ARTAL CAPITAL COMPANY
(Closed Joint Stock Company)
Financial Statements
For the year ended 31 December2023
Together With the
Independent Auditor's Report

PKF
Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ARTAL CAPITAL COMPANY
[CLOSED JOINT STOCK COMPANY]
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Artal Capital Company (the "Company") as at 31 December 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 issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2023;
- The statements of Profit and Loss and other ccomprehensive income for the year then ended;
- The statement of changes in shareholder's equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTERS

The company's financial statements for the year ending December 31, 2022 were audited by another auditor who expressed an unmodified opinion in his report on March 29, 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 issued by SOCPA and Regulations for Companies 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 Board of Directors, are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ARTAL CAPITAL COMPANY
[CLOSED JOINT STOCK COMPANY]
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and asses the risk 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 by the 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ARTAL CAPITAL COMPANY
[CLOSED JOINT STOCK COMPANY]
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for direction, supervision and performance of Company audit. We remain solely responsible for our audit opinion

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 Al-Bassam & Co.

Ahmed Abdel Majeed Muhandis
Certified Public Accountant
License No. 477
Riyadh: 18 Ramadan 1445 H
Corresponding to: 28 March 2024

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
License 520/11/323
Al-Bassam & Co.
Certified Public Accountants

ARTAL CAPITAL COMPANY
(Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(SAR)

	Note	**31 December 2023**	31 December 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment, net	6	**723,340**	493,086
Intangible assets, net	7	**1,378,162**	193,046
Right of use asset, net	8	**540,942**	456,937
Total Non-Current Assets		**2,642,444**	1,143,069
Current Assets			
Due from related parties	9	**18,750,000**	1,107,140
Receivables, prepayments and other assets	10	**27,119,115**	1,034,980
Cash and cash equivalents	11	**9,446,093**	13,602,999
Investments carried at FVTPL	12	**10,234,394**	-
Total Current Assets		**65,549,602**	15,745,119
TOTAL ASSETS		**68,192,046**	16,888,188
LIABILITIES AND EQUITY			
EQUITY			
Share Capital	13	**20,000,000**	5,000,000
Statutory reserve	14	**2,159,457**	1,329,533
Actuarial reserve		**(95,599)**	(57,862)
Retained earnings		**13,008,741**	5,539,442
TOTAL EQUITY		**35,072,599**	11,811,113
LIABILITIES			
Non-Current Liabilities			
Employee end-of service benefits	15	**914,798**	531,633
Lease liability – non-current portion	8	**-**	227,617
Total Non-Current Liabilities		**914,798**	759,250
Current Liabilities			
Accrued expenses and other liabilities	16	**15,578,535**	3,477,319
Lease liability - current portion	8	**573,218**	240,506
Zakat provision	17	**1,057,963**	600,000
Due to related parties	9	**14,994,933**	-
Total Current Liabilities		**32,204,649**	4,317,825
TOTAL LIABILITIES		**33,119,447**	5,077,075
TOTAL EQUITY AND LIABILITIES		**68,192,046**	16,888,188

Chief Financial Officer   Chief Executive Officer   Chairman of Board of Directors

The accompanying notes (1) to (25) form an integral part of these financial statements.

ARTAL CAPITAL COMPANY
(Closed Joint Stock Company)
STATEMENT OF PORFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December2023
(SAR)

	Note	**31 December 2023**	31 December 2022
PROFIT OR LOSS			
Revenue	18	**36,367,257**	13,449,321
Cost of revenue	19	**(24,289,967)**	(9,711,792)
Gross Profit		**12,077,290**	3,737,529
General and administrative expenses	20	**(3,381,732)**	(2,601,992)
Net profit for the year from major business		**8,695,558**	1,135,537
Other income		**-**	71,454
Realized gain on investments carried at FVTPL		**178,678**	-
Unrealized gain on investments carried at FVTPL	12	**170,402**	-
Finance cost		**(46,911)**	(31,588)
Finance income		**74,667**	-
Net Income Before Zakat		**9,072,394**	1,175,403
zakat		**(773,171)**	(603,354)
Net Income for The Year		**8,299,223**	572,049
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
(Losses)/gain on re-measurement of employee defined benefit obligations		**(37,737)**	85,139
Net comprehensive income for the year		**8,261,486**	657,188
Earnings per share			
Basic per share net profit for the year from main business	21	**5.56**	2.27
Basic share of net income for the year	21	**5.31**	1.14
Weighted average number of shares	21	**1,563,187**	500,000

Chief Financial Officer　　Chief Executive Officer　　Chairman of Board of Directors

The accompanying notes (1) to (25) form an integral part of these financial statements

ARTAL CAPITAL COMPANY
(Closed Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December2023
(SAR)

	Share Capital	Statutory Reserve	Retained earnings	Actuarial reserve	Total
Balance as at 31 December 2021	5,000,000	1,272,328	5,024,598	(143,001)	11,153,925
Net income for the year	-	-	572,049	-	572,049
Other Comprehensive income	-	-	-	85,139	85,139
Total Comprehensive income for the year	-	-	572,049	85,139	657,188
Transferred to statutory reserve	-	57,205	(57,205)	-	-
Balance as at 31 December 2022	5,000,000	1,329,533	5,539,442	(57,862)	11,811,113
Balance as at 31 December 2022	**5,000,000**	**1,329,533**	**5,539,442**	**(57,862)**	**11,811,113**
Net income for the year	**-**	**-**	**8,299,223**	**-**	**8,299,223**
Other Comprehensive income	**-**	**-**		**(37,737)**	**(37,737)**
Total Comprehensive income for the year	**-**	**-**	**8,299,223**	**(37,737)**	**8,261,486**
Capital increase	**15,000,000**	**-**	**-**	**-**	**15,000,000**
Transferred to statutory reserve	**-**	**829,924**	**(829,924)**	**-**	**-**
Balance as at 31 December 2023	**20,000,000**	**2,159,457**	**13,008,741**	**(95,599)**	**35,072,599**

Chief Financial Officer   Chief Executive Officer   Chairman of Board of Directors

The accompanying notes (1) to (25) form an integral part of these financial statements.

	31 December 2023	31 December 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before zakat	**9,072,394**	1,175,403
Adjustments to reconcile net income for the year before zakat to net cash available from operating activities:		
Depreciation of property, plant and equipment	**182,941**	102,749
Amortization of intangible assets	**157,406**	21,084
Depreciation of the right of use asset	**540,940**	228,468
financing interest	**46,911**	31,588
Employee end-of-service benefits charged	**357,923**	211,548
	10,358,515	1,770,840
Changes in operating assets and liabilities		
Due from related parties	**(17,642,860)**	(936,861)
Receivables, prepayments and other assets	**(26,082,909)**	7,037,715
Accrued expenses and other liabilities	**12,101,216**	200,219
Due to related parties	**14,994,933**	-
Employee end-of-service benefits paid	**(36,417)**	(191,026)
Zakat paid	**(315,208)**	(520,340)
Net cash (used in) / generated from operating activities	**(6,622,730)**	7,360,547
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(414,475)**	(477,929)
Purchase of intangible assets	**(1,342,521)**	(152,910)
Change in of Investments carried at FVTPL	**(10,234,394)**	-
Net cash used in investing activities	**(11,991,390)**	(630,839)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liabilities Paid	**(542,786)**	(284,870)
Capital increase	**15,000,000**	-
Dividends received	**-**	(6,400,000)
Net cash generated from / (used in) financing activities	**14,457,214**	(6,648,870)
Net changes in cash and cash equivalents	**(4,156,906)**	80,838
Cash and cash equivalents at beginning of the year	**13,602,999**	13,522,161
Cash and cash equivalents at the end of the year	**9,446,093**	13,602,999
Non-cash transactions		
(Losses)/gain on re-measurement of employee defined benefit obligations	**(37,736)**	(85,139)

Chief Financial Officer   Chief Executive Officer   Chairman of Board of Directors

The accompanying notes (1) to (25) form an integral part of these financial statements

1- ORGANIZATION AND PRINCIPAL ACTIVITIES

Artal Financial Company "the Company" is a closed joint stock company registered in the city of Riyadh under Commercial Registration No. 1010501601 dated 26 Rabi' al-Akhir 1440 AH (corresponding to January 2, 2020 AD), and under the Capital Market Authority License No. (02-18195) dated November 14, 2018.

The company's activity is managing investments and operating funds. The activity was started pursuant to a letter from the Capital Market Authority (LU-23-005128) dated 6 Rabi' al-Awwal 1444 AH (corresponding to September 21, 2023 AD).

The Company's registered Head office is located at the following address:

ARTAL Capital Company
Riyadh - Abu Bakr Al-Siddiq Road
Postal code: 12444

2- BASIS OF PREPARATION

2-1 Compliance Statement

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA").

The financial statements have been prepared on a historical cost convention, except for investments measured at fair value through profit or loss FVTPL and the defined benefit obligation is recognised at the present value of future obligation using the project unit credit method.

2-2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary in which the Company operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates at the date of statement of financial position. Foreign exchange gains and losses arising from translation, if any are included in the statement of profit or loss.

3- CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized prospectively. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3- CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION (CONTINUED)

3-1 Judgments

Going Concern basis

The Company's management has made an assessment of 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 on Company's ability to continue as a going concern. Accordingly, the financial statements were prepared on the basis of the going concern basis.

3-2 Estimation and Unconfirmed Assumptions

Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at the end of each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.
In assessing value in use, the estimated future cash flows are discounted to their present values using the pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on future cash flow calculations.

Actuarial valuation of employee benefits liabilities

The cost of the post-employment benefits ("employee benefits") under defined unfunded benefit plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined unfunded benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

Taking into consideration the undue costs and the non-materiality of specific obligations (end-of-service benefits), the company did not adhere to the simplified procedures allowed within the framework of International Financial Reporting Standards and did not apply the expected unit credit method to assess defined benefit obligations to avoid unnecessary cost and effort. Consequently, the company calculated end-of-service benefits according to the Saudi labor law, which is allocated in the financial statements based on the length of employee service.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4-1 Cash and cash equivalents

Cash and cash equivalents comprise cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are available to the Company without any restrictions.

4-2 Financial instruments

4-2-1Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual conditions of the instrument.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income Immediately after initial recognition, an expected credit loss allowance (ECL), if material is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in the statement of income when an asset is newly originated.

4-2-2 Classification and measurement of financial assets

Classification of financial assets through profit or loss

Debt instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The company classifies its equity instruments at FVTPL. The Fund subsequently measures all equity investments at FVTPL, except where the company Manager has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade.

Losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including disposal. Impairment losses and (reversals of impairment losses) are not reported separately from other changes in fair value. Dividends, when presenting a return on such investments, continue to be recognized in the statement of profit or loss when the Company has the right to receive such payments.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
4-2 Financial instruments (Continued)
4-2-3 Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortized cost. The company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4-2-4 Derecognition

A financial asset or, a part of a financial asset is derecognized where the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset (1) Transferred substantially all of the risks and rewards of the asset or (2) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4-2-5 Financial liabilities

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

4-3 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4-4 Employees end-of-service benefits

Employees end-of-service benefits are payable to all employees employed under the terms and conditions of the Labour Laws applicable on the Company, on termination of their employment contracts.

The Company's obligation in respect of defined benefit plan is calculated by estimating the number of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value.

Company sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Company's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

The revaluation of defined benefit obligation, which comprise of actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income. The Company determines interest expense on the defined benefit obligation for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any change in the net defined benefit obligation during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit are recognised in the Statement of Profit or Loss.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-5 Accrued expenses and other liabilities

Accrued expenses and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective profit rate method.

4-6 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognised for future operating loss.

4-7 Zakat

The Zakat cost is calculated on the basis of the company's net profit for the year before deduction of Zakat or Zakat base, whichever is greater, according to the regulations of the Zakat, Tax and Customs Authority (ZATCA) The provision is charged to the statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

4-8 Property and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment in value, if any. Property and equipment cost include expenditures that are directly attributable to the acquisition. The cost less estimated residual value is depreciated and amortised on the straight-line method over the estimated useful lives as follows:

Furniture and fixtures	4 years
Electronic equipment	5 years

Any gain or loss on disposal of an item of Property and Equipment is recognised in the Statement of Profit or Loss.
The assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

4-9 Intangible Assets

Intangible assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over the estimated useful live 5years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and amount can be measured reliably.

Intangible assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-10 Right of Use Asset and Lease Liability

The Company has recognised new assets and liabilities for its operating leases of office premises. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of statement of profit or loss over the lease period so as to produce a constant yearly rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

1) Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

2) Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in- substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the Statement of Profit or Loss. Short-term leases are leases with a term of 12 months or less.

Low-value assets comprise small items relating to office equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

4-11 Assets under management

The Company offers asset management services to its customers, which include management of certain funds Such assets are held in fiduciary capacity and are not treated as assets of the Company. Accordingly, these are not included in the financial statements and are treated as off- statement of financial position items.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-12 Revenue recognition

The Company recognizes revenue under IFRS 15 using the following five-step model

Step 1: Define the contract with the customer
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets standards for each contract that must be fulfilled.
Step 2: Determine performance obligations
A performance obligation is a promise in a service contract to a 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 promised services to a client, excluding amounts collected on behalf of third parties
Step 4: Customize the transaction price
For a contract that contains more than one performance obligation, the Company allocates the transaction price to each performance obligation at an amount that shows the amount of consideration that the Company expects to be entitled in exchange for fulfilling each performance obligation.
Step 5: Revenue recognition
The company recognizes revenue when (or when) it satisfies a performance obligation by transferring the promised service to the customer under a contract.

Revenue from asset management activities

Management fees for investment funds and private portfolios are recognized as revenue in proportion to the provision of services, based on the applicable service contracts. These management fees are included net of discounts and are generally calculated as a percentage of the net assets of the respective funds. The subscription fee is recognized upon subscription.
Performance fees are included after deducting discounts and are calculated as a percentage of the consideration in the fund's net asset value above a specified threshold. Performance fees are earned from some arrangements when contractually agreed levels of performance are exceeded during specified performance measurement periods, usually over one year. Fees are recognized when they can be reliably estimated and/or crystallized.

Revenue from alternative investment services activities

Revenue from alternative investments, management advisory and other service fees is recognized on the basis of applicable service contracts, usually on a time-proportionate basis whether at a point in time or over a period.

Dividend income

Dividends are recognized when the right to receive them is established.

Other income

Other income is recorded when earned.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-13 Fair value measurement

The Company measures financial instruments such as equity instruments at fair value at each statement of financial position date.

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 fair value of an asset or a liability is measured on the assumption that market participants would take advantage when pricing the asset or liability and act in their economic best interest.

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 observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are categorized within the fair value levels hierarchy mentioned below and on the basis of the input to the lowest level of the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company verifies whether transfers have been made between the fair value hierarchy by recalibrating the 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. The Company determines the policies and procedures for both recurring fair value measurement and non-recurring fair value measurement.

On each reporting date, the company analyses changes in the value of assets and liabilities to be re-measured or re-evaluated in accordance with the company's accounting policies. For the purposes of this analysis, the company verifies the main inputs applied in the latest valuation by matching the information used in calculating the valuation with contracts and other relevant documents. The Company also compares changes in the fair value of each class of assets and liabilities with relevant external sources to determine whether the change is reasonable. For the purpose of disclosing the fair value, the company has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the hierarchy of fair value measurement levels mentioned above.

4-14Expenses

All expenses are classified as general and administrative expenses, except for employee salaries and benefits, which are presented as a separate item in the statement of profit or loss.

5- NEW AND AMENDED IFRS STANDARDS ISSUED AND EFFECTIVE IN THE YEAR 2023

The following amendments to the Company's relevant standards are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has adopted these standards and/or amendments, however, they have no material impact on the financial statements:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1, January 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	1, January 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1, January 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	1, January 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1, January 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
IAS 12	International tax reform (pillar two model rules)	1, January 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

5- NEW AND AMENDED IFRS STANDARDS ISSUED AND EFFECTIVE IN THE YEAR 2023(CONTINUED).

5-1-2 New standards, amendments IFRS issued but not yet effective

The Company has not applied the following new IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	Classification of liabilities as current or non-current	1, January 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	1, January 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	1, January 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	1, January2024	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

6- PROPERTY, PLANT AND EQUIPMENT, NET

	Furniture and fixtures	Computers and office equipment	Total
Cost:			
Balance at the beginning of the year	**475,248**	**225,223**	**700,471**
Additions during the year	**319,964**	**94,511**	**414,475**
Disposals	**(930)**	**(600)**	**(1,530)**
As at 31 December2023	**794,282**	**319,134**	**1,113,416**
Accumulated Depreciation:			
Balance at the beginning of the year	**57,027**	**150,358**	**207,385**
Charged for the year	**136,424**	**46,517**	**182,941**
Disposals	**(94)**	**(157)**	**(250)**
As at 31 December2023	**193,357**	**196,718**	**390,076**
Net book value: **As at 31 December 2023**	**600,925**	**122,416**	**723,340**

	Furniture and fixtures	Computers and office equipment	Total 2022
Cost:			
Balance at the beginning of the period	47,352	175,190	222,542
Additions during the period	427,896	50,033	477,929
As at 31 December2022	475,248	225,223	700,471
Accumulated Depreciation:			
Balance at the beginning of the period	18,249	86,387	104,636
Charged for the period	38,778	63,971	102,749
As at 31 December2022	57,027	150,358	207,385
Net book value:			
As at 31 December 2022	418,221	74,865	493,086

7- INTANGIBLE ASSETS, NET

	Computer Software	Brand	Website	Total 2023
Cost:				
Balance at the beginning of the year	**269,010**	**97,500**	**60,758**	**427,268**
Additions during the year	**1,090,239**	**97,500**	**154,783**	**1,342,521**
Disposals	**-**	**-**	**(500)**	**(500)**
As at 31 December2023	**1,359,249**	**195,000**	**215,041**	**1,769,290**
Accumulated amortization:				
Balance at the beginning of the year	**208,057**	**5,737**	**20,428**	**234,222**
Charged for the year	**88,770**	**51,853**	**16,783**	**157,406**
Disposals	**-**	**-**	**(500)**	**(500)**
As at 31 December2023	**296,827**	**57,590**	**36,711**	**391,128**
Net book value:	**1,062,422**	**137,410**	**178,330**	**1,378,162**

	Computer Software	Brand	Website	Total 2022
Cost:				
Balance at the beginning of the year	213,600	-	60,758	274,358
Additions during the year	55,410	97,500	-	152,910
As at 31 December2022	269,010	97,500	60,758	427,268
Accumulated amortization:				
Balance at the beginning of the year	198,786	-	14,352	213,138
Charged for the year2022	9,271	5,737	6,076	21,084
As at 31 December	208,057	5,737	20,428	234,222
Net book value:	60,953	91,763	40,330	193,046

8- RIGHT OF USE ASSETS AND LEASES LIABILITIES

	31 December 2023	31 December 2022
Cost:		
Balance at the beginning of the year	**685,405**	-
Adjustment	**396,476**	685,405
Balance as at 31 December	**1,081,881**	685,405
Accumulated depreciation:		
Balance at the beginning of the year	**228,468**	-
Charged for the year	**540,939**	228,468
Adjustment	**(228,468)**	-
Balance as at 31 December	**540,939**	228,468
The book balance as of 31 December	**540,942**	456,937

8- RIGHT OF USE ASSETS AND LEASES LIABILITIES (CONTINUED).

Lease liabilities

Lease liabilities movement	**31 December 2023**	31 December 2022
Balance at the beginning of the year	**468,123**	-
Additions during the year	**-**	685,405
Adjustment	**334,739**	-
Paid during the year	**(252,602)**	(248,870)
Finance Cost	**22,958**	31,588
Balance as at December 31	**573,218**	468,123

Lease liabilities as at the year ended are as follows:	**31 December 2023**	31 December 2022
Lease liability- non-current portion	**-**	227,617
Lease liability- Current portion	**573,218**	240,506
	573,218	468,123

The following are the amounts recognized in the statement of profit or loss

	31 December 2023	31 December 2022
Finance cost	**22,958**	31,588
Depreciation of the right of use assets	**540,939**	228,468

The following are the amounts recognized in the statement of cash flows

	31 December 2023	31 December 2022
lease liability payments	**252,602**	248,870

9- RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company comprise of board of directors and their relatives, the investment funds managed by the Company and key management.
There are transactions that took place during the year with related parties within the company's normal business and with the approval of management. Management believes that the terms of these transactions are not materially different from any other transactions carried out by management with any third party

9- RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED).

1- Due from a related party:

	31 December 2023	31 December 2022
Artal Growth Opportunities Fund	**18,750,000**	-
Artal MENA Fund	**-**	254,027
Value Capital Partners Company	**-**	853,113
	18,750,000	1,107,140

2- Due to a related party:

	31 December 2023	31 December 2022
FAWAZ SULEIMAN ALRAJHI	**14,994,933**	-
	14,994,933	-

3- The following are the major related parties' transactions of the Company that occurred

Related party	**Nature of relationship**	**Nature of transaction**	**During the year ending in 31December 2023**	During the year ending in 31December 2022
FAWAZ SULEIMAN ALRAJHI	Shareholder	Finance	**18,749,933**	-
Artal Growth Opportunities Fund	Associated	Finance	**18,750,000**	-
Value Capital Partners Company	Affiliated	Revenues	**7,879,561**	5,854,382
Raj Real Estate Company	Affiliated	Rent	**542,785**	305,210
Artal MENA Fund	Associated	Management and performance fees	**611,701**	342,148
Artal Special Situations Fund I	Associated	Management fees	**318,376**	-
Artal Murabaha Fund	Associated	Management fees	**40,916**	-
Board members	Board of Directors	Allowance	**-**	717,246
Committees	Sub committees	Rewards	**136,500**	131,000
Senior Staff	Employees	Salaries	**5,592,673**	2,631,251

10- RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	31 December 2023	31 December 2022
Receivables	**26,623,690**	523,851
Other	**331,003**	-
Prepaid Expenses	**139,535**	486,242
Recovered Insurance	**24,887**	24,887
	27,119,115	1,034,980

The company has assessed the expected credit losses (ECL)for receivables and other assets. After considering the nature of these balances and the payment default (PD)history, it was determined that no ECL provision is necessary. This is because, in its capacity as an asset manager, the company holds the primary right to recover the outstanding balances from the funds invested with it under its management, specifically regarding the management fees payable

11- CASH AT BANK

	31 December 2023	31 December 2022
Cash at bank	**1,371,421**	8,844,002
Murabaha deposits	**8,074,672**	4,758,997
	9,446,093	13,602,999

Murabaha deposits with an annual profit margin of 6% are due within a period not exceeding 90 days from the date of attachment or maturity of the deposits.

12- INVESTMENTS CARRIED AT FVTPL

31 December 2023	Amount	Cost	Market value
Funds Managed by Artal Capital Company			
Murabaha deposits	**971,539**	**10,000,000**	**10,234,394**

The following is a summary of the movement on investments during the year:

	31 December 2023
Balance at the beginning of the year	-
Additions during the year	**20,000,000**
Disposals during the year	**(10,000,000)**
Unrealized gains	**170,402**
Realized gains	**63,992**
Balance at the end of the year	**10,234,394**

13- SHARE CAPITAL

In the extraordinary general meeting held on 6March, 2023, approval was given to increase the capital during the year 2023 from 5,000,000 SAR to 20,000,000 SAR in cash, divided into 2,000,000 shares (500,000 shares in 2022) of equal value, each worth 10 SAR (10 SAR in 2022), through a bank deposit.

14- STATUTORY RESERVE

In accordance with the Company's By-Laws, the Company is required to transfer at least 10% of its net income each period to statutory reserve Shareholders may decide to stop this reserve when reserve equals to 30% of its share capital.

15- EMPLOYEE DEFINED BENEFIT OBLIGATIONS

a. The company determines the present value of specific employee benefit obligations by conducting an actuarial evaluation using the estimated incremental unit method after taking into account the following set of assumptions:

	2023	2022
Discount rate	**%5.5**	%5.6
Benefit increase rate	**%3**	%3
employee turnover	**%15**	%20

b. The measurement movement for employee defined benefit plan obligations is as follows:

	31 December 2023	31 December 2022
Benefits expenses (recognized in the statement of profit or loss)		
opening balance	**531,633**	596,250
Listed in the profit and loss statement		
Service cost	**357,922**	193,660
Interest cost	**23,923**	17,888
listed in the statement of other comprehensive income		
Paid during the year	**(36,417)**	(191,026)
Gains/losses on remeasurement of employee benefit plan obligations determined by changing the interest	**37,737**	(85,139)
closing balance	**914,798**	531,633

16- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2023	31 December 2022
Accrued employees related	**11,309,332**	2,318,960
Vat	**3,758,831**	567,326
Professional and consulting fees payable	**217,500**	247,360
Social Insurance payable	**111,333**	74,241
Other	**181,539**	269,432
	15,578,535	3,477,319

17- ZAKAT PROVISION

a) Zakat Base Components	31 December 2023	31 December 2022
Equity	**10,481,580**	11,153,925
positive elements of the base	**13,009,527**	960,707
Adjusted profit for the year	**9,430,318**	1,385,911
Negative elements of the base	**(2,642,444)**	(1,143,069)
Net Zakat base	**30,278,981**	12,357,474
Zakat	**773,171**	282,812
Zakat differences	**-**	34,684
Charged for the year	**773,171**	317,460

b) The movement of the zakat provision during the year

	31 December 2023	31 December 2022
Balance at the beginning of the year	**600,000**	516,986
Charged for the year	**773,171**	603,354
Zakat differences	**-**	-
Payments during the year	**(315,208)**	(520,340)
	1,057,963	600,000

Zakat status

The company submitted its zakat declaration to the Zakat, Tax and Customs Authority(“ZATCA”) for the year ending on 31 December, 2022, and the due zakat amounting to 315,208 Saudi riyals was paid and the company obtained a certificate from the Authority valid until 30 April 2024.

18- REVENUE

	31 December 2023	31 December 2022
Management fees	**13,799,717**	12,477,691
Performance fees	**22,567,540**	971,630
	36,367,257	13,449,321

2023	**Management fees**	**Performance fees**
Nature and timing of revenue recognition:		
time point	**13,799,717**	**-**
over a period	**-**	**22,567,540**
	13,890,295	**1,255,000**

2022		
Nature and timing of revenue recognition:		
time point	12,477,691	-
over a period	-	971,630
	12,477,691	971,630

19- COST OF REVENUE

	31 December 2023	31 December 2022
Employee salaries and benefits	**11,718,814**	6,378,200
Rewards	**11,309,332**	2,318,960
Professional consulting and fee	**648,934**	652,840
Subscriptions and license fees	**528,737**	361,792
Other	**84,150**	-
	24,289,967	9,711,792

20- GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2023	31 December 2022
Professional consulting and fees	**1,428,564**	1,408,280
Depreciation of the right to use assets	**540,917**	228,468
Subscriptions	**513,928**	-
Other	**410,219**	83,457
Depreciation of property and equipment	**182,690**	102,749
Amortization of intangible assets	**157,406**	21,084
Withholding tax	**75,296**	65,674
Insurance	**41,360**	236,822
Governmental fees	**26,339**	161,625
Stationery and publications	**5,013**	5,555
Employee salaries and benefits	**-**	224,914
Rentals	**-**	63,364
	3,381,732	2,601,992

21- EARNINGS PER SHARE

Earnings per share are calculated from the net profit for the year, based on the weighted average number of shares outstanding at the end of the year, 1,563,187 shares (500,000 shares in 2022).
as well as the earnings per share calculated by dividing the profit for the year from the main business by the weighted average number of shares outstanding as of the end of the year, 1,563,187 shares (500,000 shares in 2022).

22- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

22-1 Financial risk factors

The Company's objective when managing risk is to create and protect shareholder value. Risks are an inherent part of the company's activities and are managed through a process of determining their nature, measurement and continuous monitoring, according to risk limits and other control elements. The risk management process is important to the continued profitability of the company.

The members of the Company's Board of Directors have overall responsibility for setting and overseeing the Company's risk management framework. The company's risk management policies are designed to identify and analyse the risks faced by the company, to set appropriate limits and controls, and to monitor them while adhering to those limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

22- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

22-1 Financial risk factors (continued)

The company is exposed to the following risks arising from financial instruments:
a) credit risk
b) Liquidity risk
c) capital management risks

(a) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk for its Murabaha deposits cash and cash equivalent and receivables. Bank balances are deposited in Albilad Bank and Saudi National Bank which is Bank with good financial rating

The following table shows the company's maximum exposure to credit risk for components of the statement of financial position:

	31 December 2023	31 December 2022
Receivables and other assets	**26,623,690**	1,034,980
Due from related parties	**18,750,000**	-
Cash and cash equivalent	**9,446,093**	13,602,999
	54,819,783	14,637,979

The company seeks to monitor credit risks by monitoring credit exposure, in addition to identifying and analysing risks, setting appropriate control limits, monitoring risks and adhering to limits through reliable management information data in a timely manner. The company also takes the necessary measures to recover overdue debts. Moreover, it the company reviews the recoverable amount of all receivables and other assets on an individual basis at the end of the financial period in order to ensure that an adequate loss allowance is set aside for the non-recoverable amounts.

On the date of each financial report, the bank balances are evaluated as to whether they contain low credit risks as they are kept with reputable financial institutions with a high local bank credit rating, and there is no default history for any of the bank balances. Therefore, the probability of default is based on future factors and any losses resulting from default are negligible.

The following is a statement of the ages of receivables:

	31 December 2023	
Aging Bucket	**Total receivables**	**Provision**
0 – 90 days	**26,623,690**	**-**
90 – 180 days	**-**	**-**
180 -270 days	**-**	**-**
270 – 360 days	**-**	**-**
360 – 450 days	**-**	**-**
Total Balance	**26,623,690**	**-**

22- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)

22-1 Financial risk factors (continued)

a) Credit risk (continued)

The company conducted an assessment of the expected credit losses due from related parties and receivables, and after considering the nature of these balances, it became clear to the company that it does not require making an allowance for expected credit losses because, as an asset manager, the company has the first right to recover the balance due from the funds and portfolios invested in under Company management in relation to management fees payable. As at the date of the financial statements, the concerned entities have a positive net asset value, and according to management's estimate, the expected credit losses, if any, will not be significant.

Credit concentration

Concentrations of credit risk arise when a number of counterparties are engaged in similar activities, or activities within the same geographic region, or have similar economic characteristics due to changes in economic policies or other conditions.
At the statement of financial position date, management determined that significant concentrations of credit risk were in the funds managed by the company.

b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Financial assets of the Company as at period-end mainly included balances with bank and investments measure at FVTPL which can be utilized to meet changing liquidity requirements. Management monitors forecasted cash flow on a regular basis and ensures that positive cash flows from operating activities are maintained to fund the Company's future commitments.

The table below summarizes the maturity profile of significant assets and liabilities of the company based on expected maturities:

	31 December 2023		
	Less than 1 year	**indefinite time**	**Total**
Accrued expenses and other current liabilities	**15,578,535**	**-**	**15,578,535**
Due to related parties	**14,994,933**	**-**	**14,994,933**
Zakat provision	**1,057,963**	**-**	**1,057,963**
Lease Liabilities	**573,218**	**-**	**573,218**
Employees' End of services benefits	**-**	**914,798**	**914,798**
TOTAL LIABILITIES	**32,204,649**	**914,798**	**33,119,447**

22- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)
22-1 Financial risk factors (continued)
b) Liquidity risk (continued)

	31 December 2022		
	Less than 1 year	indefinite time	Total
Accrued expenses and other current liabilities	3,477,319	-	3,477,319
Due to related parties	-	-	-
Zakat provision	600,000	-	600,000
Lease Liabilities	240,506	227,617	468,123
Employees' End of services benefits	-	531,633	531,633
TOTAL LIABILITIES	4,317,825	759,250	5,077,075

c) Capital management risks

The Board of Directors' policy is to maintain an adequate and strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed and the level of dividends paid to common shareholders and monitors the capital base using the ratio of net debt to equity.

d) Fair value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision of financial instruments carried at amortised cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

22-2-1Financial instruments by category

31 December 2023	**amortized cost**	**Fair value through profit and loss**
Assets as at the statement of financial position		
Cash at banks	**9,446,093**	**-**
Due from a related party	**18,750,000**	
Receivables, prepayments and other assets	**27,119,115**	**-**
Investments carried at FVTPL	**-**	**10,234,394**
Total	**55,315,208**	**10,234,394**

22- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)
22-1 Financial risk factors (continued)
d) Fair value estimation (continued)

22-2-1Financial instruments by category

31 December 2022	amortized cost	Fair value through profit and loss
Assets as in the statement of financial position		
Cash at banks	13,602,999	-
Due from a related party	1,107,140	
Receivables	1,034,980	-
Total	15,745,119	-

All financial liabilities as at 31 December 2023, (31 December 2022) are classified as financial liabilities measured at amortized cost.

22-2-2 Fair value

The table below displays financial instruments at their fair value as of 31 December 2023, based on the fair value hierarchy:

	31 December 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	SAR	SAR	SAR	SAR
investment funds	**-**	**10,234,394**	**-**	**10,234,394**
TOTAL	**-**	**10,234,394**	**-**	**10,234,394**

Financial assets at fair value through profit or loss classified as Level 2 include investments in and investment funds whose fair values are determined based on the last recorded net asset value as of the reporting date or an available fair value.

23- ASSETS UNDER MANAGEMENT

These represent the investment assets being managed by the Company as at 31 December 2023 amounting to 2,224,026,949(31 December 2022: 1,659,375,548 SAR).

According to the regulations of the Capital Market Authority for authorized persons, and in line with the company's accounting policy, such balances are not included in the Company's financial statements.

24- SUBSEQUENT EVENTS

There are no subsequent events that have a material impact on the financial statements until the date of approval of the financial statements.

25- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 16 Ramadan 1445 H (Corresponding to 26 March 2024)