

**OSOOL AND BAKHEET INVESTMENT COMPANY**  
(A Saudi Joint Stock Company)  
Riyadh – Kingdom of Saudi Arabia

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

**OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

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

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## Independent Auditor's Report

**To the shareholders of**  
**Osool and Bakheet Investment company**  
(A Saudi Joint Stock Company)  
Riyadh – Kingdom of Saudi Arabia

### Qualified Opinion

We have audited the financial statements of Osool and Bakheet Investment company (A Saudi Joint Stock Company) (the "Company") which comprise the statement of financial position as of 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended. and notes to the financial statements, Including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

### Basis for qualified opinion

The statement of financial position includes an investment in Creative Future for Digital Brokerage Company amounted to SAR 66 million as of December 31, 2024, recorded at fair value through profit or loss. The company's management determined the fair value of this investment through an external expert and recorded unrealized gains from the fair value assessment amounting to SAR 8.7 million for the year ended December 31, 2024. However, we were unable to obtain sufficient and appropriate evidence regarding the accuracy and reasonableness of the assumptions used by management to determine the fair value, and the external expert appointed did not substantiate the accuracy and reasonableness of these assumptions. Therefore, we were unable to determine whether any adjustments should be made to the carrying value of this investment as of December 31, 2024, and the resulting impact on the unrealized gains or losses from this investment for the year ended December 31, 2024.

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 International Code of Ethics for Professional Accountants 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 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 qualified opinion.

### Other information

Other information consists of the information included in the Company's 2024 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The annual report is expected to be available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information referred to above when it becomes available to us. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or with the knowledge acquired during the audit, or whether the other information appears to be materially misstated in any other way.

## Independent Auditor's Report (continued)

**To the shareholders of**  
**Osool and Bakheet Investment company**  
 (A Saudi Joint Stock Company)  
 Riyadh – Kingdom of Saudi Arabia

### Other information (continued)

When we read the annual report, when it becomes available to us, if we identify a material misstatement in it, other than what has been referred to in the "Basis for Qualified Opinion" section above, we are required to report the matter to those charged with governance. However, we have nothing to report in this regard as of the date of this report.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of unquoted financial investments measured at fair value through profit or loss</b></p> <p>As of December 31, 2024, the carrying amount of financial investments measured at fair value through profit or loss was SAR 113.5 million (2023: SAR 108.4 million). The fair values of these financial investments are determined by applying valuation techniques (Level 2 and Level 3), which typically involve management judgment and the use of assumptions and estimates. The level of uncertainty in the estimates is particularly high for financial investments classified under Level 3.</p> <p>The company's valuation of financial investments within Levels (2) and (3) was considered a key audit matter due to the complexity involved in assessing these investments and the significance of the judgments and estimates made by management.</p> <p>Please refer to Note (3) for the significant accounting policies and Notes (6) and (27) for the related disclosures in the accompanying financial statements</p> | <p>We performed the following procedures in relation to this matter:</p> <ul style="list-style-type: none"> <li>• Obtaining a detailed understanding of the management process and controls for determining the fair value of non-traded investments, including assessing the design and implementation of key controls for fair valuation.</li> <li>• Reviewed purchase agreement of the investments to assess the appropriateness of the fair value of the consideration.</li> <li>• Obtaining valuation reports from the management's valuation expert and assessing the professional competence, objectivity, and capabilities of the expert in conducting investment valuations.</li> <li>• Assessing the suitability of the valuation methodology used for fair valuation calculation.</li> <li>• Assessing the reasonableness of certain observable inputs and/or fair values derived based on comparable market data.</li> <li>• Conducting an evaluation of future cash flow expectations prepared by management across various sectors and the businesses invested in, evaluating key assumptions including the discount rate, and comparing estimates with externally available industrial, economic, and financial data, supported by internal valuation expert and assessing the appropriateness of the key assumptions mentioned above.</li> <li>• Testing the mathematical accuracy of calculations performed according to valuation models.</li> <li>• Ensuring the relevance and sufficiency of related disclosures in the financial statements in accordance with accounting standards.</li> </ul> |

## **Independent Auditor's Report (continued)**

**To the shareholders of**  
**Osool and Bakheet Investment company**  
(A Saudi Joint Stock Company)  
Riyadh – Kingdom of Saudi Arabia

### **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 International Financial Reporting Standards 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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

## **Independent Auditor's Report (continued)**

**To the shareholders of**  
**Osool and Bakheet Investment company**  
 (A Saudi Joint Stock Company)  
 Riyadh – Kingdom of Saudi Arabia

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

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **RSM Allied Accountants Professional Services**



**Mohammed bin Farhan bin Nader**

License No. 435

Riyadh, Kingdom of Saudi Arabia

29 Ramadan 1446 H (corresponding to March 29, 2025).



**OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

(Saudi Riyals)

|                                                                        | Note | 31 December 2024   | 31 December 2023   |
|------------------------------------------------------------------------|------|--------------------|--------------------|
| <b>Assets</b>                                                          |      |                    |                    |
| <b>Current assets</b>                                                  |      |                    |                    |
| Cash and cash equivalents                                              | 5    | 81,050,212         | 75,801,833         |
| Financial investments at fair value through profit or loss             | 6-b  | 58,209,552         | 52,669,299         |
| Accounts receivable                                                    | 7    | 5,635,325          | 2,362,088          |
| Due from related parties                                               | 8    | 15,578,770         | 6,064,939          |
| Prepaid expenses and other assets                                      | 9    | 2,998,386          | 4,015,914          |
| <b>Total current assets</b>                                            |      | <b>163,472,245</b> | <b>140,914,073</b> |
| <b>Non-current assets</b>                                              |      |                    |                    |
| Financial investments at fair value through profit or loss             | 6-b  | 65,982,768         | 76,775,840         |
| Financial investments at fair value through other comprehensive income | 10   | 10,141,718         | 140,358            |
| Property and equipment                                                 | 11   | 250,017            | 308,573            |
| Intangible assets                                                      | 12   | 1,096,139          | 1,020,199          |
| Right of use assets                                                    | 13   | 1,290,170          | 1,843,098          |
| <b>Total non-current assets</b>                                        |      | <b>78,760,812</b>  | <b>80,088,068</b>  |
| <b>Total assets</b>                                                    |      | <b>242,233,057</b> | <b>221,002,141</b> |
| <b>Liabilities and equity</b>                                          |      |                    |                    |
| <b>Current liabilities</b>                                             |      |                    |                    |
| Accruals and other liabilities                                         | 14   | 8,553,176          | 8,615,885          |
| Due to related parties                                                 | 8    | 326,000            | 287,000            |
| Lease Liabilities, current portion                                     | 13   | 762,047            | 756,963            |
| Zakat provision                                                        | 15   | 5,521,263          | 4,092,619          |
| <b>Total current liabilities</b>                                       |      | <b>15,162,486</b>  | <b>13,752,467</b>  |
| <b>Non-current liabilities</b>                                         |      |                    |                    |
| Lease obligations, non-current portion                                 | 13   | 479,283            | 1,016,339          |
| End of service indemnities                                             | 16   | 6,411,287          | 6,127,616          |
| <b>Total non-current liabilities</b>                                   |      | <b>6,890,570</b>   | <b>7,143,955</b>   |
| <b>Total liabilities</b>                                               |      | <b>22,053,056</b>  | <b>20,896,422</b>  |
| <b>Equity</b>                                                          |      |                    |                    |
| Share capital                                                          | 1    | 81,000,000         | 81,000,000         |
| Statutory reserve                                                      | 17   | 10,131,256         | 10,131,256         |
| Share Premium                                                          | 18   | 52,500,000         | 52,500,000         |
| Treasury shares                                                        | 19   | (6,000,000)        | (6,000,000)        |
| fair value reserve on investments                                      | 10-c | 16,977             | 15,617             |
| Retained earnings                                                      |      | 82,531,768         | 62,458,846         |
| <b>Total equity</b>                                                    |      | <b>220,180,001</b> | <b>200,105,719</b> |
| <b>Total equity and liabilities</b>                                    |      | <b>242,233,057</b> | <b>221,002,141</b> |

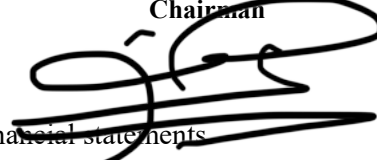
Finance Manager



Chief Executive Officer



Chairman



The accompanying notes from (1) to (30) form an integral part of these financial statements

**OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Saudi Riyals)

|                                                                                | Note    | 2024              | 2023              |
|--------------------------------------------------------------------------------|---------|-------------------|-------------------|
| <b><u>Profit or loss</u></b>                                                   |         |                   |                   |
| <b>Revenues</b>                                                                |         |                   |                   |
| Portfolio management fees                                                      |         | 1,767,525         | 3,023,558         |
| Fund management fees                                                           |         | 16,242,381        | 8,474,990         |
| Custody and operation management fees                                          |         | 1,847,521         | 1,310,224         |
| Brokerage revenue, net                                                         |         | 282,515           | 493,930           |
| Revenue from underwriting management fees                                      |         | -                 | 564,476           |
| Revenue from Murabaha loans                                                    |         | 31,452            | 671,741           |
| Unrealized gain or loss from investments at fair value through profit or loss  | 6-a     | 22,570,288        | 45,465,764        |
| Cash Dividends                                                                 | 6-c     | 889,939           | 363,452           |
| (Loss)/Gain from sale of investments at fair value through profit or loss      | 6-d     | (635,240)         | 9,550             |
| <b>Total Revenue</b>                                                           |         | <b>42,996,381</b> | <b>60,377,685</b> |
| Depreciation and amortization                                                  |         | (1,307,953)       | (1,477,113)       |
| Expected Credit loss provision                                                 | 8-c/7-b | (598,420)         | (4,795,948)       |
| Reversed expected credit loss provision                                        | 7-b/8-c | 3,094,106         | 403,593           |
| General and administrative expenses                                            | 21      | (24,330,120)      | (27,456,810)      |
| <b>Net profit from main operations</b>                                         |         | <b>19,853,994</b> | <b>27,051,407</b> |
| Finance costs                                                                  | 22      | (358,541)         | (790,027)         |
| Other income                                                                   | 23      | 4,234,178         | 1,683,197         |
| <b>Net profit for the period before zakat</b>                                  |         | <b>23,729,631</b> | <b>27,944,577</b> |
| Zakat                                                                          | 15      | (3,876,106)       | (2,447,465)       |
| <b>Net profit for the year</b>                                                 |         | <b>19,853,525</b> | <b>25,497,112</b> |
| <b><u>Other comprehensive income</u></b>                                       |         |                   |                   |
| <b>Item not reclassified later to the profit or loss statement</b>             |         |                   |                   |
| Net change in fair value reserve on investments                                | 10      | 1,360             | 29,086            |
| Gains/ (Losses) from remeasuring obligations of defined benefit employee plans | 16      | 219,397           | (616,731)         |
| <b>Total other comprehensive income/(comprehensive loss) for the year</b>      |         | <b>220,757</b>    | <b>(587,645)</b>  |
| <b>Total comprehensive income for the year</b>                                 |         | <b>20,074,282</b> | <b>24,909,467</b> |
| <b>Earnings per share</b>                                                      |         |                   |                   |
| Earnings per share from net profit from main operations                        | 24      | 2.65              | 4.34              |
| Earnings per share from net profit for the year                                | 24      | 2.65              | 4.10              |

Finance Manager

Chief Executive Officer

Chairman

The accompanying notes from (1) to (30) form an integral part of these financial statements



**OSOOL AND BAKHT INVESTMENT COMPANY**

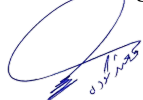
(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Saudi Riyals)

|                                       | Note | Share capital     | Statutory reserve | Share Premium     | Treasury Shares    | Fair value reserve on investments | Retained earnings | Total              |
|---------------------------------------|------|-------------------|-------------------|-------------------|--------------------|-----------------------------------|-------------------|--------------------|
| Balance as at 1 January 2023          | 1    | 60,000,000        | 7,581,545         | -                 | -                  | (13,469)                          | 40,128,176        | 107,696,252        |
| Increase in share capital             | 18   | 21,000,000        | -                 | -                 | -                  | -                                 | -                 | 21,000,000         |
| Share issuance                        |      | -                 | -                 | 52,500,000        | -                  | -                                 | -                 | 52,500,000         |
| Net profit for the year               |      | -                 | -                 | -                 | -                  | -                                 | 25,497,112        | 25,497,112         |
| Other comprehensive loss              |      | -                 | -                 | -                 | -                  | 29,086                            | (616,731)         | (587,645)          |
| Total Comprehensive income            |      | -                 | -                 | -                 | -                  | 29,086                            | 24,880,381        | 24,909,467         |
| Treasury shares                       | 19   | -                 | -                 | -                 | (6,000,000)        | -                                 | -                 | (6,000,000)        |
| Transferred to Statutory Reserve      |      | -                 | 2,549,711         | -                 | -                  | -                                 | (2,549,711)       | -                  |
| <b>Balance as at 31 December 2023</b> |      | <b>81,000,000</b> | <b>10,131,256</b> | <b>52,500,000</b> | <b>(6,000,000)</b> | <b>15,617</b>                     | <b>62,458,846</b> | <b>200,105,719</b> |
| Net profit for the year               |      | -                 | -                 | -                 | -                  | -                                 | <b>19,853,525</b> | <b>19,853,525</b>  |
| Other comprehensive income            |      | -                 | -                 | -                 | -                  | <b>1,360</b>                      | <b>219,397</b>    | <b>220,757</b>     |
| Total Comprehensive income            |      | -                 | -                 | -                 | -                  | <b>1,360</b>                      | <b>20,072,922</b> | <b>20,074,282</b>  |
| <b>Balance as at 31 December 2024</b> |      | <b>81,000,000</b> | <b>10,131,256</b> | <b>52,500,000</b> | <b>(6,000,000)</b> | <b>16,977</b>                     | <b>82,531,768</b> | <b>220,180,001</b> |

Finance Manager



Chief Executive Officer



Chairman



The accompanying notes from (1) to (30) form an integral part of these financial statements

**OSOOL AND BAKHEET INVESTMENT COMPANY**  
(A Saudi Joint Stock Company)  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Saudi Riyals)

|                                                                                               | 2024               | 2023               |
|-----------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                                                   |                    |                    |
| Profit for the year before Zakat                                                              | 23,729,631         | 27,944,577         |
| <b>Adjustments to reconcile net income to net cash from operating activities:</b>             |                    |                    |
| Depreciation of property and equipment                                                        | 191,271            | 246,729            |
| Amortization of intangible assets                                                             | 388,115            | 477,538            |
| Gains on sale of property, plant, and equipment                                               | -                  | (10,835)           |
| Depreciation of right of use assets                                                           | 728,567            | 752,846            |
| Loss on Lease Termination                                                                     | -                  | 36,834             |
| Realized (loss) /gain from sale of financial investments at fair value through profit or loss | 635,240            | (9,550)            |
| Unrealized gain from financial investments at fair value through profit or loss               | (22,570,288)       | (45,465,764)       |
| Dividends from investments at fair value through profit or loss                               | (889,939)          | (363,452)          |
| Murabaha Income                                                                               | 4,037,858          | 1,051,468          |
| Finance costs                                                                                 | 358,541            | 790,027            |
| Provision for expected credit losses                                                          | 598,420            | 4,795,948          |
| Reversal of expected credit loss provision on related parties                                 | (3,094,106)        | (403,593)          |
| Provision for employees' defined benefit obligations                                          | 657,911            | 551,784            |
| <b>Cash flows after adjusting for non-cash items</b>                                          | <b>4,771,221</b>   | <b>(9,605,443)</b> |
| <b>Changes in Working capital</b>                                                             |                    |                    |
| Accounts receivable                                                                           | (179,131)          | (622,630)          |
| Due From related parties                                                                      | (10,112,251)       | 5,287,170          |
| Prepaid expenses and other assets                                                             | 1,017,528          | 1,682,645          |
| Accrued expenses and other liabilities                                                        | (62,709)           | 6,825,014          |
| Defined employees benefit plan obligations paid                                               | (434,395)          | (18,258)           |
| Due to related parties                                                                        | 39,000             | (9,906)            |
| Zakat paid                                                                                    | (2,447,462)        | (2,337,632)        |
| <b>Net cash (used by)/ generated from operating activities</b>                                | <b>(7,408,199)</b> | <b>1,200,960</b>   |
| <b>Cash flows from investing activities</b>                                                   |                    |                    |
| Purchase of investments at fair value through profit or loss                                  | (2,580,671)        | (5,319,590)        |
| Additions to property, plant, and equipment                                                   | (132,715)          | (126,081)          |
| Additions to intangible assets                                                                | (464,055)          | (333,436)          |
| Proceeds from the sale of property, plant, and equipment                                      | -                  | 10,835             |
| Proceeds from the sale of financial investments at fair value through profit or loss          | 29,768,538         | 947,631            |
| Dividends received from financial investments at fair value through profit or loss            | 889,939            | 363,452            |
| Proceeds from Murabha Income                                                                  | (4,037,858)        | (1,051,468)        |
| Additions to investment at fair value through other comprehensive income                      | (10,000,000)       | -                  |
| <b>Net cash generated from/ (used by) investing activities</b>                                | <b>13,443,178</b>  | <b>(5,508,657)</b> |
| <b>Cash flows from financing activities</b>                                                   |                    |                    |
| Increase in share capital                                                                     | -                  | 21,000,000         |
| Share premium                                                                                 | -                  | 52,500,000         |
| Purchase of treasury shares                                                                   | -                  | (6,000,000)        |
| Lease liabilities                                                                             | (707,611)          | (700,276)          |
| Finance cost paid                                                                             | (78,989)           | (570,059)          |
| Addition to short term loans                                                                  | -                  | 85,000,000         |
| Short-term loans paid                                                                         | -                  | (91,000,000)       |
| <b>Net cash (used by)/ generated from financing activities</b>                                | <b>(786,600)</b>   | <b>60,229,665</b>  |
| <b>Net change in cash and cash equivalents</b>                                                | <b>5,248,379</b>   | <b>55,921,968</b>  |
| Cash and cash equivalents at the beginning of the year                                        | 75,801,833         | 19,879,865         |
| <b>Cash and cash equivalent at the ending of the year</b>                                     | <b>81,050,212</b>  | <b>75,801,833</b>  |

**OSOOL AND BAKHEET INVESTMENT COMPANY**  
(A Saudi Joint Stock Company)

**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Saudi Riyals)

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|                                                                                      | <u>2024</u>      | <u>2023</u>      |
|--------------------------------------------------------------------------------------|------------------|------------------|
| <b>Non-cash transactions</b>                                                         |                  |                  |
| Cost charged to the cost of intangible assets from obligations of employee benefits  | <u>45,083</u>    | <u>36,198</u>    |
| Additions to right to use assets and lease liabilities                               | <u>(175,639)</u> | <u>2,112,527</u> |
| Transferred from related parties to investments at fair value through profit or loss | <u>-</u>         | <u>6,000,000</u> |

Finance Manager



Chief Executive Officer



Chairman



The accompanying notes from (1) to (30) form an integral part of these financial statements

# **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **1 - Organization and Activities**

A- Osool and Bakheet Investment Company ("Company") is a Saudi Joint Stock Company registered in Riyadh under the Commercial Register No. 1010219805 on 2 Jumada Al-awwal 1427 H (corresponding to May 28, 2006).

The company's activities include dealing in securities, arranging in securities, custody of securities, investment management, and fund operation, in accordance with the approval of the Capital Market Authority No. (07/08126) dated 23 Muharram 1435 H.

B- Change in Capital

-The Company's capital is set at 60,000,000 SAR with 6,000,000 equal-value nominal shares, with a par value of SAR 10 for each, all of which are ordinary cash shares.

-According to the Decision of the Extraordinary General Assembly dated 4 Jumada al-Awwal 1444H (corresponding to November 28, 2022), it was approved to increase the company's capital by an amount of 21,000,000 Saudi Riyals through the issuance of 2,100,000 new ordinary shares with a nominal value of 10 Saudi Riyals per share. Out of these shares, 1,500,000 ordinary shares were offered to new investors, representing 18.52% of the company's shares after the offering. The remaining 600,000 new ordinary shares were allocated to the Employee Incentive Program's portfolio "Treasury Shares," representing 7.407%. This issuance was carried out in accordance with the rules of securities offering, ongoing obligations issued by the regulatory authority, and listing rules issued by the Saudi Stock Exchange.

-On 3 Dhu al-Hijjah 1444H (corresponding to June 21, 2023), a resolution was issued by the Board of the Capital Market Authority approving the registration and offering of 1,500,000 shares representing (18.519%) of the company's shares in the parallel market. The Saudi Stock Exchange announced the listing and commencement of trading of the company's shares in the Parallel Market starting from 23 Rabi' al-Awwal 1445H (corresponding to November 7, 2023), and they were registered under number 9586 in the Saudi Stock Exchange.

-The authorized capital of the company is defined at an amount of 81,000,000 Saudi Riyals, consisting of 8,100,000 equal par value shares, with each share valued at 10 Saudi Riyals. All of these shares are ordinary cash shares. The regulatory procedures related to this matter are currently being finalized, particularly regarding updating the company's articles of association and commercial registry.

C- The Company's headquarters is located at the following address:

Osool and Bakheet Investment Company  
King Fahad street – AL Bahrein tower  
P.O 63762, Riyadh  
Kingdom of Saudi Arabia.

#### **2 - Basis of preparation**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

##### **Basis of measurement**

The financial statements have been prepared on the basis of the historical cost principle, except when the International Financial Reporting Standards require the use of another measurement basis, as indicated in the accounting policies applied in Note No. (3) "Material Accounting Policy Information". Furthermore, these financial statements have been prepared using the accrual basis of accounting and going concern basis. The assets and liabilities in the statement of financial position have been presented based on relative liquidity, with current assets shown before non-current assets and current liabilities shown before non-current liabilities. This presentation is considered to provide more relevant and reliable information given the nature of the Company's activities in securities trading and investment management, in accordance with the requirements of International Accounting Standard (IAS) 1.

##### **Accounting records**

The company maintains regular accounting records on the computer and in Arabic language.

##### **Functional and presentation currency**

The financial statements are presented in Saudi Arabian Riyals which is the functional currency of the company and are rounded to nearest Saudi riyal.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **3 - Significant accounting policies**

The company has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise stated. Additionally, the company adopted the disclosure of accounting policies (amendments to International Accounting Standard 1 and International Financial Reporting Standard Practice Statement 2) effective January 1, 2024. The amendments require disclosure of "Significant" accounting policies instead of "Essential" accounting policies. Although the amendments did not result in any changes to the accounting policy itself, they impacted the information of the accounting policy disclosed in some instances.

#### **A- New Standards, Amendments to Standards, and Interpretations:**

The company adopted the following new standards and amendments for the first time, effective January 1, 2024:

- **Amendments to International Financial Reporting Standard 16 – Lease Liabilities in Sale and Leaseback Transactions**

These amendments include requirements for sale and leaseback transactions in International Financial Reporting Standard 16 to clarify the company's accounting for sale and leaseback transactions after the transaction date. Sale and leaseback transactions in which some or all lease payments are considered variable lease payments are likely to be affected.

- **Amendments to International Accounting Standard 1 – Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current:**

These amendments explain how compliance with conditions that the company must comply with during the twelve months after the reporting period affects the classification of liabilities. These amendments also aim to improve the information provided by the company regarding liabilities subject to these conditions.

- **Amendments to International Accounting Standard 7 and International Financial Reporting Standard 7 – Supplier Finance Arrangements**

These amendments require disclosures to enhance the transparency of supplier financing arrangements and their effects on the entity's liabilities, cash flows, and exposure to liquidity risk.

The adoption of the above-mentioned amendments has no material impact on the financial statements for the year

#### **B- Unapplied Issued Standards**

The following is a statement of new standards and amendments to standards applicable to years beginning on or after January 1, 2025, with early adoption permitted but not applied by the company in preparing these financial statements. It is not expected that these amendments will have a material impact on the company's financial statements:

- **Amendments to IAS 27 – Separate Financial Statements: Lack of Convertibility**

The company is affected by the amendments when it has a transaction or operation in a foreign currency that is not convertible into another currency at a measurement date for a specific purpose.

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

- Clarification of the timing requirements for the recognition and derecognition of certain financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarification and addition of further guidance for assessing whether a financial asset meets the criteria of only making payments of principal and interest.
- Introduction of new disclosures for certain instruments with contractual terms that may change cash flow (such as some instruments with features linked to achieving environmental, social, and governance)
- Updates to disclosures for equity instruments designated at fair value through other comprehensive income.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **3- Significant accounting policies (continued)**

##### **B- Unapplied Issued Standards (continued)**

- **International Financial Reporting Standard (IFRS) 18, "Presentation and Disclosure in Financial Statements"**

- Structure of the Statement of Profit or Loss,
- Disclosures Required in Financial Statements for Certain Profit or Loss Performance Metrics Reported Outside the Financial Statements (i.e., Management-Defined Performance Metrics).
- Enhancing Aggregation and Classification Principles Applied to Financial Statements and Notes in General

The company evaluates the effects of the mentioned standards, amendments, and interpretations on its financial statements.

##### **C- Summary of significant accounting policies:**

###### **Classification of current and non-current**

The company classifies assets and liabilities in its financial statements as current/non-current. Assets are considered current when:

- They are expected to be realized, sold, or consumed during the normal operating cycle,
- Acquired primarily for trading purposes,
- Expected to be realized within twelve months after the end of the financial year, or
- Cash and cash equivalents unless there are restrictions on their use or they are earmarked for settling obligations for at least twelve months after the end of the financial year.

All other assets are classified as non-current assets.

All liabilities are considered current when:

- They are expected to be settled within the normal operating cycle,
- Acquired primarily for trading purposes,
- Due for settlement within twelve months after the end of the financial year, or
- there is no unconditional right to defer settlement for at least twelve months after the end of the financial year.

All other Liabilities are classified as non-current Liabilities.

###### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, balances with banks, and short-term Murabaha transactions that are due within three months or less from the date of deposit and are subject to insignificant risk of changes in value.

###### **Fair Value Measurement**

The company measures financial instruments at fair value as of the date of each financial statement.

The fair value is the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability will occur either:

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

The Main market or the most advantageous market must be accessible to the company.

The fair value of assets or liabilities is measured assuming that market participants would benefit when pricing these assets and liabilities and that they seek to maximize their economic interests.

The company uses appropriate valuation methods considering the circumstances, and sufficient data is available to measure fair value. It increases the use of observable inputs and decreases the use of unobservable inputs.

All assets and liabilities measured at fair value or disclosed in the financial statements are classified within the fair value hierarchy levels as follows, based on the significant inputs used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques that utilize significant observable inputs directly or indirectly.

Level 3: Valuation techniques that utilize significant unobservable inputs.

For assets and liabilities measured at fair value on a recurring basis, the company reassesses whether transfers between hierarchy levels have occurred by reevaluating the classification (based on significant inputs used to measure fair value as a whole) at the end of each reporting period

For disclosure purposes, the company has identified categories of assets and liabilities based on the nature, characteristics, and risks of the assets and liabilities and the fair value hierarchy levels.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **3- Significant accounting policies (continued):**

##### **C- Summary of significant accounting policies (continued):**

###### **Financial Instruments**

###### **Recognition and derecognition**

Assets and liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to cash flows from the financial asset expire, or when the financial asset is transferred along with substantially all of the risks and rewards of ownership.

Recognition of a financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument.

Recognition of financial assets ceases when contractual rights to receive cash flows from the financial asset expire, or when the financial asset is transferred along with all its risks and rewards substantially.

###### **The initial recognition and classification of financial assets**

All financial assets are initially measured at fair value adjusted for transaction costs, if any.

Financial assets, excluding those designated and effective as hedging instruments, are classified into the following categories:

- Amortized Cost.
- Fair Value through Profit or Loss.
- Fair Value through Other Comprehensive Income.

The classification category is determined by both:

- The company's business model in managing financial assets.
- The contractual cash flow characteristics of the financial assets.

All revenues and expenses related to financial assets recognized in profit or loss are presented within finance costs or finance income or other financial items.

###### **Subsequent measurement of financial assets.**

###### **Financial assets at amortized cost**

Financial assets are measured at amortized cost if the following conditions are met (and not designated as fair value through profit or loss):

- They are held within a business model with the objective of both collecting contractual cash flows and managing financial assets.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortized cost using the effective interest rate method. The discount is derecognized when its effect is not significant. Included in this category of financial instruments are balances with banks and creditors falling within this category of financial assets.

###### **Financial assets at fair value through profit or loss**

Financial assets that are held within a different business model other than "hold for collection" or "hold for collection and sale" and financial assets whose contractual cash flows are not limited to principal payments and accrued interest are measured at FVTPL.

The fair value of financial assets in this category is determined by reference to an active market transaction or by using a valuation technique when there is no active market.

###### **Financial assets at fair value through other comprehensive income**

The company calculates financial assets at fair value through other comprehensive income if the assets fulfill the following conditions:

- It is held within a business model that aims to conserve in order to collect and sell associated cash flows.
- That the contractual terms of the financial assets result in cash flows limited to payments of principal and interest due on the amount of principal non-outstanding debt.

Gains or losses recognized in other comprehensive income will be transferred when the asset is derecognized.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **3 - Significant accounting policies (continued):**

##### **c- Summary of significant accounting policies (continued):**

###### **Financial Instruments (continued):**

###### **Impairment of financial assets**

The impairment requirements of IFRS 9 use more forward-looking information to recognize the Expected Credit Loss (ECL) model.

Recognition of credit losses no longer depends on the company's initial determination of a credit loss event. Instead, the company considers more extent for the range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportive forecasts that affect the expected collectability of the future cash flows of the instrument.

###### **When applying this prospective approach, a distinction is made between:**

- Financial instruments not had a significant credit quality deterioration since initial recognition, or that have low credit risk (level 1).

- Financial instruments whose credit quality has significantly decreased since initial recognition and whose credit risk is not low (level 2).

Level 3 covers financial assets that have objective evidence of impairment at the reporting date. However, none of the company's assets fall into this category.

"12 months of expected credit losses" are recognized for the first category while "lifetime ECLs" are recognized for the second category.

The ECL is determined by estimating the likely probability of credit losses over the expected life of the financial instrument.

The Company recognizes a 12-month expected credit loss for financial assets at FVOCI (if any). Since most of these instruments have good credit rating, the probability of their neutrality is low. However, at each reporting date, the Company evaluates whether there has been a significant increase in the credit risk of the instrument. The Company recognizes a 12-month expected credit loss for financial assets at FVOCI (if any). Since most of these instruments have good credit rating, the probability of their neutrality is low. However, at each reporting date, the company evaluates whether there has been a significant increase in the credit risk of the instrument.

###### **Disposal of financial assets**

The Company dispose the financial assets only when the contractual rights to cash flows from the assets expire or it transfers the financial assets and the risks and rewards of ownership to another party. If the company does not transfer or retain substantially all the risks and rewards of ownership of the assets, then the company continues to recognize its share in the assets and liabilities associated with the financial assets to the amounts that it may have to pay.

###### **Accounts receivable**

Accounts receivable are amounts due from customers for products sold in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit loss in value, which is recognized in the statement of profit or loss.

###### **Expected credit loss**

The Company uses a model to estimate expected credit losses over the lifetime for financial instruments that have not had their credit value adjusted or have experienced a decrease in credit value based on changes in credit risks associated with the financial instrument. The Company utilizes a simplified model using a dedicated matrix to measure expected credit losses for outstanding balances. To measure expected credit losses, outstanding balances are aggregated based on common credit risk characteristics and the periods in which they are due. Historical loss rates are adjusted to reflect current and future information based on indicators of overall economic activity that affect the settlement of outstanding balances.



## OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 3- Significant accounting policies (continued):

##### C-Summary of significant accounting policies (continued):

###### **Related parties**

The related party is an individual or entity that has a relationship with the company. An individual is considered related if they have control or significant influence over the company or if they are a member of the key management personnel. An entity is considered related if it and the company are members of the same group, such as a parent company, subsidiary, fellow subsidiary, or entities engaged in a joint venture, or if both entities are joint ventures with a third party.

The transaction with related parties involves the transfer of resources, services, or obligations between the group and the related party, regardless of whether a price is charged. Key management personnel are individuals with authority and responsibility for planning and directing the activities of the group, and they have direct or indirect control over the group's operating activities, including the manager.

###### **Loans to customers**

Loans to customers are non-derivative financial assets with fixed or determinable payments that the company originates or acquires. Loans are recognized when cash is advanced to borrowers and derecognized when borrowers settle their obligations or when these loans are sold, written off, or when all risks and rewards of ownership are transferred. Initially, all loan transactions are recognized at fair value and subsequently measured at amortized cost. The funds provided to customers are invested in the funds and investment portfolios managed by the company.

###### **Financial Liabilities**

Financial liabilities are classified either at amortized cost or at fair value through profit or loss.

All financial liabilities of the company have been classified and measured at amortized cost using the effective interest method. The company does not have any financial liabilities at fair value through profit or loss.

###### **Property, plant and equipment**

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses. The cost includes expenses directly attributable to the acquisition of property, plant and equipment. When parts of a property, plant and equipment item have different useful life, they are computed as a separate item (main component) of property, plant and equipment. Repair and maintenance expenses are considered as revenue expenses, while improvement expenses are considered capital expenditures. The depreciation is calculated on the basis of its estimated useful life using the straight-line method. The sold or disposed asset and its accumulated depreciation are removed from the accounting records at the date of sale or disposal.

The estimated useful life for the main items of these property, plant and equipment is as follows:

| <b>Description</b>            | <b>Useful life</b> |
|-------------------------------|--------------------|
| Equipment                     | 20%                |
| Furniture and fixtures        | 15%                |
| Vehicles                      | 25%                |
| Computers                     | 33%                |
| Telecommunications and others | 25%                |

###### **The annual review of depreciation values and useful lives**

The book value of an asset is the estimated current amount that the company can obtain upon disposal of the asset, after deducting the estimated disposal costs, if the asset has already reached the expected age and condition at the end of its useful life.

The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and useful life are in line with the expected economic benefits from property, plant and equipment.

# OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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### 3- Significant accounting policies (continued):

#### C-Summary of significant accounting policies (continued):

##### **Impairment of non-current assets**

The Company, on the date of preparing the initial summarized financial statements, evaluates whether there are any indicators of a decrease in the value of assets. In the presence of any such indicators or when an annual impairment test is needed, the company estimates the recoverable amount of the assets. The recoverable amount is represented by the fair value of the assets or the cash-generating unit, less the selling cost or the value in use for the assets, whichever is higher. It is determined for individual assets if the assets generate significant cash flows independently of the cash flows generated by other assets or groups of assets. When the carrying amount of the assets or cash-generating unit exceeds the recoverable amount, the value of the assets must be reduced to the recoverable amount.

When estimating the present value, the estimated future cash flows are discounted to their present value using the post-Zakat discount rate, which reflects the current market estimates of the time value of money and the risks associated with the assets.

Impairment losses for continuing operations, including the impairment of goodwill if applicable, are recognized in the primary summary profit or loss statement, within expenses and in line with the function of the assets that have suffered impairment.

Regarding non-goodwill assets, at the date of each summary initial financial statements, the company conducts an assessment to ensure that there is evidence that previously recognized impairment losses no longer exist or have decreased. If such evidence exists, the company estimates the recoverable amount for the assets or cash-generating unit. The reversal of a previously recognized impairment loss is made only if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized.

The reversal of the impairment loss is recognized in the primary summary profit or loss statement

In the case of reversing impairment losses for non-financial assets other than goodwill, the carrying amount of the assets (or the related group of assets) is increased to the revised estimate of the recoverable amount, but not exceeding the amount that would have been determined if no impairment loss had been recognized for the assets (or the related group of assets) in prior years. The reversal of the impairment loss is directly recognized in the primary summary profit or loss statement.

##### **Intangible assets**

Intangible assets acquired separately are recognized at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

After initial recognition, intangible assets are stated at cost less any accumulated amortization and any accumulated impairment losses, if any. Intangible assets produced internally, with the exception of development costs, are not capitalized, and expenses are recognized in the statement of profit or loss when incurred.

The useful lives of intangible assets are estimated to be either finite or indefinite.

##### ***Intangible assets with finite useful lives***

The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at the end of each financial period. Changes in the expected useful life or the expected method of amortization of future economic benefits for the intangible assets are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense for intangible assets with finite useful lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

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

| Description                                      | Percentage |
|--------------------------------------------------|------------|
| Financial analysis and asset management software | 20%        |

## OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 3- Significant accounting policies. (continued):

##### C-Summary of significant accounting policies (continued):

###### **Right of use assets and leases obligations**

The Company has recognized new assets and liabilities for its operating leases for various types of contracts including office lands and leases. Each rental payment is apportioned between the liability and the finance cost. The finance cost is charged to the statement of profit or loss over the lease term so that a constant periodic rate of interest is achieved on the remaining balance of the liability for each period. The right to use the asset is amortized over the useful life of the asset or the lease term, whichever is shorter, on a straight-line basis.

**Right of use assets**, is initially recognized:

- The initial measurement amount of the lease obligation that is the present value of future lease payments;
- Any lease payments made on or before the starting date of the lease contract minus any lease incentives received;
- Any initial direct costs incurred by the Company as a lessee;
- An estimate of the costs that the Company will incur as a lessee to dismantle and remove the assets, and return the site where the asset is located to the original state.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease obligation.

The Company depreciates the right-of-use asset over the estimated term of the lease on a straight-line basis.

The **lease liability** is subsequently measured as follows:

- Increasing the carrying amount to reflect the interest on the lease obligation;
- Reducing the carrying amount to reflect rental payments;
- Re-measure the carrying amount to reflect any revaluation or amendments to the lease agreement.

The Company separates the amounts paid into the original portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

In accordance with International Financial Reporting Standard No. (16), “right-to-use assets” are tested for impairment in accordance with International Accounting Standard No. 36 “Impairment of Assets”.

###### **Lease term**

The Company defines the lease term as the irrevocable period in the lease agreement along with:

- the periods covered by the option to extend the lease contract if the Company is reasonably certain that it will exercise that option;
- The periods covered by the option to terminate the lease agreement if the Company is reasonably certain that it will not exercise this option.

With regard to short-term leases (lease term of 12 months or less) and low-value contracts, the Company recognized the rental expense on a straight-line basis as permitted in IFRS 16.

## OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3- Significant accounting policies (continued):

##### C-Summary of significant accounting policies (continued):

##### **Right of use assets and leases obligations (continued):**

##### **Lease contracts**

##### *Company as a lessee*

The company establishes the origin (right of use) and lease commitment as of the lease contract commencement date. Initially, the origin (right of use) is measured at cost, which includes the initial amount of the modified lease commitment for any lease payments made on or before the commencement date. Subsequently, the consumption of the origin (right of use) is recognized using the straight-line method from the lease contract commencement date to the end of the productive life of the origin (right of use) or the end of the lease term, whichever is earlier. The estimated productive lives of the origin (right of use) are determined on the same basis used for property, plant, and equipment. In addition, the origin (right of use) is periodically reduced by impairment losses, if any.

The lease commitment is initially measured at the present value of the lease payments that are not yet paid as of the lease contract commencement date. These payments are discounted using the implicit interest rate in the lease contract. If determining this rate reliably is difficult, the company utilizes the incremental borrowing rate.

##### *Short-term and Low-value lease contracts*

The company has chosen not to recognize the asset (right of use) and lease liabilities for short-term lease agreements with a duration of 12 months or less, as well as low-value lease agreements. Instead, these are classified as operating lease contracts. The company recognizes the lease payments associated with these agreements as expenses in the profit and loss statement on a straight-line basis over the lease term.

Lease contracts where the company does not transfer all the risks and rewards of ownership of the underlying assets are classified as operating leases. The initial direct costs incurred in negotiating and preparing the operating lease agreement are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the recognition of lease income. Contingent rents are recognized as other income in the period in which they are earned.

##### **Loans**

Loans are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the loans using the effective interest rate method. Fees paid on loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In such cases, these fees are deferred until the facility is drawn down. When there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalized as prepaid expenses for liquidity services and amortized over the period of the related facility.

Loans are settled from the initial summarized financial statements when the specified commitment in the contract expires, is fulfilled, or is canceled. The difference between the carrying amount of the financial liability that has been settled or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the income statement and other comprehensive income in the initial summarized financial statements as other income or finance costs.

##### **Borrowing Cost**

The capitalization of borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset involves treating these borrowing costs as part of the cost of that asset. Qualifying assets are those that necessarily require a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the profit and loss statement in the period incurred.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **3- Significant accounting policies (continued):**

##### **C-Summary of significant accounting policies (continued):**

###### **Employees' benefits**

###### **- End of service benefits**

The end of service benefits provision is determined using the projected unit credit method, actuarial valuations being carried out at the end of annual reporting period. Remeasurements, comprising actuarial gains and losses, are recorded in the statement of financial position with charge of expenses and credit amounts in the statement of other comprehensive income in the period in which they occur. Remeasurements recognized in the condensed interim statement of other comprehensive income are recorded immediately in retained earnings and will not be reclassified to the condensed interim statement of profit or loss.

###### **- Retirement benefits**

The company pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

###### **- Short-term Employee's benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

###### **Provisions**

Provisions must be recognized when the company has a present obligation (legal or implicit) as a result of a past event, and it is probable that it will require an outflow of resources with economic benefits to settle this obligation, and that an estimate of the amount of the obligation can be made in a reliable manner. When a recovery is expected (by a third party) for some or all of the expenditure required to settle a provision (through an insurance contract), The recovered amount is recognized only when it is certain that the recovered amount will be received if the entity settles the obligation, and this recovered amount is recognized as a separate asset. The expense relating to the provision is presented in the statement of profit or loss, net of the amount recovered.

###### **Zakat provision**

Estimated zakat is an obligation on the company and it is recorded in the financial statements by charging it to the statement of profit or loss in accordance with the standard of zakat and the opinion issued by the Saudi Organization for Auditors and Accountants, where it is calculated for the year in estimation according to the accrual basis.

Zakat is computed at the end of the year on the basis of the adjusted net income or the Zakat base, whichever is greater, according to the regulations of Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia. Differences between the provision and the final assessment are recorded in the year in which the assessment is received.

###### **Value added tax**

Value-added tax has been applied in the Kingdom of Saudi Arabia, starting from January 1, 2018 (Rabi` al-Thani 14, 1439 AH). It is a tax on the supply of goods and services that the final consumer ultimately bears but is collected at every stage of the production and distribution chain as a general principle, therefore; the value-added tax treatment in the Company's accounts must reflect its role as a tax collector, and VAT should not be included in income or expenditures, whether of a capital or revenue nature. However, there will be circumstances in which the Company will bear VAT, and in such cases where the VAT is not refundable, it must be included in the cost of the product or service.

###### **Withholding tax**

The Company collects taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **3- Significant accounting policies (continued):**

##### **C-Summary of significant accounting policies (continued):**

###### **Revenue recognition**

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

- 1- Defining the contract with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights or obligations and defines the criteria that must be met.
- 2- Defining performance obligations in the contract: A performance obligation is a promise with a customer to transfer a good or provide a service.
- 3- Determining the transaction price: the transaction price is the amount of consideration that the Company expects to achieve in return for transferring the promised goods or services to the customer, excluding the amounts collected on behalf of third parties.
- 4- Allocate a price to the transaction: performance obligations in the contract: for a contract that contains more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that determines the amount of consideration that the Company takes, specifying the amount of consideration that the Company expects to receive in exchange for fulfillment with all commitment.
- 5- Recognize revenue when (as) the entity satisfies the performance obligation.

###### Identify contracts with the client

The Company evaluates the terms and conditions of contracts with its customers because revenue is only recognized when performance obligations in contracts with customers are met. A change in the scope or price (or both) of a contract shall be considered as a modification of the contract and the Company should determine whether such change should be considered as a new contract or should be considered as part of the existing contract.

###### Identify performance obligations

Once the Company has identified a contract with a customer, it evaluates the contractual terms and customary business practices to determine all of the agreed services under the contract and which of those agreed services (or a group of agreed services) to be treated as separate performance obligations.

###### Determine the transaction price

The Company sets the transaction price as the amount it expects to receive. It includes an estimate of any variable consideration, the effect of the time value of money, the fair value of any non-monetary consideration, and the effect (if any) of any consideration paid or due to a customer. Variable consideration is limited to the amount for which there is a high probability that a significant reversal will not occur when the uncertainties associated with the variation have been resolved.

###### Allocation of transaction price

When determining the performance obligations and the transaction price, the transaction price is allocated to the performance obligations, usually in proportion to their stand-alone selling prices (on the basis of the relative stand-alone selling price). In determining standalone selling prices, the Company shall use observable information, if available. If standalone selling prices are not directly observable, the Company uses estimates based on reasonably available information.

###### Revenue recognition

Revenue is recognized only when the Company satisfies a performance obligation by transferring control of an agreed service to a customer. It is possible to transfer control over time or at a specific time. When a performance obligation is satisfied over a period of time, the Company determines the progress under the contract based on the input or output method which serves as the best measure of performance completed to date. The specified method is applied consistently to similar performance obligations and in similar circumstances.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

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### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **3- Significant accounting policies (continued):**

##### **C-Summary of significant accounting policies (continued):**

###### **Revenue recognition (Continued):**

###### **Management fees for portfolios and financial funds**

Management fees for portfolios and financial funds are recognized on the dates of their realization according to the agreements concluded with the entities owning these portfolios, and the terms and conditions for those funds are recognized, and revenues resulting from consulting fees and financial information are recognized upon the provision of the service.

###### **Brokerage fees**

Brokerage service revenues in stocks are recognized in the period of their realization, and revenues from services provided to clients, such as internet services and consultancy services, are recognized upon the provision of these services.

###### **Murabaha Income**

Are recognized based on the terms of the contracts concluded with clients based on the amounts of the murabaha and their duration.

###### **Revenues related to positive portfolio performance**

Revenues related to positive portfolio performance fees are recognized according to the contract concluded with each client, determining the value of positive portfolio performance.

###### **Other Revenues**

Other revenues are recognized upon their realization.

###### **General and administrative expenses**

General and administrative expenses consist of direct and indirect costs that are not related to cost of revenue. Expenses should be apportioned on a consistent basis between general and administrative expenses and cost of revenue - whenever necessary. These expenses mainly include employee costs, other benefits for employees, bonuses and allowances for directors, maintenance fees, rental expenses, insurance, professional fees, and other.

###### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to recognize the assets and settle the obligations simultaneously.

###### **Earnings per share**

Basic earnings per share is calculated as the company is in profits so profit / loss for the period by the weighted average number of shares outstanding at the end of the year. Basic loss per share from main operations is calculated by dividing the net loss from main operations by the weighted average number of shares outstanding at the end of the period.

###### **Foreign currency transactions**

Transactions in foreign currencies are carried out into Saudi Riyals at the exchange rates prevailing at the time of the transaction. Monetary assets and liabilities in foreign currencies as at the date of the statement of financial position are converted into Saudi riyals at the rates prevailing at the end of the year. Gains and losses arising from repayments or foreign currency exchange are included in the statement of profit or loss.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

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### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **3- Significant accounting policies information (continued):**

##### **C-Summary of significant Accounting Policies (continued):**

###### **Operating segments:**

###### **Operating Sector**

The operating sector is one of the components of the company that engages in activities generating revenues and incurring expenses, including revenues and expenses related to transactions with any of the company's other sectors. All sector results are periodically evaluated by operational decision-makers to make informed decisions, assessing the performance of resources allocated to each sector and the financial information available separately.

The company does not have operating sectors, as all revenues from its activities are generated through a single operating sector. Therefore, there are no operating sectors to disclose.

###### **Geographical Sector**

The geographical sector is a group of assets, operations, or facilities engaged in profitable activities within a specific economic environment subject to different risks and returns than those operating in other economic environments.

The company does not have geographical sectors, as all revenues from its activities are generated within the Kingdom of Saudi Arabia. Therefore, there are no geographical sectors to disclose.

#### **4- Use of assumptions and estimates:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Estimates and related assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized prospectively.

##### **Uncertainty of assumptions and estimates**

Below are the assumptions and uncertain estimates that entail significant risks and result in material adjustments to the carrying amounts of assets and liabilities:

###### **Fair value**

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 a transaction takes place between the asset, or transfer of the liability, that 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.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in the best and highest possible use of the asset, or by selling it to another market participant that would use the asset in the best and highest possible use of the asset.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted market prices in active markets for the same financial instruments.

Level 2: Valuation techniques that rely on inputs that affect the fair value that are directly or indirectly observable in the market.

Level 3: Valuation techniques that rely on fair value inputs that cannot be directly or indirectly observed in the market.



## OSOOL AND BAKHEET INVESTMENT COMPANY

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### NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4- Use of assumptions and estimates (continued):

##### Uncertainty of assumptions and estimates (continued):

###### Going Concern.

The Company's management made an assessment for its ability to continue as a going concern and concluded that it has the resources to continue its activity in the foreseeable future. In addition, the management is not aware of any material uncertainty that may cast doubt on the ability of the Company to continue according to the going concern basis. Accordingly, the financial statements have been prepared on the going concern basis.

###### Investment entities and determining control and consolidation of financial statements.

IFRS 10 "Consolidated Financial Statements" introduces an exception to the principle of consolidating subsidiaries. It requires an investment entity (the parent entity) to measure its subsidiaries at fair value through profit or loss, in accordance with IFRS 9, instead of consolidating those subsidiaries, provided that the entity meets the definition of an investment entity based on the following criteria, in addition to the characteristics outlined below:

- The company obtains funds from multiple investors with the purpose of providing these investors with investment management services.
- The company is committed to its investors that its business purpose is solely to invest funds in order to achieve returns from capital appreciation, investment income, or both,
- The company measures and evaluates the performance of all its investments on a fair value basis.

To determine that the company meets the definition of an investment entity, further consideration is given to the following characteristics of an investment entity that the company exhibits:

- It holds more than one investment.
- It has more than one investor.
- It has investors who are not related parties.
- It has ownership interests in the form of equity or similar interests.
- It holds its investments for a limited period only, meaning it has an exit strategy for its investments.

Furthermore, for subsidiaries that perform a supporting function for the parent company, control is established when:

- It has control over the investee company.
- It is exposed to, or has rights to, variable returns from its involvement with the investee company, and
- It has the ability to use its power over the investee company to affect the amount of returns to the investors.

The company reassesses whether it controls the investee company if facts and circumstances indicate changes in one or more of the three control elements listed above.

The company also serves as the fund manager for several investment funds. When determining whether the company controls these funds, the focus is usually on the overall economic interests of the company in the fund, including expected management fees and any other gains. Since investors have the right to remove the fund manager, the company concludes that it acts as an agent for the investors in all cases and therefore does not consolidate these funds in its financial statements.

###### Useful life or residual value or depreciation or amortization method of property, machines, and equipment and intangible assets

The Company's management estimates the estimated useful life of property, machines, and equipment and intangible assets. This estimate is determined after consider the expected use of the asset or damage and the natural obsolescence. Management reviews the useful life or residual value or depreciation or amortization method of property, machines, and equipment annually, whereby future depreciation or amortization is modified when management believes that the useful life, residual value or depreciation or amortization method is different from that used in previous periods.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

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### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **4- Use of assumptions and estimates (continued)**

##### **Uncertainty of assumptions and estimates (continued):**

###### *Impairment of non-financial assets*

The Company's management periodically reviews the book value of non-financial assets to determine whether there is any indication that such assets may be subject to any impairment loss. If there is any indicator, the recoverable amount of assets is estimated to determine the extent of impairment loss. When it is not possible to estimate the recoverable amount of assets individually, the Company estimates the recoverable amount of the cash generating unit to which the assets belong. If the amount of recoverable assets is estimated to be below its book value, the book value of the asset decreased to its recoverable value, and the impairment loss is recognized in the statement of profit or loss.

###### *Discount rate for leases contracts*

The Company cannot easily determine the interest rate implicit in the lease, and therefore, it uses the default borrowing rate to measure lease liabilities. The default borrowing rate is the interest rate that a Company would have to pay in order to borrow the necessary financing over a similar period and with the same collateral to obtain an asset of the same value as the Right to Use asset in a similar economic environment. Therefore, the default borrowing rate reflects what the company "has to pay" which requires an estimate when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the default gearing rate using observable inputs (such as market interest rates) when available and this requires making some of its own estimates.

###### *Extension and termination options in lease contracts*

Extension and termination options are included in a number of lease contracts. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable by both the Company and the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option, or not to exercise the termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or significant change in circumstances occurs that affects this assessment and is within the lessee's control.

###### *Expected credit losses*

The Company uses the allowance schedule to calculate expected credit losses for receivables. Provision rates are calculated based on days past due for groups of different customer segments with similar loss patterns (i.e. by customer type, classification and coverage by letters of credit and other forms of credit insurance), and the provision schedule is initially calculated on the basis of the Company's observed historical late payment loss rates. The Company will calibrate the table with the aim of adjusting historical credit loss experience with expected information for example, if economic conditions are expected to deteriorate over the following year, which could result in an increased number of delinquencies, historical loss rates are adjusted. At each financial statement date, historical observed loss rates are updated, and changes in expected estimates are analyzed. Assessing the relationship between historical observed late payment loss rates, expected economic conditions, and expected credit losses is an important estimate. The amount of expected credit losses is sensitive to changes in circumstances and expected economic conditions. The Company's historical credit loss experience and expected economic conditions may also not represent an actual loss to customers in the future.

###### *Decrease in the value of amounts due from related parties*

Amounts due from related parties are stated at amortized cost, and are reduced by appropriate provisions for estimated non-recoverable amounts.

###### *Contingent liabilities*

By their nature, contingent liabilities will only be settled upon the occurrence or non-occurrence of a future event or events. Evaluating such contingent liabilities essentially involves the exercise of significant judgments and estimates of future events.

## **OSOOL AND BAKHEET INVESTMENT COMPANY**

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### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **4- Use of assumptions and estimates (continued)**

##### **Uncertainty of assumptions and estimates (continued):**

##### Employee benefits

The costs of employees' end-of-service plans and the present value of the end-of-service benefit obligations are determined using actuarial valuations. Actuarial valuations include assumptions that may differ from actual developments in the future. It includes determining the discount rate, future salary increases, mortality rate and future increases in pensions. Given the complexities involved in the valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the reporting date.

##### Zakat

In calculating zakat for the current year, the Company adjusted its net profit and applied a certain discount to its zakat to calculate zakat expenses. The Company has made the best estimates of these assumption.

**OSOOL AND BAKHEET INVESTMENT COMPANY**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
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**5- Cash and cash equivalents**

|                | <b>31 December 2024</b> | 31 December 2023 |
|----------------|-------------------------|------------------|
| Cash at banks* | <b>81,050,212</b>       | 75,791,488       |
| Cash on hand   | -                       | 10,345           |
|                | <b>81,050,212</b>       | 75,801,833       |

\*Cash at banks includes an amount of 77,000,000 Saudi Riyals as of 31 December 2024 (2023: 20,000,000 Saudi Riyals), represented in Murabaha contracts with a maturity period of three months from the date of engagement in one of the local banks at an annual profit rate varies between 4.5% - 6.5% determined based on the duration of the deposits. The returns on these Murabaha contracts are included in other revenues in the profit or loss statement (Note 23).

Bank balances and deposits are held with counterparties that have a high credit rating according to the rating methodology of Standard & Poor's and Moody's.

**6- Financial investment at fair value through profit or loss**

a- The following is the movement in financial investments at fair value through profit or loss as of:

|                                      | <b>31 December 2024</b> | 31 December 2023 |
|--------------------------------------|-------------------------|------------------|
| Balance as of beginning of the year  | <b>129,445,139</b>      | 73,597,866       |
| Investments added during the year    | <b>2,580,671</b>        | 11,319,590       |
| Investments disposed during the year | <b>(30,403,778)</b>     | (938,081)        |
| Change in fair value                 | <b>22,570,288</b>       | 45,465,764       |
| Balance as of ending of the year     | <b>124,192,320</b>      | 129,445,139      |

b- The financial investments at fair value through profit or loss consist of listed and unlisted companies and funds as follows:

|                                                               | <b>31 December 2024</b> | 31 December 2023 |
|---------------------------------------------------------------|-------------------------|------------------|
| <b>Investments – current portion</b>                          |                         |                  |
| OBIC SV Limited (level 3)                                     | <b>31,434,049</b>       | 20,404,899       |
| Investments in listed companies on active market (level 1).   | <b>7,410,898</b>        | 17,771,436       |
| Osool & Bakheet Trading Fund in the Parallel Market (level 1) | <b>6,044,716</b>        | 3,518,900        |
| RG 1 - Series 2B (Lucidia) (level 3)                          | <b>3,280,597</b>        | 976,027          |
| RG 1 - Series 1S (Crasty) (level 3)                           | <b>2,242,677</b>        | 2,474,949        |
| AlMa'ther RAIT Fund (level 1)                                 | <b>3,325,764</b>        | 3,273,141        |
| Osool & Bakheet - iMENA Rua' for Growth 1 (level 2)           | <b>2,722,975</b>        | 2,452,015        |
| RG 1 - Series 1S (Crasty) Class B (3) (level 3)               | <b>898,070</b>          | 991,083          |
| RG 1 - Series 6B (ZenHR) (Level 3)                            | <b>761,836</b>          | 375,030          |
| RG 1 - Series 4A (The cloud) (Level 3)                        | -                       | 343,436          |
| Tarabut Co- IT Solutions (Level 3)                            | <b>87,970</b>           | 88,383           |
|                                                               | <b>58,209,552</b>       | 52,669,299       |

**Investment – non current portion**

|                                                     |                    |             |
|-----------------------------------------------------|--------------------|-------------|
| Creative Future for Digital Brokerage (level 3) - e | <b>65,982,768</b>  | 76,775,840  |
|                                                     | <b>124,192,320</b> | 129,445,139 |

c- During the period, the Company received cash dividends from investments accounted for at fair value through profit or loss for shares in listed companies, amounting to SAR 889,939 (2023: SAR 363,452).

d- During the period, the company sold an investment at a netbook value of SAR 30,403,778 for a consideration of SAR 29,768,538. as a result, the Company recognized a loss of SAR 635,240 in the summarized profit or loss statement for the year ended 31 December 2024 (2023: Net book value: SAR 938,081 compared to SAR 947,631 and the gain realized from the sale: SAR 9,550).

e- Creative Future for Digital Brokerage is a subsidiary of Osool and Bakheet Investment Company with an ownership percentage of 59.66% (2023: 80%), where the Company has direct control of 59.66% and indirect control of 11.2% of the ownership rights of the Company and Its activity is in digital brokerage. This investment has been measured at fair value through profit or loss. During 2020, the Company established Creative Future for Digital brokerage with a capital of 10,000 Saudi Riyals. During the year 2021, the Company amended the establishment contract to increase the company's capital to 2,000,000 Saudi Riyals. In 2023, the Company amended the establishment contract again to increase the Company's capital to 10,000,000 Saudi Riyals by transferring 6,000,000 Saudi Riyals from the Company's current account and 2,000,000 Saudi Riyals from other shareholders. The market value of the Company as of 31 December 2024, amounted to 65,982,768 Saudi Riyals (2023: 76,775,840 Saudi Riyals). During 2024, the Company sold a portion of its shares in the capital of Future Creativity Digital Brokerage Company to minority shareholders. As a result, the Company's ownership in the investee decreased to 59.66% as at 31 December 2024 (2023: 80%).

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**7- Accounts receivable, net**

A- This balance consists of:

|                            | <b>31 December 2024</b> | 31 December 2023 |
|----------------------------|-------------------------|------------------|
| Accounts receivable        | <b>7,359,774</b>        | 7,180,643        |
| Expected credit losses - B | <b>(1,724,449)</b>      | (4,818,555)      |
|                            | <b>5,635,325</b>        | 2,362,088        |

B- The following is the movement in expected credit losses:

|                                        | <b>31 December 2024</b> | 31 December 2023 |
|----------------------------------------|-------------------------|------------------|
| Balance, at the beginning of the year  | <b>4,818,555</b>        | 22,607           |
| Charge during the year                 | -                       | 4,795,948        |
| Reversed during the year               | <b>(3,094,106)</b>      | -                |
| <b>Balance, at the end of the year</b> | <b>1,724,449</b>        | 4,818,555        |

C- The Following is the aging for receivables:

|                         | <b>31 December 2024</b> | 31 December 2023 |
|-------------------------|-------------------------|------------------|
| Up to 6 months          | <b>4,405,849</b>        | 2,114,199        |
| From 6 to 9 months      | <b>54,675</b>           | 50,379           |
| From 9 months to a year | <b>52,500</b>           | 198,065          |
| More than 1 year        | <b>2,846,750</b>        | 4,818,000        |
|                         | <b>7,359,774</b>        | 7,180,643        |

D- The following is the analysis of the provision for expected credit losses for the year ended as:

| <b>31 December 2024</b> | <b>Book value</b> | <b>Expected credit loss rate</b> | <b>Expected credit loss</b> |
|-------------------------|-------------------|----------------------------------|-----------------------------|
| To 6 Months             | <b>4,405,849</b>  | <b>%4.81</b>                     | <b>211,817</b>              |
| From 6 to 9 Months      | <b>54,675</b>     | <b>%19.66</b>                    | <b>10,749</b>               |
| From 9 Months to 1 year | <b>52,500</b>     | <b>%29.50</b>                    | <b>15,485</b>               |
| More than 1 year        | <b>2,846,750</b>  | <b>%52.21</b>                    | <b>1,486,398</b>            |
|                         | <b>7,359,774</b>  |                                  | <b>1,724,449</b>            |

| 31 December 2023        | <b>Book value</b> | <b>Expected credit loss rate</b> | <b>Expected credit loss</b> |
|-------------------------|-------------------|----------------------------------|-----------------------------|
| To 6 Months             | 2,114,199         | %10.05                           | 212,553                     |
| From 6 to 9 Months      | 50,379            | %41.17                           | 20,743                      |
| From 9 Months to 1 year | 198,065           | %99.34                           | 196,756                     |
| More than 1 year        | 4,818,000         | %91.09                           | 4,388,503                   |
|                         | <b>7,180,643</b>  |                                  | <b>4,818,555</b>            |

**8- Related Parties balances and transactions**

The related party is an individual or entity associated with the Company. An individual is considered related if they have control or significant influence over the company or if they are a member of the key management personnel. An entity is considered related if it and the company are members of the same parent company, subsidiary, fellow subsidiary, or associated with a joint venture, or if both entities are joint ventures of a third party.

There are transactions that took place during the year with related parties within the normal course of the Company's business and with the approval of the management. The management believes that the terms of those transactions do not materially differ from any transactions the management engages in with any third party. This item consists of:

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**8- Related Parties balances and transactions (continued)**

a- The balances for due from related parties as at 31 December are as follows:

|                                                              | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Creative Future for Digital Brokerage Company                | <b>8,175,000</b>        | 350,038                 |
| Board of directors                                           | <b>2,384,979</b>        | 2,380,277               |
| AL Ma'ther REIT Fund                                         | <b>1,239,721</b>        | 1,207,178               |
| OBIC Mobility Fund                                           | <b>1,016,331</b>        | 137,890                 |
| Osool and Bakheet Fund – Business square development fund    | <b>447,074</b>          | 119,727                 |
| Osool and Bakheet Fund - I Mena Rua Growth Fund 1            | <b>434,090</b>          | -                       |
| That Al Nakhel Fund                                          | <b>401,407</b>          | -                       |
| Osool and Bakheet Parallel Market Trading Equity Fund        | <b>330,636</b>          | 259,742                 |
| Osool and Bakheet IPO Fund                                   | <b>324,762</b>          | 293,248                 |
| Osool and Bakheet for Direct Financing                       | <b>277,327</b>          | -                       |
| Board Members' Close Relatives                               | <b>238,325</b>          | 181,627                 |
| Osool and Bakheet Fund Yamama Business Park four directions  | <b>218,943</b>          | 257,095                 |
| Yamama City Center Development Fund                          | <b>218,943</b>          | -                       |
| Osool and Bakheet Fund - The Angel                           | <b>175,154</b>          | 122,160                 |
| Osool and Bakheet Saudi Trading Equity Fund                  | <b>156,991</b>          | 131,307                 |
| Osool and Bakheet Fund Energy Capital for energy investments | <b>75,859</b>           | 258,842                 |
| Osool and Bakheet IPO Trading Fund Sharia Compliant          | <b>45,916</b>           | 28,104                  |
| Rua' Growth Series IGP                                       | <b>15,732</b>           | -                       |
| Tilal Al Malqah Residential Compound Fund                    | -                       | 225,764                 |
| Rua' Growth Series                                           | -                       | 111,940                 |
| Less: Expected credit losses – c                             | <b>(598,420)</b>        | -                       |
|                                                              | <b>15,578,770</b>       | <b>6,064,939</b>        |

b- The balances of due to related parties as at 31 December consist of the following:

|                                        | <b>31 December 2024</b> | <b>31 December 2023</b> |
|----------------------------------------|-------------------------|-------------------------|
| Board Members of the Ma'ther REIT Fund | <b>200,000</b>          | 200,000                 |
| Board of directors                     | <b>126,000</b>          | 87,000                  |
|                                        | <b>326,000</b>          | <b>287,000</b>          |

c- The following is the movement on expected credit loss:

|                                        | <b>2024</b>    | <b>2023</b> |
|----------------------------------------|----------------|-------------|
| Balance, at the beginning for the year | -              | 403,593     |
| Charged during the year                | <b>598,420</b> | -           |
| Reversed during the year               | -              | (403,593)   |
| <b>Balance, at the end of the year</b> | <b>598,420</b> | <b>-</b>    |

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**8- Related Parties balances and transactions (continued)**

d- The following are the key significant transactions that took place with related parties:

| <b>Related Party</b>                                         | <b>Nature of Transaction</b> | <b>Type of Transaction</b>                                | <b>2024</b>       | <b>2023</b> |
|--------------------------------------------------------------|------------------------------|-----------------------------------------------------------|-------------------|-------------|
| Osool and Bakheet Saudi Trading Equity Fund                  | Operating                    | Fund management and operation, providing trading services | <b>609,376</b>    | 546,912     |
| Osool and Bakheet IPO Fund                                   | Operating                    | Fund management and operation, providing trading services | <b>1,263,060</b>  | 1,058,806   |
| Osool and Bakheet IPO Trading Fund Sharia Compliant          | Operating                    | Fund management and operation, providing trading services | <b>182,938</b>    | 79,204      |
| Osool and Bakheet Parallel Market Trading Equity Fund        | Operating                    | Fund management and operation, providing trading services | <b>1,259,971</b>  | 718,865     |
| Tilal Al Malqah Residential Compound Fund                    | Operating                    | Fund management and operation                             | <b>600,947</b>    | 965,541     |
| Al Maathar REIT Fund                                         | Operating                    | Fund management and operation                             | <b>5,600,875</b>  | 5,418,712   |
| Osool and Bakheer - I Mena Rua' Growth Fund 1                | Operating                    | Fund management and operation                             | <b>3,794,753</b>  | 1,065,502   |
| That AlNakhel Fund                                           | Operating                    | Fund management and operation trading services            | <b>434,596</b>    | -           |
| Yamama City Centre Development fund                          | Operating                    | Fund management and operation trading services            | <b>320,968</b>    | -           |
| Osool and Bakheet Fund Energy Capital for energy investments | Operating                    | Fund management and operation                             | <b>604,870</b>    | 263,842     |
| OBIC Mobility Fund                                           | Operating                    | Fund management and operation, providing services         | <b>2,013,272</b>  | 818,886     |
| Osool and Bakheet Fund - The Angel                           | Operating                    | Fund management and operation                             | <b>716,293</b>    | 122,160     |
| Osool and Bakheet Fund – Business square development fund    | Operating                    | Fund management and operation                             | <b>1,781,077</b>  | 119,727     |
| Osool and Bakheet Fund Yamama Business Park four directions  | Operating                    | Fund management and operation                             | <b>870,282</b>    | 257,095     |
| Board Members                                                | BOD                          | Financial services                                        | <b>2,568,019</b>  | 3,769,877   |
| Relatives of Board Members                                   | Operating                    | Financial services                                        | <b>1,707,133</b>  | 667,508     |
| Creative future for digital brokerage                        | Subsidiaries                 | Payment on behalf                                         | <b>14,177,311</b> | 5,465,268   |
|                                                              | Subsidiaries                 | Increase in investment                                    | -                 | 6,000,000   |
| Osool and Bakheet for direct financing                       | Operating                    | Fund management and operation                             | <b>420,192</b>    | -           |
| Osool and Bakheet upper Management                           | Employees                    | Financial services                                        | <b>16,683</b>     | 313,534     |
| Board of Directors                                           | BOD                          | BOD allowance                                             | <b>(126,000)</b>  | (87,000)    |
| Board Members of Al Maathar REIT Fund                        | BOD                          | BOD' bonuses                                              | <b>(200,000)</b>  | (200,000)   |

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**8- Related Party balances and transactions (continued)**Senior management Compensation

Compensation for senior management consists of amounts paid to individuals who have the authority and responsibility for planning, directing, and controlling the activities of the entity directly or indirectly. This includes any director (whether executive or otherwise). Compensation for senior management includes:

|                          | <b>2024</b>      | <b>2023</b> |
|--------------------------|------------------|-------------|
| Salaries                 | <b>4,088,148</b> | 4,088,148   |
| Bonuses                  | <b>4,807,000</b> | 1,820,000   |
| End of service liability | <b>317,817</b>   | 279,286     |

**9- Prepaid expenses and other assets**

|                                     | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-------------------------------------|-------------------------|-------------------------|
| Fund and Company Establishment Fees | <b>2,186,726</b>        | 1,669,924               |
| Prepaid expenses                    | <b>652,956</b>          | 775,857                 |
| Employee receivable                 | <b>38,744</b>           | 527,169                 |
| Prepayments to buy shares           | <b>6,085</b>            | 490,185                 |
| Others                              | <b>113,875</b>          | 552,779                 |
|                                     | <b>2,998,386</b>        | 4,015,914               |

**10- Financial investment at fair value through other comprehensive income**

A- Financial investment at fair value through other comprehensive income represented as an investment portfolio managed by the company, the movement of the investment portfolio as following:

|                                                                                           | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Balance, at the beginning for the year                                                    | <b>140,358</b>          | 111,272                 |
| Additions during the year - d                                                             | <b>10,000,000</b>       | -                       |
| The change in fair value of investments at fair value through other comprehensive income. | <b>1,360</b>            | 29,086                  |
| <b>Balance, at the end of the year</b>                                                    | <b>10,141,718</b>       | 140,358                 |

B- The investments classified at fair value through other comprehensive income are retained as financial assets within the business model, which achieves its objective through collecting contractual cash flows and selling financial assets.

C- The fair value reserve for investments at fair value through other comprehensive income, as of 31 December 2024, is SAR 16,977 (31 December 2023: 15,617 SAR).

D- During the year, the company invested in listed sukuk in the amount of SAR 10,000,000 and classified them under financial investments at fair value through other comprehensive income (FVOCI), as the objective of these investments is to collect their returns and sell them later.

E- Investments in debt instruments and equity instruments classified at fair value through other comprehensive income (FVOCI) are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, management has elected to classify these investments at fair value through other comprehensive income, as recognizing short-term fluctuations in their fair value in net income would not align with the company's strategy of holding these investments for the long term and realizing their potential performance over time



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**11- Property and equipment**

| 31 December 2024               | Furniture<br>Equipment and fixtures |           |          | Vehicles  | Computers | Telecommunications<br>and others | Total      |
|--------------------------------|-------------------------------------|-----------|----------|-----------|-----------|----------------------------------|------------|
| Cost                           |                                     |           |          |           |           |                                  |            |
| Balance, beginning of the year | 899,382                             | 4,992,437 | 48,562   | 3,529,882 |           | 641,004                          | 10,111,267 |
| Additions during the year      | -                                   | 21,568    | -        | 111,147   |           | -                                | 132,715    |
| Balance, ending of the year    | 899,382                             | 5,014,005 | 48,562   | 3,641,029 |           | 641,004                          | 10,243,982 |
| Accumulated depreciation       |                                     |           |          |           |           |                                  |            |
| Balance, beginning of the year | 754,566                             | 4,982,642 | 40,480   | 3,384,002 |           | 641,004                          | 9,802,694  |
| Charge for the year            | 74,082                              | 6,608     | 8,082    | 102,499   |           | -                                | 191,271    |
| Balance, ending of the year    | 828,648                             | 4,989,250 | 48,562   | 3,486,501 |           | 641,004                          | 9,993,965  |
| Net book value                 | 70,734                              | 24,755    | -        | 154,528   |           | -                                | 250,017    |
| 31 December 2023               | Furniture<br>Equipment and fixtures |           |          | Vehicles  | Computers | Telecommunications<br>and others | Total      |
| Cost                           |                                     |           |          |           |           |                                  |            |
| Balance, beginning of the year | 888,886                             | 4,992,437 | 95,562   | 3,414,297 |           | 641,004                          | 10,032,186 |
| Additions during the year      | 10,496                              | -         | -        | 115,585   |           | -                                | 126,081    |
| Disposals during the year      | -                                   | -         | (47,000) | -         |           | -                                | (47,000)   |
| Balance, ending of the         | 899,382                             | 4,992,437 | 48,562   | 3,529,882 |           | 641,004                          | 10,111,267 |
| Accumulated depreciation       |                                     |           |          |           |           |                                  |            |
| Balance, beginning of the year | 679,357                             | 4,934,932 | 75,336   | 3,273,356 |           | 639,984                          | 9,602,965  |
| Charged for the year           | 75,209                              | 47,710    | 12,144   | 110,646   |           | 1,020                            | 246,729    |
| Disposals during the year      | -                                   | -         | (47,000) | -         |           | -                                | (47,000)   |
| Balance, ending of the         | 754,566                             | 4,982,642 | 40,480   | 3,384,002 |           | 641,004                          | 9,802,694  |
| Net book value                 | 144,816                             | 9,795     | 8,082    | 145,880   |           | -                                | 308,573    |

**12- Intangible assets**

A- This item consists of:

| <b>Financial Analysis and Asset Management Software</b> | <b>31 December 2024</b> | <b>31 December 2023</b> |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Cost</b>                                             |                         |                         |
| Balance, beginning of the Year                          | 3,621,608               | 3,251,974               |
| Additions during the year                               | 464,055                 | 369,634                 |
| <b>Balance, ending of the Year</b>                      | <b>4,085,663</b>        | <b>3,621,608</b>        |
| <b>Accumulated depreciation</b>                         |                         |                         |
| Balance, beginning of the Year                          | 2,601,409               | 2,123,871               |
| Charge for the year                                     | 388,115                 | 477,538                 |
| <b>Balance, ending of the year</b>                      | <b>2,989,524</b>        | <b>2,601,409</b>        |
| <b>Net book value</b>                                   | <b>1,096,139</b>        | <b>1,020,199</b>        |

B- The Company allocates internally generated costs that are directly and necessarily attributable to the creation, production, and preparation of the asset to be operationalized in the manner intended by management only. Accordingly, salaries and benefits of employees responsible for developing financial analysis programs and asset management (the benefits amounted to SAR 45,083 as of 31 December 2024 (2023: SAR 36,198) have been allocated Note 16. These programs include (CMS, Crowd Funding, and E-Nmu). The Company will cease salary allocation upon completion of the programs and when they become ready for operation in the manner specified by management. These programs are expected to be ready by 2025.

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**13- Right of use assets and lease Liabilities**

A- Right of use assets consists of:

| <b>Offices</b>                     | <b>31 December 2024</b> | <b>31 December 2023</b> |
|------------------------------------|-------------------------|-------------------------|
| <b>Cost</b>                        |                         |                         |
| Balance, beginning of the year     | 5,512,695               | 4,010,665               |
| Additions during the year          | 175,639                 | 2,112,527               |
| Disposals during the year          | -                       | (610,497)               |
| <b>Balance, ending of the year</b> | <b>5,688,334</b>        | <b>5,512,695</b>        |
| <b>Accumulated depreciation</b>    |                         |                         |
| Balance, beginning of the year     | 3,669,597               | 3,093,350               |
| Charge for the year                | 728,567                 | 752,846                 |
| Disposals during the year          | -                       | (176,599)               |
| <b>Balance, ending of the year</b> | <b>4,398,164</b>        | <b>3,669,597</b>        |
| <b>Net book value</b>              | <b>1,290,170</b>        | <b>1,843,098</b>        |

B- The following is the movement in Lease Liability as of 31 Dec:

|                                        | <b>31 December 2024</b> | <b>31 December 2023</b> |
|----------------------------------------|-------------------------|-------------------------|
| Balance, at the beginning for the year | 1,773,302               | 758,115                 |
| Additions during the year              | 97,250                  | 2,057,803               |
| Finance Cost - Note 23                 | 78,389                  | 54,724                  |
| Paid during the year                   | (707,611)               | (700,276)               |
| Disposals during the year              | -                       | (397,064)               |
| <b>Balance, at the end of the year</b> | <b>1,241,330</b>        | <b>1,773,302</b>        |

C- The lease obligations were classified in Statement of financial position as follow:

|                     | <b>31 December 2024</b> | <b>31 December 2023</b> |
|---------------------|-------------------------|-------------------------|
| Current portion     | 762,047                 | 756,963                 |
| Non-current portion | 479,283                 | 1,016,339               |

**14- Accruals and other liabilities**

|                   | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-------------------|-------------------------|-------------------------|
| Accrued bonuses   | 5,851,143               | 6,942,643               |
| Service suppliers | 1,289,104               | 43,313                  |
| VAT               | 811,609                 | 513,925                 |
| Accrued expenses  | 593,938                 | 1,114,716               |
| Other             | 7,382                   | 1,288                   |
|                   | <b>8,553,176</b>        | <b>8,615,885</b>        |

**15 -Zakat provision**

a- Below are the main components of the Zakat base for the two years ending on 31December:

|                                   | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-----------------------------------|-------------------------|-------------------------|
| Equity                            | 198,101,418             | 101,709,721             |
| Net adjusted profit/ (Loss)       | 23,729,631              | (11,953,487)            |
| Positive components of zakat base | 6,890,570               | 8,143,998               |
| Negative components of zakat base | (78,760,812)            | (3,312,228)             |
| Adjusted zakat base               | 149,960,807             | 94,588,004              |
| Zakat                             | 3,876,106               | 2,447,465               |

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### 15- Zakat provision (continued):

b- The following is the movement in Zakat Liability as of 31 Dec:

|                                        | 31 December 2024 | 31 December 2023 |
|----------------------------------------|------------------|------------------|
| Balance, at the beginning for the year | 4,092,619        | 3,982,786        |
| Charged during the year                | 3,876,106        | 2,447,465        |
| Paid during the year                   | (2,447,462)      | (2,337,632)      |
| <b>Balance, at the end of the year</b> | <b>5,521,263</b> | <b>4,092,619</b> |

### c- Zakat Status

The Company completed its Zakat obligations up to the year 2018. It submitted Zakat declarations and financial statements for the years 2019 to 2023, settled the dues based on those declarations, and obtained the required certificates. However, Zakat assessment for the remaining years have not been obtained as of the current date.

The Zakat Provision includes an amount of SAR 1,645,157 which differs between Osool Financial Company pre-merger and the Zakat, Tax, and Customs Authority. An objection has been filed regarding these amounts, but a decision has not been made as of the current date. It's worth noting that if the objection is accepted and the reserve pertaining to this amount is returned, Osool Financial Company will be entitled to it according to the merger contract clauses (3/1/1), (3/1/2), and (8/1).

### 16- End of service indemnities

a- The Company determines the present value of its defined employee's benefit plan obligations by conducting an actuarial valuation using the projected unit credit method, considering the following assumptions:

|                             | 2024  | 2023  |
|-----------------------------|-------|-------|
| Expected salary growth rate | %7.20 | %6,60 |
| Discount rate               | %5.20 | %4,60 |

b- The following table represents the movement in the end of service indemnities as at 31 Dec:

|                                                | 2024      | 2023      |
|------------------------------------------------|-----------|-----------|
| Opening balance                                | 6,127,616 | 4,721,193 |
| <b>Statement of Profit or Loss</b>             |           |           |
| Current service cost                           | 612,828   | 551,784   |
| Interest cost - Note 22                        | 279,552   | 219,968   |
|                                                | 892,380   | 771,752   |
| Transfers                                      | 45,083    | 36,198    |
| <b>Statement of Other Comprehensive income</b> |           |           |
| Actuarial re-measurement charged to OCI        | (219,397) | 616,731   |
| Benefits paid during the year                  | (434,395) | (18,258)  |
| Closing balance                                | 6,411,287 | 6,127,616 |

c- Sensitivity analysis on end of service indemnities:

|                           | 2024      |           | 2023      |           |
|---------------------------|-----------|-----------|-----------|-----------|
|                           | +0.5%     | -0.5%     | +0.5%     | -0.5%     |
| <b>Salary growth rate</b> | 6,553,029 | 6,275,322 | 6,277,446 | 5,984,060 |
| <b>Discount rate</b>      | 6,232,102 | 6,600,334 | 5,942,911 | 6,322,887 |

The sensitivity analyses mentioned above are based on changes in assumptions while keeping all other assumptions constant. From a scientific perspective, this is unlikely to occur, as some changes in assumptions may be interrelated. When calculating the sensitivity of employee end-of-service benefits to a fundamental discretionary assumption, the same method is applied (the present value of employee end-of-service benefits is calculated based on the estimated unit credit cost method at the end of the reporting period) when recognizing employee end-of-service benefits in the financial statements.

### 17- Statutory reserve

According to the company's Articles of Association, no specific percentage has been designated for the allocation of a statutory reserve from the net profit for the year. Additionally, the General Assembly of Shareholders has not made a decision regarding the balance of the existing statutory reserve following the alignment of its Articles of Association with the Companies Law issued by Royal Decree No. M/132 dated 1 Dhul-Hijjah 1443H (corresponding to June 30, 2022).

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On the 3rd of Dhu al-Hijjah, 1444 Hijri (corresponding to June 21, 2023 AD), the Board of the Capital Market Authority issued a decision approving the registration and offering of 1,500,000 shares representing (18.519%) of the company's shares on the parallel market. The offering price per share was SAR 45, and the total proceeds of the offering amounted to SAR 67,500,000. The nominal value per share was SAR 10. Therefore, the issuance premium for the shares amounted to SAR 52,500,000.

**19- Treasury Shares**

- The Company has granted some of its employees (qualified employees) stock options ("treasury shares") and performance-based incentives, resulting in greater alignment between the interests of shareholders and these employees. The granting of options depends on achieving the targeted performance set by the company, in addition to the necessary period of service for the qualified employee.
- Under the employee Share Based Payment program, equity instruments (shares) have been granted to qualified employees for ownership (treasury shares) in accordance with the terms and conditions outlined below:
  - treasury shares that have not been granted to qualified employees during the reporting period and have been earmarked for them are carried forward to the subsequent reporting period.
  - In the event of an increase in share capital, stock split, or distribution of dividends (in the form of shares), the number of restricted shares and the exercise price of the options are adjusted accordingly.

The following table represents the movement in the end of service indemnities as of 31 Dec:

|                                        | <b>31 December 2024</b> | 31 December 2023 |
|----------------------------------------|-------------------------|------------------|
| Balance, at the beginning for the year | <b>6,000,000</b>        | -                |
| Shares granted through the year        | -                       | 6,000,000        |
| <b>Balance, at the end of the year</b> | <b>6,000,000</b>        | 6,000,000        |

**20- Short-term loans**

- A- During 2023, the Company obtained temporary banking facilities for subscription purposes, with a credit limit of SAR 125,000,000 in the form of a short-term loan from Saudi France Bank, with a duration of 14 days.
- B- On August 7, 2024 the company renewed the above-mentioned Shariah-compliant financing agreement with Banque Saudi Fransi in the amount of SAR 50,000,000 secured by a promissory note for the total facility amount. The company had not utilized these facilities as of the date of the preparation of the financial statements
- C- The following is the movement on short-term loans:

|                                        | <b>31 December 2024</b> | 31 December 2023 |
|----------------------------------------|-------------------------|------------------|
| Balance, at the beginning of the year  | -                       | 6,000,000        |
| Additions during the year              | -                       | 85,000,000       |
| Paid during the year                   | -                       | (91,000,000)     |
| <b>Balance, at the end of the year</b> | -                       | -                |

**21- General and administrative expenses**

|                                     | <b>2024</b>       | 2023       |
|-------------------------------------|-------------------|------------|
| Salaries and employees benefit      | <b>11,817,283</b> | 11,075,742 |
| Employee bonuses                    | <b>5,100,000</b>  | 8,880,000  |
| Service supplier and data expenses  | <b>1,308,297</b>  | 1,332,931  |
| Insurance expenses                  | <b>1,034,742</b>  | 934,289    |
| Professional and consultations fees | <b>1,006,266</b>  | 1,981,841  |
| Social insurance                    | <b>626,321</b>    | 559,205    |
| Funds expenses                      | <b>346,562</b>    | 269,960    |
| Other                               | <b>3,090,649</b>  | 2,422,842  |
|                                     | <b>24,330,120</b> | 27,456,810 |

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**22- Finance Cost**

|                                                    | 2024           | 2023           |
|----------------------------------------------------|----------------|----------------|
| End of service indemnities interest Cost – Note 16 | 279,552        | 219,968        |
| Finance Lease Finance Cost – Note 13               | 78,389         | 54,724         |
| Bank Charges                                       | 600            | 312,500        |
| Short Term Loan Finance Cost                       | -              | 202,835        |
|                                                    | <b>358,541</b> | <b>790,027</b> |

**23- Other income**

|                                          | 2024             | 2023             |
|------------------------------------------|------------------|------------------|
| Interest income                          | 4,037,858        | 1,051,468        |
| Incorporation of Funds fees              | -                | 100,000          |
| Gain from sale of property and equipment | -                | 10,835           |
| Other                                    | 196,320          | 520,894          |
|                                          | <b>4,234,178</b> | <b>1,683,197</b> |

**24- Earnings per share**

The earnings per share are represented by:

|                                                           | 2024       | 2023       |
|-----------------------------------------------------------|------------|------------|
| Net profit from main operations                           | 19,853,994 | 27,051,407 |
| Number of shares (Weighted Average)                       | 7,500,000  | 6,226,027  |
| Basic and diluted earnings per share from main operations | 2.65       | 4.34       |
| Net profit for the year                                   | 19,853,525 | 25,497,112 |
| Number of shares (Weighted Average)                       | 7,500,000  | 6,226,027  |
| Basic and diluted earnings per share                      | 2.65       | 4.10       |

**25- Funds held in trust**

According to the requirements of the Saudi Arabian Capital Market Authority (Article 78) from the list of entities licensed by reviewing the bank accounts held by the company, it is revealed that the accounts include local bank accounts with Saudi National Bank, Saudi Franci Bank, Alinma Bank, Al Rajhi Bank, and Arab National Bank, SAB Bank, and Riyadh Bank The balances as at 31 December 2024, amounted to SAR 404,513,399 and USD 173,357 and UAD 1,004 Respectively (31 December 2023: SAR 305,417,746 USD 3,655,376 and AED 1,004). These balances include investment accounts, current accounts, customer deposits, and customer fees and subscriptions.

**26- Capital Adequacy**

Adequacy of share capital, prepared by the management based on the requirements of the Capital Market Authority for the two years ended, is as follows:

|                                    | 2024<br>In SAR'000 | 2023<br>In SAR'000 |
|------------------------------------|--------------------|--------------------|
| <b>Share Capital Base</b>          |                    |                    |
| The First Tranche of share Capital | 219,084            | 199,086            |
|                                    | <b>219,084</b>     | <b>199,086</b>     |
| <b>Minimum capital requirement</b> |                    |                    |
| Credit Risks                       | 413,927            | 420,876            |
| Market Risks                       | 31,150             | 42,089             |
| Operation Risks                    | 82,353             | 87,089             |
| Concentration Risks                | 322,083            | 229,538            |
|                                    | <b>849,513</b>     | <b>779,592</b>     |
| <b>Financial Adequacy (%)</b>      | <b>25.79</b>       | <b>25.54</b>       |
| <b>Reserve</b>                     | <b>151,123</b>     | <b>136,718</b>     |

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(Saudi Riyals)

**26- Capital Adequacy (continued)**

- A- The company's capital base consists of the first tranche of share capital (comprising share capital and retained earnings or accumulated losses). The company does not have a second tranche of share capital according to the provisions of financial adequacy rules.
- B- The company's objectives in managing capital adequacy are to comply with the capital requirements set by the Capital Market Authority to maintain the company's ability to continue operations in accordance with the principle of continuity and to preserve a strong capital base.
- C- The Capital Market Authority modified the regulatory capital requirements and capital adequacy ratio calculation methodology in April 2023.

**27- Financial instruments, risk management and fair value****Financial instruments**

Financial instruments included in the condensed interim statement of financial position mainly include cash at banks, receivables, prepaid expenses, other assets and other financial assets at fair value through profit and loss, due from / to related party, accounts payable, accrued expenses and other liabilities.

**Risk Management**

The Company's management has overall responsibility for setting and supervising the Company's risk management frameworks. The Company's risk management policies have been developed to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to those limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through its training and management procedures and standards, the Company aims to have a constructive and regular control environment in which employees are aware of their responsibilities and obligations.

**Credit risk**

Credit risk represents the risk of financial loss that the Company faces in the event that the customer or counterparty in a financial instrument fails to fulfill its contractual obligations, and it mainly arises from cash and cash equivalent and receivables. The maximum exposure to credit risk represents the carrying value of these assets.

The cash balance is represented in current accounts, and as the cash is deposited with financial institutions with high credit ratings, the management believes that the Company is not exposed to significant risks. Credit risk related to customers is managed by the business unit which is subject to the Company's policies, procedures and controls on managing credit risk related to customers. Credit limits are set for all customers using internal and external rating criteria and controls. The credit quality of customers is assessed according to a credit rating system.

The following is a detail of the credit risks to which the Company is exposed:

|                          | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--------------------------|-------------------------|-------------------------|
| Accounts receivable      | <b>7,359,774</b>        | 7,180,643               |
| Cash at banks            | <b>81,050,212</b>       | 75,791,488              |
| Due from related parties | <b>16,177,190</b>       | 6,064,939               |
|                          | <b>104,587,176</b>      | 89,037,070              |

The credit quality of financial assets is based on external credit rating agencies. For unrated credit assets, the credit quality of financial assets is determined based on the customers' payment history, market intelligence information, and management experience.

There are no significant concentrations of credit risk, whether through exposure to individual customers or specific sectors. The nature of the company's business does not expose it to concentrated credit risk.

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**27- Financial instruments, risk management and fair value (continued)**

**Operation risk**

Operational risk is the risk of direct or indirect loss resulting from a variety of causes associated with the company's internal processes, technology, and infrastructure that support its activities, whether internally or externally through the company's service providers, as well as from external factors other than credit, liquidity, currency, and market risks—such as those arising from legal and regulatory requirements.

Operational risks are a distinct category of risks managed by the company within acceptable levels through sound operational risk management practices, which form part of the day-to-day responsibilities of management at all levels. The objective of operational risk management is to ensure the company's resources are controlled by safeguarding its assets and minimizing the likelihood of financial loss.

The company's approach to risk management involves identifying, assessing, managing, mitigating, monitoring, and measuring risks associated with its operations. The primary objective of operational risk management is to minimize the impact of losses incurred during the normal course of business (expected losses) and to avoid or reduce the likelihood of incurring significant (unexpected) losses.

**Market risk**

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates and commission rates. The objective of market risk management is to manage and control exposure to market risks within acceptable limits while achieving the highest possible return.

Foreign exchange rate risk: Foreign exchange rate risk results from potential changes and fluctuations in commission rates that may impact future earnings or fair values of financial instruments. The company monitors fluctuations in commission rates and believes that the impact of commission price risks is not significant.

Commission Price Risk: Commission price risks arise from potential changes and fluctuations in commission rates, which can impact future profitability or fair values of financial instruments. The company monitors commission price volatility and believes that there are no commission price risks under the management's oversight.

**Capital Risk**

The primary goal of the company's capital management is to support its operations and increase returns to shareholders.

The company's policy is to maintain a strong capital base to instill confidence in financial statement users and support future business developments. The company manages its capital structure and adjusts in light of changes in economic conditions. Management monitors the return on capital, which the company defines as the result of operating activities divided by total equity. There have been no changes in the company's capital management approach during the period. Additionally, management monitors the level of dividend distributions to shareholders. The company has not been subject to externally imposed capital requirements.

The following is an analysis of the Company's debt to equity ratios at the end of the year:

|                                | <b>31 December 2024</b> | 31 December 2023 |
|--------------------------------|-------------------------|------------------|
| Total liabilities              | <b>22,053,056</b>       | 20,896,422       |
| Less: Cash and cash equivalent | <b>(81,050,212)</b>     | (75,791,488)     |
| Net                            | -                       | -                |
| Total equity                   | <b>220,180,001</b>      | 200,105,719      |
| Liability to equity            | -                       | -                |

**NOTES TO FINANCIAL STATEMENTS**
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**27- Financial instruments, risk management and fair value (continued)**
**Interest rate risk**

Interest Rate risk arises from possible changes and fluctuations in commission rates that affect future profit or fair values of financial instruments. The Company monitors commission rate fluctuations and believes that the effect of commission rate risk is ineffective.

**Liquidity risk**

Liquidity risks represent the challenges faced by the company in meeting its financial obligations. The company's approach to managing liquidity risks is to maintain sufficient cash and near-cash assets and ensure the availability of financing to meet obligations when they become due.

The management monitors liquidity shortage risks by utilizing forecasting models to determine the effects of operational activities on overall liquidity availability. It maintains an available cash liquidity ratio to ensure the repayment of debts when they become due.

The table below summarizes the dates of the company's financial obligations based on undiscounted contractual payments:

|                                |                      |                   | More than 5  |                        |                   |
|--------------------------------|----------------------|-------------------|--------------|------------------------|-------------------|
| <b>31 December 2024</b>        | <b>1 – 12 Months</b> | <b>1 -5 Years</b> | <b>Years</b> | <b>Indefinite term</b> | <b>Total</b>      |
| Accruals and other liabilities | 8,553,176            | -                 | -            | -                      | 8,553,176         |
| Due to related parties         | 326,000              | -                 | -            | -                      | 326,000           |
| Lease Liability                | 817,000              | 470,500           | -            | -                      | 1,287,500         |
| <b>Total</b>                   | <b>9,696,176</b>     | <b>470,500</b>    | <b>-</b>     | <b>-</b>               | <b>10,166,676</b> |
|                                |                      |                   | More than 5  |                        |                   |
| <b>31 December 2023</b>        | <b>1 – 12 Months</b> | <b>1 -5 Years</b> | <b>Years</b> | <b>Indefinite term</b> | <b>Total</b>      |
| Accruals and other liabilities | 8,615,885            | -                 | -            | -                      | 8,615,885         |
| Due to related parties         | 287,000              | -                 | -            | -                      | 287,000           |
| Lease Liability                | 755,000              | 1,132,500         | -            | -                      | 1,887,500         |
| <b>Total</b>                   | <b>9,657,885</b>     | <b>1,132,500</b>  | <b>-</b>     | <b>-</b>               | <b>10,790,385</b> |

Liquidity risk is managed through the regular monitoring of the adequacy of available liquidity to meet the company's financial obligations. The amounts disclosed in the table represent the undiscounted contractual cash flows, which are equal to their respective carrying amounts, as the impact of discounting is not material.

**Fair value**

The fair value of financial assets and financial liabilities includes financial assets in equity instruments and financial assets at fair value through profit or loss, receivables from related parties, contract assets, trade receivables, prepaid expenses, and other assets, as well as cash in hand and at banks. Financial liabilities comprise payables to related parties, contract liabilities, trade payables, accrued expenses, and other payables.

The fair values of financial instruments for the group do not differ significantly from their carrying amounts.

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

- Level 1 - Quoted prices (without adjustment) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques for which the minimum input that is directly or indirectly significant is observable to the fair value measurement.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is observable.



**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
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**27- Financial instruments, risk management and fair value (continued)**

**Fair value (continued)**

|                                                             | <u>Level one</u> | <u>Level two</u> | <u>Level three</u> | <u>Total</u>       |
|-------------------------------------------------------------|------------------|------------------|--------------------|--------------------|
| <b><u>31 December 2024</u></b>                              |                  |                  |                    |                    |
| Investment at fair value through profit or loss             | 16,781,378       | 2,722,975        | 104,687,967        | <u>124,192,320</u> |
| Investment at fair value through other comprehensive income | 10,141,718       | -                | -                  | <u>10,141,718</u>  |
| <b><u>31 December 2023</u></b>                              |                  |                  |                    |                    |
| Investment at fair value through profit or loss             | 24,563,477       | 2,452,015        | 102,429,647        | <u>129,445,139</u> |
| Investment at fair value through other comprehensive income | 140,358          | -                | -                  | <u>140,358</u>     |

The fair values of margin lending receivables, cash at banks, receivables, and other amortized cost assets do not significantly differ from their carrying amounts as presented in the financial statements, since the market rates for similar financial instruments do not differ materially from the contractual rates, and the maturities of these financial instruments are less than 12 months. There is no active market for these instruments, and the company intends to realize their carrying amounts through settlement with the counterparty at maturity

**Valuation techniques and significant unobservable inputs.**

The following table represents the valuation techniques used in measuring Level 3 fair values for material investments.

| <u>Investment</u>                     | <u>Fair Value</u> | <u>Valuation Technique</u> | <u>Significant unobservable item</u> | <u>Sensitivity to changes in significant unobservable inputs.</u>                                                                                                                                                                    |
|---------------------------------------|-------------------|----------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Creative future for digital brokerage | 65,982,768        | Discounted Cash Flow       | Discount Rate: 50%                   | The estimated fair value would increase by approximately SAR 17.8 million if the discount rates were 10% lower, and the estimated fair value would decrease by approximately SAR 13.2 million if the discount rates were 10% higher. |

**28- Comparative Figures**

Some of the figures for the comparative year have been reclassified to align with the current year's itemization as follows:

|                                     | <u>Balance before Reclass</u> | <u>Reclass</u> | <u>Balance after reclass</u> |
|-------------------------------------|-------------------------------|----------------|------------------------------|
| General and administrative expenses | 27,053,217                    | 403,593        | 27,456,810                   |
| Reversed ECL Provision              | -                             | (403,593)      | (403,593)                    |
| Loans for Customer                  | 1,000                         | (1,000)        | -                            |
| Accounts Receivable                 | 2,435,350                     | (73,262)       | 2,362,088                    |
| Prepaid expenses and other assets   | 3,941,652                     | 74,262         | 4,015,914                    |

**NOTES TO FINANCIAL STATEMENTS**  
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**29- Subsequent events**

On February 5, 2025, the General Assembly approved the following events:

1- Approval of the transactions and contracts that will take place between the company and the owners of (AOT), in which the Vice Chairman of the Board, Mr. Abdulrahman Yahya AlYahya, has a direct interest (ownership of 16.67%) as well as an indirect interest through Ms. Samiah AlYahya's 10% ownership in AOT (Ms. Samiah is Mr. Abdulrahman AlYahya's sister). Additionally, Board Member Mr. Khalid AlMousa has direct interest (ownership of 10%) and an indirect interest through Mr. Abdulmohsen AlMousa's 10% ownership in AOT (Mr. Abdulmohsen is Mr. Khalid AlMousa's brother). The transaction involves the acquisition of 51% of the shares of AOT for an amount of SAR 5,100,000, with the following preferential terms:

A- In exchange for the sale of the full shares of two sellers in the acquired company to Osool & Bakheet (to enable it to acquire 51% of the company), the following terms have been granted in case the company is publicly listed in the future:

The buyer waives the right to subscribe to the shares:

- For a maximum amount of SAR 2,000,000, which will be granted to the seller (Ms. Samiah AlYahya) for subscription.
- For a maximum amount of SAR 3,334,000, which will be granted to the seller (Mr. Abdulrahman AlYahya) for subscription.

B- The duration of this commitment from the buyer to the sellers is 10 years from the date of signing the agreement, in accordance with the mechanism to be agreed upon at that time, and in compliance with the relevant laws and regulations.

2- Approval of the transactions and contracts between the company and Creative Future for Digital Brokerage, in which Board Member Mr. Abdulrahman Yahya AlYahya has an indirect interest, specifically related to agency expenses. The value of the transactions in 2023 amounted to SAR 5,465,268. Please note that these transactions are conducted on commercial terms without any preferential conditions.

3- Approval of the election of the Board of Directors members from among the candidates for the upcoming term, which starts on 05/02/2025 and lasts for four years, ending on 04/02/2029. The elected members are:

- Mr. Beshr Bakheet
- Mr. Mazin AlDawood
- Mr. Abdullah AlKhorayef
- Mr. Abdulrahman AlYahya
- Mr. Khalid AlMousa
- Mr. Wael AlSerhan

**30- Approval of financial statements**

The financial statements were approved by the Board of Directors on 29 Ramadan 1446 H (corresponding to March 29, 2025).