,503,882)**
Other comprehensive loss for the year	**-**	**-**	**(36,952)**	**(36,952)**
Total comprehensive loss for the year	**-**	**(7,503,882)**	**(36,952)**	**(7,540,834)**
Balance at 31 December 2024	**20,000,000**	**(13,219,571)**	**(36,952)**	**6,743,477**

THARAWAT TUWAIQ FINANCIAL COMPANY
(A Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 December 2024	31 December 2023
Cash flows from operating activities:			
Loss before zakat for the year/period		**(7,335,599)**	(5,585,595)
Adjustments for non-cash and other items:			
Depreciation of property and equipment	10	**39,621**	20,291
Provision for employee end of service benefits	12	**223,308**	142,261
Changes in operating assets and liabilities:			
Due to a related party	8	**(135,770)**	668,883
Account receivables		**834,302**	(904,946)
Prepayments and other receivable		**7,988**	(191,674)
Accounts payable and accruals		**200,321**	1,486,073
Net cash used in operations		**(6,165,829)**	(4,364,707)
Zakat paid	17	**(96,632)**	-
Employee end of service benefits paid	12	**(168,022)**	-
		(6,430,483)	(4,364,707)
Cash flows from investing activities:			
Purchase of property and equipment	10	**(43,340)**	(132,061)
Net cash used in investing activities		**(43,340)**	(132,061)
Cash flows from financing activities:			
Share capital introduced	13	**-**	20,000,000
Net cash from financing activities		**-**	20,000,000
Net change in cash and cash equivalents		**(6,473,823)**	15,503,232
Cash and cash equivalents at the beginning of the year/period	6	**15,503,232**	-
Cash and cash equivalents at the end of the year/period		**9,029,409**	15,503,232

The accompanying notes from (1) to (22) form an integral part of these financial statements.

1. GENERAL INFORMATION

Tharawat Tuwaiq Financial Company (the “Company”) is a closed Joint stock Company registered in Riyadh; Kingdom of Saudi Arabia under Commercial Registration number 1010865309 dated 10 Shaaban 1444 (H) (corresponding to 02 March 2023) G. The Company is engaged in providing managing investment and advisory activities. The Company obtained its operating license from Capital Market Authority with license number 23253-02 dated 22 June 2023, corresponding to 4 Thul-Hijjah 1444 (H). The address of the Company is Tharawat Head Office Al Asemah District, King Khalid Street, 13714 Riyadh, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for employees’ end-of-service benefits liabilities using the projected unit credit method that requires the actuarial valuation of the post-employment employee benefits plan.

Going concern

The Company incurred a loss of SR 7.5 million for the year ended 31 December 2024 and, as of that date, its accumulated losses of SR 13.2 million exceeded the 50% of its share capital. On 16 October 2024, the Board of Directors approved a resolution for additional share capital injection of SAR 30 million and sent its recommendation to the General Assembly for shareholders’ approval as stipulated in Article 132. Injecting additional share capital is expected to enable the Company to continue as a going concern and to meet its financial obligations and its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on going concern basis.

2.3 Financial year

The first financial period of the Company commenced on 2 March 2023 and ended on 31 December 2023 and thereafter each financial year is from 1 January to 31 December each Gregorian calendar year.

2.4 Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company.

2.5 Judgements estimated and assumptions.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies as mentioned in note 4.

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Financial instruments

(a) ***Initial recognition***

The Company initially recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(b) ***Classification***

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

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

(c) ***Measurement***

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

Subsequent measurement of financial assets:

It depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments:

(i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and profit are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of the hedging relationship is recognized in statement of profit and loss and comprehensive income when the asset is recognized or impaired. Profit from these financial assets is calculated based on the effective yield method.

(ii) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit on financial instruments (revenue) and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and comprehensive income and recognized in other gains/ (losses).

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss account. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss account and is not part of a hedging relationship is recognized in profit or loss account and presented net in the profit or loss statement within other gains/ (losses) in the year in which it arises.

Subsequent measurement of equity instrument:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss account following the derecognition of the investment. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends from such investments continue to be recognized in statement of profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/ (losses) in the statement of profit or loss as applicable.

(d) ***Impairment of financial assets***

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost and FVOCI (if any).

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant change in credit risk on an ongoing basis throughout each reporting period. The impairment model was developed considering probability of default and loss given default which were derived from historical data of the Company and are adjusted to reflect the expected future outcome which includes macroeconomic factors such as inflation and gross domestic product growth rate.

For financial assets, a credit loss is calculated as the present value (at effective profit rate) of the difference between:

(a) the contractual cash flows that are due to an entity under the contract; and
(b) the cash flows that the entity expects to receive.

The financial assets of the Company are categorized as follows:

1- Performing:

These represent the financial assets where Customers have a low risk of default and a strong capacity to meet contractual cash flows.

As per the management, past due information is the most appropriate basis for assessing the increase in credit risk in the Company and based on their experience and analysis, the balances which are less than 60 days past due does not result in significant increase in credit risk and considered as performing.

The Company measures the loss allowance for performing financial assets at an amount equal to 12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. 12-month expected credit losses are the portion of expected credit losses that results from default events on the financial assets that are possible within 12 months after the reporting date.

2- Underperforming:

These represent the financial assets where there is a significant increase in credit risk and that is presumed if a debtor is more than 60 days past due in making a contractual payment/ installment.

The Company measures the loss allowance for underperforming financial assets at an amount equal to life-time expected credit losses.

3- Non-performing:

These represent defaulted financial assets. A default on a financial asset is considered when the debtor fails to make a contractual payment/ installment within 90 days after they fall due.

The Company measures the loss allowance for non-performing financial assets at an amount equal to life-time expected credit losses.

Financial asset is written-off only when:

(i) that is past due at least from two years, and
(ii) there is no reasonable expectation of recovery.

Where financial assets are written off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, are recognized as other income in the statement of profit and loss and comprehensive income.

(e) **Financial liabilities - classification, measurement and de recognition**

Financial liabilities are classified and subsequently measured at amortized cost using the effective yield method. The effective yield rate is the rate that discounts the estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

The Company derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

3. MATERIAL ACCOUNTING POLICIES (continued)

Settlement date accounting

All regular-way purchases and sales of financial assets are recognized and derecognized on the settlement date, i.e. the date the asset is delivered to/or received from the counter party. The Company accounts for any change in fair value between the trade date and the settlement date in the same way as it accounts for the acquired asset. Regular-way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the marketplace.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current assets, other than goodwill, that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately in the statement of profit and loss and comprehensive income.

Foreign currency

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and comprehensive income.

Zakat

The Company is subject to zakat in accordance with the regulations of zakat and Income Tax. Provision for zakat is charged to the profit or loss section of the statement of profit or loss and other comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

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

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation on assets is charged to the statement of profit and loss and comprehensive income, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

Furniture and fixtures	4 years
Computers	4 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of profit and loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICIES (continued)

Maintenance and normal repairs, which do not materially extend the estimated useful life of an asset, are charged to the statement of profit and loss and comprehensive income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

Revenue

The revenue of the Company broadly categorised as:

Contract with customers (including rebate income, performance management fees and asset management fees)
The related accounting policies are follows:

Contracts with customers (including rebate income, performance management fees and asset management fees)

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

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

Based on the above five steps the revenue recognition policy for each revenue stream is as follow:

Management and performance fees
Management fees is recognised based on a fixed percentage of net assets under management ("asset-based approach"), subject to applicable terms and conditions and service contracts with customers and funds. Performance fees is recognized based on a percentage of returns from net assets ('returns-based") subject to applicable terms and conditions The Company attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Company's efforts to transfer the services for the period. Management fees are not subject to clawbacks, the management does not expect any reversal of revenue previously recognized.

Rebate income
Rebate income is recognised when the transactions are executed on partner trading platforms. The performance obligation of the Company is satisfied when the company carries out transaction, and revenue is recognized when partner trading platforms shares trading data and respective rebates.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases

Short-term and low values leases

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the statement of profit and loss and comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Assets under management:

The Company offers assets management services to its customers, which include management of mutual fund and investments. Such assets are not treated as assets of the Company and accordingly are not included in these financial statements.

Expenses

Expenses, other than employee's costs and financial charges are classified as general and administrative expenses.

Contingent assets and liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable.

Dividends

Dividends are recorded in the financial statements in the year in which they are approved by the shareholder of the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND ADJUSTMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Provision for liabilities and charges

The Company receives legal claims against it in the normal course of its business. Management makes judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process being followed as per the Law.

Going concern

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

Useful lives of property and equipment

The Company’s management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The Company periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

(All amounts in Saudi Riyals unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND ADJUSTMENTS

Provision for zakat

The calculation of the Company's zakat charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits and losses and/or cash flows.

Impairment losses on trade and other receivables

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The allowance for ECL on trade receivables is 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.

Trade accounts receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

a) New standards, interpretations and amendments effective in the current year

The following are the new standards, interpretations and amendments to standards that are effective in the current year but they have no impact on these financial statements.

IFRS	Summary	Effective date
IFRS 16	Amendment – Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2024
IAS 1	Amendment – Non-current Liabilities with Covenants	1 January 2024
IAS 7 and IFRS 7	Amendment – Supplier Finance Arrangements	1 January 2024

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Company has decided not to adopt early.

IFRS	Summary	Effective date
IAS 21	Amendment – Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any standard issued by IASB that are yet to be effective, to have a material impact on the Company.

(All amounts in Saudi Riyals unless otherwise stated)

6. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash in hand	**1,118**	1,500
Cash at banks	**1,028,291**	3,301,732
Murabaha deposits	**8,000,000**	12,200,000
	9,029,409	15,503,232

The Company invests part of its excess cash in Murabaha deposits that have maturities of three months or less from the purchase date with a bank with a profit ranging from 4.75% to 5.66% (2023: 5.19% to 5.90%)

Expected credit loss ("ECL") is assessed as negligeable.

7. ACCOUNTS RECEIVABLE

	31 December 2024	31 December 2023
Accounts receivable	**70,644**	904,946

The Company assesses a requirement for allowance for ECL on its accounts receivable on a timely basis and recognized no allowance as it was concluded to be negligeable.

8. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of its activities, the Company transacts business with its related parties. Related parties include shareholders, companies under common directorship and key management personnel. Key management personnel are those persons, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The transactions with related parties are carried out on mutually agreed terms approved by the management of the Company.

The following is the outstanding with the related party:

Company name	**Relationship**	**31 December 2024**	31 December 2023
Tharawat Holdings	Other related party	**533,113**	668,883

The following are the transactions details with the related party:

Company name	**Relationship**	**Nature of transaction**	**31 December 2024**	31 December 2023
Tharawat Holdings	Other related party	Expenses paid on behalf of the Company	**533,113**	668,883

Compensation of key management personnel of the Company

The Company's senior management included key management personnel and executive, Board of Directors, having authorizing and responsibilities for planning and controlling the activity of the Company. Benefits, remunerations and compensation of members of the Board of Directors and senior executives charge and accrued during the year ended 31 December 2024 are as follows:

	31 December 2024	31 December 2023
Transactions with key management personnel		
Board and committees' expenses, remunerations, and allowances	**1,548,833**	1,288,333

(All amounts in Saudi Riyals unless otherwise stated)

8. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Prepaid expenses	**181,446**	130,477
Accrued Murabaha income	**2,240**	61,197
	183,686	191,674

9. PROPERTY AND EQUIPMENT

2024	**Furniture and fixtures**	**Computers**	**Total**
Cost:			
At 1 January 2024	37,100	94,961	132,061
Additions	33,000	10,340	43,340
At 31 December 2024	**70,100**	**105,301**	**175,401**
Accumulated depreciation:			
At 1 January 2024	5,125	15,166	20,291
Charge for the year	10,620	29,001	39,621
At 31 December 2024	**15,745**	**44,167**	**59,912**
Net book value at:			
31 December 2024	**54,355**	**61,134**	**115,489**

2023	Furniture and fixtures	Computers	Total
Cost:			
At 2 March 2023	-	-	-
Additions	37,100	94,961	132,061
At 31 December 2023	37,100	94,961	132,061
Accumulated depreciation:			
At 2 March 2023	-	-	-
Charge for the year	5,125	15,166	20,291
At 31 December 2023	5,125	15,166	20,291
Net book value at:			
31 December 2023	31,975	79,795	111,770

10. ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2024	31 December 2023
Accrued Board of Directors' expense	**1,288,333**	1,288,333
Payable to employees	**179,132**	-
Audit fee payable	**75,000**	50,000
Accounts payable	**73,498**	45,794
VAT payable	**931**	20,551
Accrued employee commission	**-**	71,255
Others	**69,500**	10,140
	1,686,394	1,486,073

(All amounts in Saudi Riyals unless otherwise stated)

12. EMPLOYEE END OF SERVICE BENEFITS

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position.

At 31 December 2024, the weighted average duration of the defined benefit obligation was 5 years (2023: 5 years).

The following table represents the movement in the defined benefit obligations for the year:

	31 December 2024	31 December 2023
Balance at 1 January	**142,261**	-
Included in profit or loss		
Current service cost	**212,062**	142,261
Interest cost	**11,246**	-
	223,308	142,261
Included in OCI		
Re-measurements:		
Change in demographic assumption	**(6,765)**	-
Change in financial assumption	**853**	-
Experience loss	**42,864**	-
	36,952	-
Other		
Benefit paid	**(168,022)**	-
Balance at 31 December	**234,499**	142,261

Significant actuarial assumptions

The significant actuarial assumptions used in the computation is shown below:

	31 December 2024	31 December 2023
Discount rate	**5.35%**	-
Salary growth rate	**4.85%**	-
Retirement age	**55 to 60 years**	-

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		31 December 2024	31 December 2023
Discount rate	0.5% increase	**224,660**	-
	0.5% decrease	**245,040**	-
Salary growth rate	0.5% increase	**245,624**	-
	0.5% decrease	**224,032**	-
Withdrawal rate	10% increase	**226,847**	-
	10% decrease	**242,629**	-

13. SHARE CAPITAL

The authorized and paid-in share capital of the Company as of 31 December 2024 and 31 December 2023 is SR 20 million divided into 200 thousand shares of SR 100 each.

The list of shareholders as of 31 December, 2024 and 31 December, 2023 were as follows:

Name of shareholder	Percentage	Number of shares	Share capital in Saudi Riyal
Rafd Investment Company	**41.25%**	**825,000**	**8,250,000**
Al Mutadawul Investment Company	**41.25%**	**825,000**	**8,250,000**
Sehb Najd Investment Company	**17.50%**	**350,000**	**3500,000**
	100%	**2,000,000**	**20,000,000**

14. CONTINGENCIES AND COMMITMENTS

There were no contingent liabilities and capital commitments as at 31 December 2024 and 31 December 2023.

15. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2024	31 December 2023
Salaries and other benefits to Board of Directors'	**1,548,833**	1,288,333
Legal and professional charges	**821,843**	538,173
Utilities and communication expenses	**394,230**	327,339
Shared service expense	**232,196**	164,401
Marketing expenses	**123,693**	67,156
Depreciation on property and equipment	**39,621**	20,291
License and subscription	**61,980**	20,594
VAT expense	**7,910**	-
Other expenses	**172,589**	172,516
	3,402,895	2,598,803

16. OTHER INCOME

This relates to the amount invested in Murabaha deposits. Refer note 6.

17. PROVISION FOR ZAKAT

Movement in the provision for zakat is as follows:

	31 December 2024	31 December 2023
Opening balance	**130,094**	-
Charge for the year	**201,746**	130,094
Prior year reversal	**(33,463)**	-
Net charge	**168,283**	130,094
Paid during the year	**(96,632)**	-
Closing balance	**201,745**	130,094

Status of assessments
As at 31 December 2024, the Company had filed its zakat returns with ZATCA for all years up to 2023.

(All amounts in Saudi Riyals unless otherwise stated)

18. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk
- Other market price risk and

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous year unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Accounts receivable and other receivables
- Due to a related party
- Accounts payable

Fair value and fair value hierarchy

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Categories of financial assets and financial liabilities

The carrying amounts presented in the statement of financial position relate to the categories of financial assets and financial liabilities are described below:

	31 December 2024	31 December 2023
Financial assets		
Cash and cash equivalents	**9,029,409**	15,503,232
Account receivable and other receivable	**70,644**	966,143
	9,100,053	16,469,375
Financial liabilities		
Due to a related party	**533,113**	668,883
Accounts payable and accruals	**1,686,394**	1,486,073
	2,219,507	2,154,956

18. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents.

Due to their short-term nature, the carrying value of cash and cash equivalents, other receivable and due to related party balances are approximates their fair value.

The Board of directors set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk also arises from cash and cash equivalents. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	31 December 2024	31 December 2023
Classes of financial assets - carrying amounts:		
Cash at bank (including Murabaha deposit)	**9,028,291**	15,501,732
Accounts receivable	**70,644**	904,946
	9,098,935	16,406,678

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on receivable and bank balances is limited as cash balances are held with banks with sound credit ratings. None of the Company's financial assets are secured by collateral or other credit enhancements.

Market risk

Market risk arises from the Company use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (foreign currency risk). The details related to these risks are more fully described below:

Foreign currency risk

The Company's significant transactions are in Saudi Riyals. Management monitors fluctuations in foreign exchange rates and manages their effect on the financial statements accordingly. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's bank deposits are at fixed interest rates. Company is not materially exposed to any interest rates risk.

18. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted.

	Up to three months	**More than three months and up to a year**	**More than one year and up to five years**	**Total**
31 December 2024				
Financial liabilities				
Accounts payable and accruals	1,686,394	-	**-**	**1,686,394**
Due to a related party	533,113	**-**	**-**	**533,113**
	2,219,507	**-**	**-**	**2,219,507**
31 December 2023				
Financial liabilities				
Accounts payable and accruals	1,486,073	-	-	1,486,073
Due to a related party	668,883	-	-	668,883
	2,154,956	-	-	2,154,956

19. CAPITAL RISK MANAGEMENT

The Capital Market Authority (the "CMA") has issued Prudential Rules (the "Rules") dated 30 December 2012G (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. The Company's objectives when managing capital are to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base. The Company has calculated the capital adequacy ratios as follows:

	31 December 2024	31 December 2023
	SR '000	SR'000
Capital Base:		
Tier 1 Capital	**20,000**	20,000
Accumulated losses	**(13,220)**	(5,716)
Other reserve	**(37)**	-
Total capital base	**6,743**	14,284
Adjusted expenditure	**10,889**	6,546
Capital adequacy ratio	**62%**	218%

20. ASSETS UNDER MANAGEMENT

These represents discretionary portfolios and funds that are managed by the Company on behalf of its clients and in the favor of the fund unit holders. These amounted to SR 44 million as of 31 December 2024 (2023: SR 106 million).

21. SUBSEQUENT EVENTS

No events have occurred subsequent to the reporting date and before the issuance of these financial statements which require adjustments or additional disclosures to these financial statements.

22. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved for issue by the Company’s Board of Directors on 18 March 2025(G) corresponding to 18 Ramadan 1445 (H)