SEEDRA INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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(A SAUDI CLOSED JOINT STOCK COMPANY)

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FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Seedra Investment Company
(A Saudi Closed Joint Stock Company)

Opinion

We have audited the financial statements of Seedra Investment Company (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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 International Code of Ethics for Professional Accountants *(including International Independence Standards)*, that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Company's financial statements for the year ended December 31, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on Ramadan 4, 1444 H (corresponding to March 26, 2023).

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and the provisions of the Companies' Law and the Company's Bylaws, 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.

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 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholders of
Seedra Investment Company
(A Saudi Closed Joint Stock Company)

Auditor's Responsibilities for the Audit of the Financial Statements (continued):

As part of an audit in accordance with the 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, misrepresentation, 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 the 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.

RSM Allied Accountants Professional Services

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
Shawwal 22, 1445 H (corresponding to May 1, 2024)

SEEDRA INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(SAUDI RIYAL)

	Notes	2023	2022 (Restated – Note 22)
ASSETS			
Non-current assets			
Property and equipment	5	**719,599**	762,952
Intangible assets		**60,552**	64,319
Right-of-use assets	6	**206,911**	413,821
Financial assets at fair value through other comprehensive income	7	**3,074,786**	2,239,829
Total non-current assets		**4,061,848**	3,480,921
Current assets			
Trade receivable	8	**300,000**	6,092,125
Prepaid expenses and other current assets	9	**141,984**	166,338
Due from a related party	10	-	183,153
Cash and cash equivalents	11	**3,407,091**	442,945
Total current assets		**3,849,075**	6,884,561
TOTAL ASSETS		**7,910,923**	10,365,482
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**7,000,000**	7,000,000
Accumulated losses		**(1,531,263)**	(588,560)
Fair value reserve	7	**1,523,677**	1,659,829
TOTAL EQUITY		**6,992,414**	8,071,269
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations	13	**317,422**	206,347
Lease liabilities	6	-	145,602
Total non-current liabilities		**317,422**	351,949
Current liabilities			
Lease liabilities – current portion	6	**201,394**	211,618
Trade payable		**36,226**	156,708
Due to a related party	10	-	36,174
Accrued expenses and other current liabilities	14	**203,957**	1,399,209
Zakat provision	15	**159,510**	138,555
Total current liabilities		**601,087**	1,942,264
TOTAL LIABILITIES		**918,509**	2,294,213
TOTAL EQUITY AND LIABILITIES		**7,910,923**	10,365,482

The accompanying notes form an integral part of these financial statements

SEEDRA INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(SAUDI RIYAL)

	Notes	2023	2022 (Restated – Note 22)
Revenues	16	**2,529,868**	8,250,000
Total revenues		**2,529,868**	8,250,000
Operating expenses			
Employees' salaries and benefits	17	**(2,319,072)**	(3,211,611)
Professional fees		**(348,157)**	(271,522)
Marketing and branding		**(6,652)**	(27,984)
Licenses and subscriptions		**(49,892)**	(123,770)
General and administrative expenses	18	**(650,939)**	(1,131,927)
Operating (loss) / profit		**(844,844)**	3,483,186
Finance costs	19	**(24,116)**	(19,836)
Other income		**124,693**	142,350
(Loss) / profit before zakat		**(744,267)**	3,605,700
Zakat	15	**(174,510)**	(153,555)
(Loss) / profit for the year		**(918,777)**	3,452,145
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of employees' defined benefits obligations	13	**(23,926)**	-
Change in fair value of financial assets at fair value through other comprehensive income	7	**(136,152)**	1,659,829
Other comprehensive (loss) / income for the year		**(160,078)**	1,659,829
Total comprehensive (loss) / income for the year		**(1,078,855)**	5,111,974

The accompanying notes form an integral part of these financial statements

SEEDRA INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(SAUDI RIYAL)

	Share capital	Accumulated losses	Fair value reserve	Total equity
Balance as at January 1, 2022	7,000,000	(4,040,705)	-	2,959,295
Profit for the year	-	3,452,145	-	3,452,145
Other comprehensive income (Restated – Note 22)	-	-	1,659,829	1,659,829
Total comprehensive income	-	3,452,145	-	5,111,974
Balance as at December 31, 2022	7,000,000	(588,560)	1,659,829	8,071,269
Balance as at January 1, 2023	**7,000,000**	**(588,560)**	**1,659,829**	**8,071,269**
Loss for the year	-	**(918,777)**	-	**(918,777)**
Other comprehensive loss	-	**(23,926)**	**(136,152)**	**(160,078)**
Total comprehensive loss	-	**(942,703)**	**(136,152)**	**(1,078,855)**
Balance as at December 31, 2023	**7,000,000**	**(1,531,263)**	**1,523,677**	**6,992,414**

The accompanying notes form an integral part of these financial statements.

SEEDRA INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SAUDI RIYAL)

	2023	2022 (Restated - Note 22)
OPERATING ACTIVITIES:		
(Loss) / profit before zakat	**(744,267)**	3,605,700
Adjustments:		
Depreciation of property and equipment	**120,746**	113,314
Amortization of intangible assets	**3,767**	3,931
Finance cost related to lease liabilities	**11,552**	19,836
Finance cost related to employees' defined benefits obligations	**12,564**	-
Depreciation of right-of-use assets	**206,910**	206,911
Current services cost of employees' defined benefits obligations	**74,585**	114,766
Changes in working capital:		
Trade receivable	**5,792,125**	(5,712,625)
Due from / to related party	**146,979**	(51,821)
Prepaid expenses and other current assets	**24,354**	237,946
Trade payables	**(120,482)**	57,127
Accrued expenses and other current liabilities	**(1,195,252)**	1,182,556
Zakat paid	**(153,555)**	(73,523)
Net cash flows generated from / (used in) operating activities	**4,180,026**	(295,882)
INVESTING ACTIVITIES:		
Purchase of property and equipment	**(77,393)**	(109,179)
Additions to financial assets at fair value through other comprehensive income	**(971,109)**	(580,000)
Net cash flows used in investing activities	**(1,048,502)**	(689,179)
FINANCING ACTIVITIES:		
Lease liabilities paid	**(167,378)**	(223,170)
Net cash flows used in financing activities	**(167,378)**	(223,170)
Net change in cash and cash equivalents	**2,964,146**	(1,208,231)
Cash and cash equivalents at the beginning of the year	**442,945**	1,651,176
Cash and cash equivalents at the end of the year	**3,407,091**	442,945
Non-cash transactions		
Transfer from work in progress to property and equipment	-	91,839
Investment revaluation unrealized (loss)/gain	**(136,152)**	1,659,829

The accompanying notes form an integral part of these financial statements.

1- CORPORATE INFORMATION

Seedra Investment Company is a Saudi Closed Joint Stock Company (the "Company") registered in Riyadh on Ramadan 14, 1441 (corresponding to May 7, 2020) under commercial registration number 101635229.

During the year 2021, the Company has obtained final approval from the Capital Market Authority (CMA) to start practicing the managing investments activity after completing all the conditions and requirements stipulated in the CMA's letter issued on Shawwal 29, 1442 H (corresponding to June 10, 2021).

The activities of the Company consist of managing investments.

The registered address of the Company is 2398 Jabal Obhor St., Al Nakheel District 6889, Riyadh 12395, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION

2-1 Statement of compliance

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

The new Companies Law issued through Royal Decree M/132 on 1/12/1443 H (corresponding to June 30, 2022) (hereinafter referred to as "the Law") came into force on 26/6/1444 H (corresponding to January 19, 2023).

For certain provision of the Law, full compliance is expected no later than two years from 26/6/1444 H (corresponding to January 19, 2023). The Company is in the process of evaluating the impact of the new companies law for any changes to align the article of association with the Law.

2-2 Basis of measurement

These financial statements have been prepared on historical cost basis and using accrual basis of accounting unless the IFRSs require the use of another basis of measurement as stated in the material accounting policies information applied in Note (4).

2-3 Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR), unless otherwise stated. The Saudi Riyals is the Company's functional and presentation currency.

2-4 Significant accounting judgments and key sources of estimation uncertainty

The application of the Company's material accounting policies information that are stated in Note (4) requires the Company to make judgements (other than those involving estimates) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions regarding the future and the key sources of estimation uncertainty in the reporting period which includes a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next financial year:

Impairment test of non-financial assets

Assets with indefinite useful lives are tested for impairment annually, while assets with finite useful lives, are tested for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

2- BASIS OF PREPARATION (CONTINUED)

2-4 Significant accounting judgments and key sources of estimation uncertainty (continued)

Impairment test of non-financial assets (continued)
Impairment testing is an area involving management estimation, requiring amongst other matters an assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections discounted at an appropriate rate. In calculating the net present value of future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in earnings before commission, zakat, depreciation and amortization, calculated as adjusted operating profit before depreciation and amortization;
- timing and quantum of future capital expenditures;
- long-term growth rates; and
- selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

Zakat provision
The Company's current zakat provision relates to management's assessment of the amount of zakat payable on open zakat positions where the final obligations remain to be agreed with Zakat, Tax, and Customs Authority. Due to the uncertainty associated with such zakat items, it is possible that, on finalization of zakat assessments by Zakat, Tax, and Customs Authority at a future date, the final outcome may differ significantly.

Calculating expected credit losses
When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future changes of different economic factors and how these factors will affect each other.

Expected credit losses are an estimate of the loss due to default. It is based on the difference between the contractual cash flows due and those that the debtor would expect to receive, taking into consideration the cash flows from guarantees and credit enhancements that form an integral part of the amounts due.

Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default during a certain period of time, in which its calculation is based on historical data, assumptions and expectations of future conditions.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3-1 The Company has adopted the following new standards and amendments for the first time that are effective from January 1, 2023:

3-1-1 Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"
The amendments require that an entity discloses its material accounting policies information, instead of its significant accounting policies.

3-1-2 Amendments to IAS 8 "Definition of Accounting Estimates"
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in an accounting estimate that results from new information or new developments is not a correction of an error.

3-1-3 Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The adoption of above amendments does not have any material impact on the financial statements during the year.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

3-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after January 1, 2024 and earlier application is permitted, however the Company has not early adopted them in preparing these financial statements:

3-2-1 Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current" and "Non-current Liabilities with Covenants"

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

3-2-2 Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

3-2-3 Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

3-2-4 Amendments to IAS 21 "Lack of Exchangeability"

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

3-3 Following are the new issued IFRS sustainability disclosures effective for annual periods beginning on or after January 1, 2024:

3-3-1 IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information"

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

3-3-2 IFRS S2 "Climate-related Disclosures"

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

4- MATERIAL ACCOUNTING POLICIES INFORMATION

The following are material accounting policies information applied by Company in preparing these financial statements:

Current / non-current assets and liabilities classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period of the statement of financial position.

All other liabilities are classified as a non-current.

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Fair value measurement

The Company measures financial instruments at fair value at the date of each statement of financial position.

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 economic best 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 utilise 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Foreign currencies – Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date that the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate prevailing at the date of preparing the financial statements. All differences arising from settlement or transactions on monetary items are recorded in statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated primarily at the exchange rate prevailing at the date of the transactions. Non-monetary items in a foreign currency that are measured at fair value are translated at the currency rate prevailing at the date when their fair value was determined. Gains or losses arising from the translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. (i.e. translation differences for items whose fair value gains and losses are recognized in the statement of profit or loss and other comprehensive income is recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit and losses are recognized in the statement of comprehensive income).

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Property and equipment
Property and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met. When significant parts of property and equipment are replaced at certain intervals, the Group recognizes those parts as individual assets with a definite useful life and depreciation. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

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

Item	**Depreciation** (in years)
Leasehold improvements	10 or over lease period, whichever is lower
Furnitures and fixtures	5
Computers and office equipment	5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of comprehensive income when the asset is derecognized.

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

Intangible assets
Intangible assets acquired separately are measured at initial recognition at cost. After initial recognition, intangible assets are stated at cost less any accumulated amortization and accumulated impairment losses, if any.

Expenditures on research activities are recognized as an expense in the period in which it is incurred. When certain conditions are met, development expenditures that gives rise to an internally generated intangible asset is capitalized. Where no internally generated intangible asset can be recognized, development expenditures are recognized in the statement of comprehensive income in the period it is incurred.

Intangible assets are amortized over their useful economic life when the intangible assets have a finite useful life and impairment is assessed when there is an indication that their value may be impaired. The amortization period and the amortization method for intangible assets are reviewed if there is an indication of a change since the preparation of the last annual report, and are subsequently modified, if necessary. Intangible assets are amortized in the statement of profit or loss and other comprehensive come in the expense category in line with the function of those intangible assets.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives as follows:

Item	**Amortization** (in years)
Software	5
Trademark	10

When the useful life of intangible assets is indefinite, intangible assets are not amortized, rather, it is tested for impairment annually, or when there is an indication that it is impaired.

The gain or loss resulting from derecognition of intangible assets is measured on the basis of the difference between the net disposal proceeds and the carrying amount of the intangible assets, and is recognized in the statement of profit or loss and other comprehensive income when those intangible assets are derecognized.

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Impairment of non-financial assets

The Company assesses at the date of preparing the financial statements whether there is an indication that the value of an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the fair value of the asset or cash-generating unit (CGU) less cost to sell or the value in use of the asset, whichever is higher and it is specified for a single asset unless the asset generates cash flows that are not significantly independent of the flows generated by other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds (CGU) its recoverable amount, the value of the asset must be decreased to its recoverable amount.

In determining value in use, the future cash flows deducted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks related to the asset. In determining fair value less costs to sell, new market transactions are considered, when available, or an appropriate valuation model is used. These values are verified by comparing them with the valuation multiples and the prices of the listed shares of the subsidiaries offered for public trading or through any other fair value indicators.

In calculating impairment, the Company relies on detailed budgets and discretionary accounts that are prepared separately for each cash-generating unit (CGU) of the Company to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, no longer exist or have decreased. The reversal of the impairment loss is recognized in the statement of comprehensive income. Impairment losses from continuing operations are recognized in the statement of comprehensive income within the expenses appropriate to the function of the assets that have impaired.

Leases

The determination of whether an agreement constitutes or contains a lease depends on the substance of the agreement at its inception date. The agreement represents or includes a lease if its fulfillment depends on the use of a specific asset or assets, or that the agreement grants the right to use a specific asset or assets even if this right is not expressly stated in the contract.

Company as a lessee

The lease is recognized as a right-of-use asset with its corresponding obligations on the date that the leased asset is ready for use by the Company. Each lease payment is allocated between the obligation and the financing cost.
The finance cost is recognized in the statement of comprehensive income over the lease term. Right-of-use assets are depreciated over the useful life of the asset and the lease term, whichever is shorter, and on a straight-line basis.

Right-of-use assets are initially measured at cost and consist of the following:
- The initial measurement amount of the lease liability,
- Any lease payments made on or before the lease commencement date minus any lease incentives received,
- Any initial direct costs, and
- Recovery costs, when applicable.

Lease liabilities

On the commencement date of the lease, the Company records lease liabilities measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including substantially fixed payments) less any lease incentives receivable and variable rent payments based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments include the price to exercise the purchase option when there is reasonable certainty that the Company will exercise it and payments for penalties for canceling the lease if the terms of the lease provide for the Company to exercise the option to cancel.

For variable lease payments that are not dependent on an index or rate, they are recorded as an expense in the period in which the payment is made. Lease payments are discounted using the interest rate included in the lease or the Company's incremental borrowing rate.

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Leases (continued)

Short-term leases and leases of low-value assets
Short-term leases are contracts with a lease term of 12 months or less. Low-value assets are items that do not meet the Company's capitalization limits and are not material to the Company's statement of financial position as a whole. Payments for short-term leases and leases of low-value assets are recognized on a straight-line basis in the statement of comprehensive income.

Prepaid expenses and other current assets
Prepaid expenses and other current assets are recognized with the amounts paid to the service providers against services that will be received in the future, or amounts paid to external parties and will be refunded in the future.

Trade receivables
Trade receivables represent the Company's right to the unconditional consideration amount (i.e. the maturity of the consideration depends on the passage of time). See the accounting policy information for financial assets.

Transactions with related parties
Transactions with related parties represent transfer of resources, services, or obligations between related parties. Terms and conditions relating to related party transactions are approved by management.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position consist of current accounts at banks, cash on hand, time deposits that are highly liquid and have an original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts if any.

Financial assets
Initial recognition and measurement
Financial assets are classified on initial recognition as being subsequently measured at amortized cost, or at fair value through other comprehensive income, or at fair value through profit or loss.

All financial assets are recognized on initial recognition at fair value plus transaction costs, unless the financial assets are recorded at fair value through profit or loss.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification, as described below:

Financial assets at amortized cost
After initial measurement, those financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gains or losses are recognized in the profit or loss when the asset is disposed of, or modifications are made, or impaired.

Financial assets at fair value through other comprehensive income
On initial recognition, the Company may elect to irrevocably classify its equity investments as equity instruments designated as FVTOCI when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument by instrument basis.

Financial assets at amortized cost in the Company consist of cash and cash equivalents and trade receivables.

Derecognition of financial assets
Financial assets are derecognised only when:
- Contractual rights in the cash flows of a financial asset expire; or
- The Company has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a "transfer" agreement, and whether (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained a substantially all the risks and rewards of the asset, but it has transferred its right to control it.
- If the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses to what extent it retains the risks and rewards associated with the asset. An asset is recognized to the extent that the Company's relationship with it continues if it has neither transferred nor retained all the risks and benefits associated with the asset nor transferred its right to control it. In that case, the Company also recognizes the liabilities associated to that assets. The transferred asset and associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing relationship that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount that the Company can be required to repay.

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial assets (continued)
Impairment of financial assets
The Company recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the profit or loss. The allowance for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, expected credit losses are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade receivables, the Company applies a simplified approach to the calculation of expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified on initial recognition, as financial liabilities at fair value through profit or loss, or loans and trade payables, or as financial derivatives that are used as hedging instruments for covering risks.

All financial liabilities are initially recognized at fair value and in the case of loans, advances and trade payables, net of directly attributable transaction costs.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and advances
After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. The gains or losses are recognized in the profit or loss when the liabilities are derecognised, as well as through the process of amortizing the effective interest rate.

Derecognition of financial liabilities
Financial liabilities are derecognised when the obligation is paid, canceled or the obligation under the contract expires.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on net basis, or to realize the assets and to settle the liabilities simultaneously.

Employees' defined benefits obligations
The employees' defined benefit cost is determined by defined benefit programs separately for each program using the projected unit credit method.

The remeasurement, which consists of actuarial gains and losses, is recognized immediately in the statement of financial position and within the retained earnings through other comprehensive income in the period in which they occur. The remeasurement is not reclassified to profit or loss in subsequent periods.

End of service payments are mainly based on the employees' final salaries, allowances and accumulated years of service, as defined by the labor law in the Kingdom of Saudi Arabia.

Trade payables
These amounts represent liabilities related to goods and services provided to the Company before the end of the financial year that have not been paid, and are considered unsecured. Trade payables are presented as current liabilities unless payment is not due within 12 months after the date of statement of financial position, and are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

Accrued expenses and other current liabilities
Accrued expenses and other current liabilities are obligations to pay for goods or services that have been received or provided, whether submitting bills or formally agreed upon with the supplier or not.

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Provisions

General

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

Where the Company expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to the provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, current market assessments of the time value of money and the risks specific to the liability. The increase in the discount is recognized as a finance cost.

Zakat provision

The legal zakat provision is calculated in accordance with the regulations of the Zakat, Tax, and Customs Authority (ZATCA) at the end of each financial year. The zakat provision is recorded at the end of the financial year within the items of statement of profit or loss and other comprehensive income, and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat assessment is approved.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax, except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Trade receivables and trade payables are stated including the amount of value added tax.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the statement of financial position.

Revenue recognition

Primarily, revenue is generated when providing services to customer. The Company records its revenues according to the following sequence:

- Define the contract with the customer.
- Define performance obligations in the contract.
- Determine the contract price.
- Assigning the contract price to the performance obligations.
- Recognize revenue when satisfying performance obligations.

Revenue is recognized when the performance obligations are fulfilled and that is when providing service to the customer. A performance obligation is the promise to provide a service to the customer. Upon satisfying performance obligations, revenue is recorded at the fair value of the service provided and excludes from the selling price any amounts collected on behalf of any third parties and any discounts on the price.

Other income

Other income is recognized when earned.

Cost of revenues and expenses

Costs that are directly attributable to the services provided are classified as cost of revenues. General and administrative expenses include direct and indirect expenses that are not directly related to cost of revenues in accordance with generally accepted accounting standards. Expenses are allocated, if necessary, between general and administrative expenses and cost of revenues on a consistent basis.

Contingent liabilities

Contingent liabilities are disclosed when the Company has a contingent liability as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Subsequent events

Financial statements are affected by subsequent events that require an adjustment to the financial statements while subsequent events that do not require an adjustment to the financial statement are disclosed.

5- PROPERTY AND EQUIPMENT

	(Saudi Riyal)				
	Leasehold improvements	**Furniture and fixtures**	**Computer and office equipment**	**Work under progress**	**Total**
Cost:					
As at January 1, 2022	672,171	49,105	10,319	91,839	823,434
Additions	2,512	45,858	60,809	-	109,179
Transfer from work under progress	56,160	20,000	15,679	(91,839)	-
As at December 31, 2022	730,843	114,963	86,807	-	932,613
Additions	-	**17,103**	**60,290**	-	**77,393**
As at December 31, 2023	**730,843**	**132,066**	**147,097**	-	**1,010,006**
Accumulated depreciation:					
As at January 1, 2022	49,156	6,947	244	-	56,347
Charge for the year	74,284	22,993	16,037	-	113,314
As at December 31, 2022	123,440	29,940	16,281	-	169,661
Charge for the year	**73,084**	**24,531**	**23,131**	-	**120,746**
As at December 31, 2023	**196,524**	**54,471**	**39,412**	-	**290,407**
Net book value:					
December 31, 2023	**534,319**	**77,595**	**107,685**	-	**719,599**
December 31, 2022	607,403	85,023	70,526	-	762,952

6- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The following are the carrying amounts of right-of-use assets and lease liabilities of the Company:

	(Saudi Riyal)	
	2023	2022
Right-of-use assets		
Cost:		
Balance as at the beginning of the year	**862,128**	862,128
Balance as at the end of the year	**862,128**	862,128
Accumulated depreciation of right-of-use assets:		
Balance as at the beginning of the year	**448,307**	241,396
Charge for the year	**206,910**	206,911
Balance as at the end of the year	**655,217**	448,307
Net book value	**206,911**	413,821
Lease liabilities		
Balance as at the beginning of the year	**357,220**	560,554
(Deduct) / add:		
Paid during the year	**(167,378)**	(223,170)
Finance cost (Note 19)	**11,552**	19,836
Balance as at the end of the year	**201,394**	357,220
Current portion	**201,394**	211,618
Non-current portion	-	145,602

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item represents the Company's investment in Seedra Ventures Fund I (the "Fund"). The Fund is a private closed-ended investment fund that invests in the field of venture capital. The Fund aims to invest in startup companies at various stages of growth, including the pre-seed stage, early stage seed funding, and pre-first round of funding to the first round of funding. The Fund aims to invest in companies whose headquarters are located in the Kingdom of Saudi Arabia or abroad, and which operate in the technical field, including the field of financial technology (Fintech), logistic services, e-commerce, the field of technical education, pioneering projects, the field of real estate technology, and electronic markets, in accordance with the Fund's investment strategies and investment restrictions. The term of the Fund is 8 years, that commences from the closing date, subject to extension for two additional periods of one year each.

The net assets (Equity) of the Fund as at December 31, 2023 attributable to the Company amounts to SR 3,074,786 divided into 155,135 units, the value per unit amounts to SR 19.82.

	(Saudi Riyal)	
	2023	2022
		(Restated – Note 22)
Balance as at the beginning of the year	**2,239,829**	-
Net additions during the year	**971,109**	580,000
Change in fair value (*)	**(136,152)**	1,659,829
Balance as at the end of the year	**3,074,786**	2,239,829

(*) The movement of fair value reserve in the unrealized gain on the revaluation of financial assets at fair value through other comprehensive income was as follows:

	(Saudi Riyal)	
	2023	2022
		(Restated – Note 22)
As at the beginning of the year	**1,659,829**	-
Changes in fair value during the year	**(136,152)**	1,659,829
As at the end of the year	**1,523,677**	1,659,829

8- TRADE RECEIVABLE

Management has not taken expected credit losses against trade receivable balance since it is receivable from one customer within the credit limit allowed. Management has evaluated the financial impact of the expected credit losses (ECL) in accordance with IFRS 9 and is immaterial given that management do not have historical default history against this customer.

9- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	(Saudi Riyal)	
	2023	2022
Prepaid expenses	**100,050**	81,175
Advances to suppliers	**40,074**	40,074
Refundable deposits	**1,860**	18,597
Others	-	26,492
Total	**141,984**	166,338

10- RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent the main shareholders members of the board of directors and the senior executive management of the Company and the companies in which they are major owners. Prices and terms related to these transactions are approved by the Company's management.

The following are the balances with the related parties shown in the statement of financial position:

		(Saudi Riyal)	
	Type of relationship	**2023**	2022
Due from a related party			
Thabat Holding Company	Affiliate	-	183,153
Total		-	183,153
Due to a related party			
Mr. Haitham Tawfqi AlForaih	Shareholder	-	36,174
Total		-	36,174

Transactions of key management personnel

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to long-term employment benefits.

Compensation and benefits for key management personnel includes the following:

	(Saudi Riyal)	
Short-term employee benefits:	**2023**	2022
Salaries and other benefits	**900,000**	725,000
Total	**900,000**	725,000

11- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)	
	2023	2022
Cash at banks	**1,905,091**	442,945
Short-term deposits (*)	**1,500,000**	-
Cash on hand	**2,000**	-
Total	**3,407,091**	442,945

(*) The balance consists of short-term deposits whose maturity is three months or less. The commission rate during the year ended December 31, 2023, for these short-term deposits is 5.6%.

12- SHARE CAPITAL

The Company's share capital as at December 31, 2023 consists of 700,000 shares of equal value, with a nominal value of SR 10 per share (December 31, 2022: 700,000 shares with a nominal value of SR 10 per share).

13- EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The Company's policy states that employees defined benefits obligations is payable to all employees who complete the qualifying service period under the labor law in the Kingdom of Saudi Arabia.

The annual provision is based on the actuarial valuation. The latest actuarial valuation was carried out by an independent expert assigned by the Company's management, using the actuarial projected unit credit method as at December 31, 2023.

The movement in employees' defined benefits obligations was as follows:

	(Saudi Riyal)	
	2023	2022
Balance as at the beginning of the year	**206,347**	91,581
Current service cost	**74,585**	114,766
Interest cost (Note 19)	**12,564**	-
Actuarial remeasurement	**23,926**	-
Balance as at the end of the year	**317,422**	206,347

Key actuarial assumptions used:

	2023	2022
Discount rate	**4.85%**	-
Expected salary increase rate	**4.85%**	-

Sensitivity analysis:

The sensitivity analysis of employees' defined benefits obligations in key actuarial assumptions is as follows:

	(Saudi Riyal)	
	2023	2022
Discount rate +0.5%	**315,835**	-
Discount rate -0.5%	**352,436**	-
Salary increase rate +0.5%	**352,342**	-
Salary increase rate -0.5%	**315,754**	-

Risks associated with employees' defined benefits obligations:

Salary increase risks:

The most common type of retirement benefit is the one in which benefits are connected to final salaries. The risk arises when the actual increases are higher than expected and therefore affect the obligation.

Withdrawal risks:

The actual withdrawal risk that varies with the valuation assumptions could pose a risk to the benefit obligation. The movement in the obligation can proceed in both directions.

14- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(Saudi Riyal)	
	2023	2022
Accrued expenses	**67,827**	426,650
Value added tax	**49,530**	674,990
Employee accruals	**44,933**	122,000
Others	**41,667**	175,569
	203,957	1,399,209

15- ZAKAT PROVISION

The principal elements of the zakat base are as follows:

	(Saudi Riyal)	
	2023	2022
Net adjusted profit before zakat	**657,118**	4,445,466
Equity	**7,000,000**	7,000,000
Provisions and other items	**1,973,085**	507,395
Less: non-current assets and other items	**(4,631,408)**	(5,861,797)
Zakat base	**4,998,795**	6,091,064

15- ZAKAT PROVISION (CONTINUED)

The movement in the zakat provision during the years was as follows:

	(Saudi Riyal)	
	2023	2022
Balance as at the beginning of the year	**138,555**	58,523
Charged during the year	**159,510**	153,555
Zakat differences	**15,000**	-
Paid during the year	**(153,555)**	(73,523)
Balance as at the end of the year	**159,510**	138,555

Zakat assessment:

The Company has submitted its financial statements and its zakat returns until the year ended December 31, 2022 and have paid zakat due based on those returns and have obtained the zakat certificate from Zakat, Tax, and Customs Authority (ZATCA) for that year. Zakat returns are still under review by ZATCA.

16- REVENUES

	(Saudi Riyal)	
	2023	2022
Management fees (at a point in time)	**2,510,870**	2,250,000
Dividends income (at a point in time)	**18,998**	-
Subscription fees (at a point in time)	**-**	6,000,000
Total	**2,529,868**	8,250,000

17- EMPLOYEES' SALARIES AND BENEFITS

	(Saudi Riyal)	
	2023	2022
Employees' salaries	**2,034,586**	2,610,500
Medical expenses	**98,204**	109,835
Business trip	**6,121**	84,926
Vacation expenses	**2,600**	137,167
Tickets	**-**	34,389
Others	**177,561**	234,794
Total	**2,319,072**	3,211,611

18- GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)	
	2023	2022
Depreciation and amortization	**331,423**	324,413
Insurance	**72,408**	86,122
Office maintenance	**50,167**	57,307
Outsourcing	**20,888**	87,557
Government fees	**16,215**	3,500
Training	**-**	98,200
Other	**159,838**	474,828
Total	**650,939**	1,131,927

19- FINANCE COSTS

	(Saudi Riyal)	
	2023	2022
Finance costs related to employees' defined benefits obligations (Note 13)	**12,564**	-
Finance costs related to lease liabilities (Note 6)	**11,552**	19,836
Total	**24,116**	19,836

20- FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company is exposed to the following risks as a result of its use of financial instruments:

• Credit risk
• Liquidity risk
• Market risk
• Commission rate risk
• Foreign currency risk
• Prices risk

This note shows information about the Company's exposure to each of the above risks, the Company's objectives, policies and methods for measuring and managing risks.

GENERAL FRAMEWORK FOR RISK MANAGEMENT

The overall responsibility for the preparation and monitoring of risk management rests with the Company's management. The Company's risk management policies are designed to identify and analyze the risks faced by the Company and to set appropriate controls and limits on the extent of exposure to those risks and then monitor them to ensure that the limits set are not exceeded. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company's management aims, through training, standards and procedures set by the management, to develop a constructive and organized control environment so that each employee understands his role and the duties assigned to him.

CREDIT RISK

Credit risk represents the inability of one party to meet its obligations, which leads to the other party incurring a financial loss. The Company's policy states that all customers who wish to deal on a deferred basis are subject to a credit check. Financial instruments that are subject to concentration of credit risk mainly consist of customer receivables, cash at banks, and due from related parties. The Company deposits cash with a number of financial institutions with good credit rating, and it has a policy based on setting limits on its deposited balances with each financial institution.

The Company does not believe that there are significant risks from the inefficiency of these institutions and the Company does not consider itself exposed to concentrations of credit risks with respect to debtors due to the diversity of its customer base working in various activities and located in multiple regions.

The maximum credit risk to which the Company is exposed is represented by the value of the financial assets listed in the statement of financial position as follows:

	(Saudi Riyal)	
	2023	2022
Due from a related party	-	183,153
Other current assets	**41,934**	85,163
Trade receivable	**300,000**	6,092,125
Cash and deposits at banks	**3,405,091**	442,945
Total	**3,747,025**	6,803,386

20- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK

Liquidity risk represents the Company's difficulties in raising funds to meet commitments related to financial instruments. Liquidity risk can result from the inability to sell any financial asset quickly at an amount close to its fair value. The Company's terms of sale stipulate that the amounts are paid in cash when supplying goods or providing services on a deferred basis.

The following are contractual accruals of non-derivative financial liabilities:

	(Saudi Riyal)			
December 31, 2023	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**More than a year**
Lease liabilities	**201,394**	**201,394**	**201,394**	-
Trade payables	**36,226**	**36,226**	**36,226**	-
Total	**237,620**	**237,620**	**237,620**	-

	(Saudi Riyal)			
December 31, 2022	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**More than a year**
Lease liabilities	357,220	357,220	211,618	145,602
Due to a related party	36,174	36,174	36,174	-
Trade payable	156,708	156,708	156,708	-
Total	550,102	550,102	404,500	145,602

MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk which are commission rate risk, foreign currency risk and other price risk such as equity price risk and commodity price risk.

COMMISSION RATE RISK

Commission rate risk represents the risk arising from the fluctuation of the value of financial instruments due to changes in commission rates prevailing in the market. The Company is subject to commission rate risk on intra-Company borrowings.

FOREIGN CURRENCY RISK

Foreign currency risk represents the risks resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates and believes that the Company is not exposed to significant currency risks.

PRICE RISK

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not exposed to a significant price risk.

21- FAIR VALUE

Fair value is the amount that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Within the definition of fair value there is an assumption that the Company will continue to operate as there is no intention or requirement to materially reduce the size of its operations or to conduct a transaction on adverse terms.

A financial instrument is considered to be listed in an active market if the listed prices are readily and regularly available from an exchange dealer, industry group broker, pricing services, or regulatory commission, and these prices represent market transactions that have actually occurred and regularly on a commercial basis.

When measuring fair value, the Company uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

21- FAIR VALUE (CONTINUED)

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities that can be obtained at the measurement date.

Level 2: Inputs other than listed prices included in Level 1 that are observable for the asset or liability, directly (e.g. prices) or indirectly (derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market information (unobservable inputs).

All financial assets and liabilities of the Company are not measured at fair value, as they are measured at amortized cost except for financial assets at fair value through other comprehensive income which are measured at fair value on level 3.

22- PRIOR YEAR ADJUSTMENTS

During 2023, management of the Company adjusted 2022 comparative financial information to correct certain errors identified in the prior year financial statements, which were disclosed in this note. The impact of correcting errors is as follows:

The following adjustments to the statement of financial position as at December 31, 2022:

	(Saudi Riyal)		
	As at December 31, 2022		
	December 31, 2022 (Before adjustment)	Impact of adjustment	December 31, 2022 (After adjustment)
Financial assets at fair value through other comprehensive income	580,000	1,659,829	2,239,829
Fair value reserve	-	1,659,829	1,659,829

The following adjustments to the statement of comprehensive income for the year ended December 31, 2022:

	(Saudi Riyal)		
	As at December 31, 2022		
	December 31, 2022 (Before adjustment)	Impact of adjustment	December 31, 2022 (After adjustment)
Other comprehensive income:			
Change in fair value of financial assets at fair value through other comprehensive income	-	1,659,829	1,659,829

23- SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the year ended December 31, 2023 that could have a material impact on the financial position of the Company or the results of its operations.

24- COMPARATIVE FIGURES

Certain comparative figures for the year ended December 31, 2022 have been reclassified to conform to the current year's presentation and classification.

25- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Company on Shawwal 22, 1445 H (corresponding to May 1, 2024).