MANAFA FOR DEBT- BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)

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

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Independent auditor's report to the shareholder of Manafa for Debt-Based Crowdfunding Company (A Single Shareholder Closed Joint Stock Company)

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manafa for Debt-Based Crowdfunding Company (the "Company") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in shareholder's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of board of directors and those charged with governance for the financial statements

The board of directors are 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 the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine 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, the board of directors 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 the board of directors 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 and Audit Committee, are responsible for overseeing the Company's financial reporting process.

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Independent auditor's report to the shareholder of Manafa for Debt-Based Crowdfunding Company (A Single Shareholder Closed Joint Stock Company) (continued)

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

The Regulations for Companies require that the auditor includes in its report what might come to its attention with respect to non-compliance of the Regulations for Companies or the Company's By-laws. During the course of our audit of the financial statements, and without having any impact on the financial statements, we became aware that the Company did not prepare and present the financial statements within the time period stipulated under the applicable article of the Regulations for Companies which is considered as a non-compliance of the Regulations for Companies.

PricewaterhouseCoopers

Waleed bin Abdulaziz Alhidiri
License Number 559

4 September 2024

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(All amounts in Saudi Riyal unless otherwise stated)

Assets	Note	31 December 2023	31 December 2022 Restated*	1 January 2022
Current assets				
Cash and cash equivalents	5	**33,555,491**	1,223,241	5,000,000
Accounts receivable, net	6	**1,510,996**	758,900	-
Prepaid expenses	7	**349,737**	206,407	-
Due from related parties, net	8	**13,030,082**	39,696,965	-
Total current assets		**48,446,306**	41,885,513	5,000,000
Non-current assets				
Property and equipment, net	9	**333,643**	107,516	-
Intangible assets, net	10	**2,029,467**	2,277,252	-
Total non-current assets		**2,363,110**	2,384,768	-
Total assets		**50,809,416**	44,270,281	5,000,000
Liabilities and shareholder's equity				
Liabilities				
Current liabilities				
Accrued expenses and other liabilities	11	**2,503,114**	903,685	30,000
Provision for zakat	12	**1,139,434**	773,782	127,075
Total current liabilities		**3,642,548**	1,677,467	157,075
Non-current liability				
Employee's end of service benefits	13	**333,000**	48,000	-
Total non-current liability		**333,000**	48,000	-
Total liabilities		**3,975,548**	1,725,467	157,075
Shareholder's equity				
Share capital	14	**40,000,000**	40,000,000	5,000,000
Statutory reserve	15	**813,767**	375,231	-
Retained earnings / (accumulated losses)		**6,020,101**	2,169,583	(157,075)
Total shareholder's equity		**46,833,868**	42,544,814	4,842,925
Total liabilities and shareholder's equity		**50,809,416**	44,270,281	5,000,000

* See note 22 for details regarding the restatement as a result of correction of errors.

The accompanying notes 1 through 24 form an integral part of these financial statements.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyal unless otherwise stated)

	Note	31 December 2023	31 December 2022 Restated*
Revenue	16	**22,151,603**	9,024,943
Cost of revenue	17	**(4,226,321)**	(1,261,171)
Gross profit		**17,925,282**	7,763,772
General and administrative expenses	18	**(11,556,212)**	(4,123,335)
Marketing expenses		**(1,085,824)**	(159,042)
Finance income		**81,000**	-
Charge for expected credit losses	6, 8	**(8,534)**	(21,725)
Other income		**169,083**	23,001
Profit for the year before zakat		**5,524,795**	3,482,671
Zakat expense	12	**(1,139,434)**	(773,782)
Profit for the year		**4,385,361**	2,708,889

* See note 22 for details regarding the restatement as a result of correction of errors.

The accompanying notes 1 to 24 form an integral part of these financial statements.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyal unless otherwise stated)

	Note	31 December 2023	31 December 2022 Restated*
Profit for the year		**4,385,361**	2,708,889
Other comprehensive loss item:			
Items that will not be reclassified subsequently to the statement of profit or loss:			
Remeasurement loss on employee end of service benefits	13	**(96,307)**	(7,000)
Total other comprehensive loss for the year		**(96,307)**	(7,000)
Total comprehensive income for the year		**4,289,054**	2,701,889

* See note 22 for details regarding the restatement as a result of correction of errors.

The accompanying notes 1 to 24 form an integral part of these financial statements.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyal unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total Equity
Balance as at 1 January 2023	**40,000,000**	**375,231**	**2,169,583**	**42,544,814**
Profit for the year	**-**	**-**	**4,385,361**	**4,385,361**
Other comprehensive loss for the year	**-**	**-**	**(96,307)**	**(96,307)**
Total comprehensive income for the year	**-**	**-**	**4,289,054**	**4,289,054**
Transfer to statutory reserve	**-**	**438,536**	**(438,536)**	**-**
Balance as at 31 December 2023	**40,000,000**	**813,767**	**6,020,101**	**46,833,868**

	Share capital	Statutory reserve	(Accumulated losses) / retained earnings	Total Equity
Balance as at 14 September 2021	5,000,000	-	(91,418)	4,908,582
Correction of an error (Note 22)	-	-	(65,657)	(65,657)
Balance as at 1 January 2022 (Restated – note 22)	5,000,000	-	(157,075)	4,842,925
Profit for the year	-	-	2,708,889	2,708,889
Other comprehensive loss for the year	-	-	(7,000)	(7,000)
Total comprehensive income for the year	-	-	2,701,889	2,701,889
Issuance of share capital during the year	35,000,000	-	-	35,000,000
Transfer to statutory reserve	-	375,231	(375,231)	-
Balance as at 31 December 2022	**40,000,000**	**375,231**	**2,169,583**	**42,544,814**

* See note 22 for details regarding the restatement as a result of correction of errors.

The accompanying notes 1 to 24 form an integral part of these financial statements.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyal unless otherwise stated)

	Note	31 December 2023	31 December 2022 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year before zakat		**5,524,795**	3,482,671
Adjustments for:			
Depreciation of property and equipment	9	**68,938**	11,495
Amortization of intangible assets	10	**247,785**	228,134
Provision for employee end of service benefit obligations	13	**197,000**	41,000
Charge for expected credit losses	6, 8	**8,534**	21,725
Operating profit before changes in working capital		**6,047,052**	3,785,025
Changes in working capital			
Accounts receivables		**(765,750)**	(772,684)
Prepaid expenses		**(143,330)**	(206,407)
Due from related parties		**26,672,003**	(41,893,023)
Accrued expenses and other liabilities		**1,599,429**	873,685
Net cash flows generated from / (used in) operating activities before zakat and employee benefits		**33,409,404**	(38,213,404)
Zakat paid	12	**(773,782)**	(127,075)
Employee end of service benefits paid	13	**(8,307)**	-
Net cash generated from / (used in) operating activities		**32,627,315**	(38,340,479)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	9	**(295,065)**	(119,011)
Additional to intangible assets	10	**-**	(317,269)
Net cash used in investing activities		**(295,065)**	(436,280)
CASH FLOWS FROM FINANCING ACTIVITY			
Issuance of share capital		**-**	35,000,000
Net cash generated from financing activity		**-**	35,000,000
Net change in cash and cash equivalent		**32,332,250**	(3,776,759)
Cash and cash equivalents at the beginning of the year		**1,223,241**	5,000,000
Cash and cash equivalents at the end of the year		**33,555,491**	1,223,241
Non-cash transaction:			
Intangible assets (related party)		**-**	2,188,117

* See note 22 for details regarding the restatement as a result of correction of errors.

The accompanying notes 1 to 24 form an integral part of these financial statements.

1 General Information

Manafa for Debt-Based Crowdfunding Company (A Single Shareholder Closed Joint Stock Company) ("the Company") was established under the name Manafa Financial Technology Company (A Single Shareholder limited liability company) on 20 Jumada Al-Awwal 1442H corresponding to (3 January 2021G) under Commercial Registration No, 1010678388, based on the decision of the owner of the capital (Osoul Manafa Investment Company), the legal entity of the company was transferred on 6 Safar 1443H, corresponding to September 13, 2021, from a single shareholder company with limited liability to a single shareholder closed joint stock Saudi Company , with its rights, obligations, and employment, classifications, licenses and all its financial, technical and administrative elements with the same capital of (SR 5,000,000) Saudi riyals, while retaining the name and number of the main commercial registry upon conversion.

The Company's main headquarters is located in Riyadh, Al-Malqa district.

The Company's main activity is financing in accordance with the provisions of the Companies Law, the Finance Companies Control Law, and its relevant executive rules, regulations and instructions issued by the Saudi Central Bank for practicing and implementing debt crowdfunding in the Kingdom of Saudi Arabia.

In the General Assembly meeting held on 29 Jumada al-Thani 1443H (corresponding to 31 January 2022G), the name of the Company was changed from "Manafa Financial Technology Company" to "Manafa for Debt-Based Crowdfunding Company)". The Company amended its Commercial Registration and the Company's By-laws.

In compliance with regulatory directives for obtaining the necessary permits to engage in crowdfunding activities, Manafa Capital Company (sister Company) has separated and transferred all debt crowdfunding activities, including associated rights and obligations, to Manafa for Debt-Based Crowdfunding Company, in accordance with the agreement signed between them on 13 January 2022.

Based on the certificate of the Saudi Central Bank issued on 14 Rabi' Al-Thani, 1444H, license No, (7018070537) was granted to the Manafa for Debt-Based Crowdfunding Company to practice debt crowdfunding activities in the Kingdom of Saudi Arabia in accordance with the relevant provisions and regulations.

In the Extraordinary General Assembly meeting held on 29 Jumada al-Thani 1443H (corresponding to 31 January 2022G), it was approved to increase the Company's share capital from (SR 5,000,000) to (SR 40,000,000), through the issuance of (3,500,000) cash shares worth SR 35 million (SR 10) for each additional share, and the cash consideration was deposited in the bank on 7 February 2022.

2 Basis of preparation

2.1 Statement of compliance

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

The accounting policies set out below have been applied in preparing the accompanying financial statements and have been consistently applied for all the years presented, unless otherwise stated.

2.2 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement of employees' end of service benefits are measured at present value of future obligations using the Projected Unit Credit Method.

2.3 Functional and presentation currency

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

2 Basis of preparation (continued)

2.4 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA and other standards and pronouncements issued by SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

- Management periodically re-estimates the useful lives of tangible assets and intangible assets based on the general condition of these assets and management's expectations for their useful lives in the future.

- The management reviews the cases filed against the company on an ongoing basis based on a legal study prepared by the company's legal advisors, which shows the potential risks that the company may bear in the future as a result of these cases.

- Management estimates the recoverable value of financial assets to determine whether there is any impairment in their value.

- Management determines the cost of end-of-service benefit plans and the present value of defined employee benefit obligations using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual future developments and include determining a discount rate, future salary increase, mortality rates and future pension increase. Given the difficulty of evaluating the underlying assumptions and their long-term nature, the defined benefit obligation is susceptible to changes in these assumptions. These assumptions are reviewed at each reporting date.

- Provisions, by their nature, depend on estimates and evaluations to confirm whether the evidentiary criteria have been met, including estimating the amounts likely to be paid. Provisions for uncertain liabilities include management's best estimate of whether it is probable that cash outflows will occur.

- The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Additionally, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

The estimates and assumptions applied are continually reviewed and changes in accounting estimates are recognized in the period in which the estimates are changed and in future years affected by that change.

2.5 Fair value measurement

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

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

The company must have access to the main or most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing of the asset or liability, if market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the ability of market participants to achieve economic benefits from its highest and best use or by selling it to another market participant who will put it to its highest and best use is taken into account.

2 **Basis of preparation** (continued)

2.5 **Fair value measurement** (continued)

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy, as described above.

3 **Material accounting policies**

Revenue

The revenue of the Company broadly categorised as:

(a) Contract with customers (Commission income and Wakalah fees)

(b) Finance income

(c) Other income

1 Contracts with customers (Commission income and Wakalah fees)

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

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

Commission income – a fixed fee of 2% of the financing amount taken from the borrower.

Wakalah fees – a fee typically charged as a percentage of the investor's profit from the investments, often set at around 20%.

3 Material accounting policies (continued)

Revenue (continued)

1 Contract with customers

- Revenues from commission income is recognized in the period they are earned (at a point in time) when the performance obligation of disbursing the funding amount to the borrowers is fulfilled.
- Wakalah fees are recognized as they are realized based on the terms of contracts concluded which include providing agency services with investors based on the Murabaha amounts and duration (performance obligation satisfied over time).

2 Finance income

Finance income on all interest-bearing financial instruments is recognised in the statement of profit or loss using the effective yield method. This income is recognised on accrual basis when contractually earned.

3 Other income

Other income compromises of revenue that does not relate to the Company's operation.

Financial instruments

(a) Initial recognition

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

(b) Classification

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

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

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

(c) Measurement

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

Subsequent measurement of financial assets:

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

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

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

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

3 Material accounting policies (continued)

Financial instruments (continued)

(c) Measurement (continued)

Subsequent measurement of equity instrument: (continued)

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

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

Changes in the fair value of financial assets at FVTPL are recognised in other income/ (expense) in the statement of profit or loss as applicable.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortized cost and FVOCI (If any). The Company measures the loss allowance for accounts receivable and due from related parties at an amount equal to lifetime expected credit loss (ECL)

The Company measures the loss allowance for accounts receivable and due from related parties at an amount equal to lifetime expected credit loss (ECL). The allowance for ECL on those receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Accounts receivable and due from related parties are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. Where financial assets are written off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, they are credited against the Charge of allowance for expected credit losses "ECL".

Financial liabilities - classification, measurement and derecognition

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

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

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the assets expire, or the transfer the financial assets or substantially all the risks and rewards of ownership to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognizes its retained interest in the assets and liabilities for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial assets, the Company continues to recognize the financial assets and recognizes the secured borrowing of the proceeds received.

3 Material accounting policies (continued)

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of profit or loss.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents included in the statement of financial position include cash in current accounts with banks, cash on hand, time deposits and other short-term highly liquid investments with an original maturity of three months or less (if any) that are available to the company without any restrictions.

Zakat

The company is subject to zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority. The Company's zakat provision is calculated, and the amount of the provision is charged to the statement of profit or loss. The adjustments that occur upon the final assessment of zakat and income tax - if any - are recorded in the period in which the assessment is made.

Property and equipment

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

Computers and mobile phones	5 years
Leasehold improvements	useful life or lease term whichever is shorter
Furniture and fixtures	4-5 years
Motor vehicles	5 years
Buildings and freehold improvements	3-40 years

Provisions

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

Intangible assets

Recognition and measurement

Intangible assets acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditures on intangible assets are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

3 Material accounting policies (continued)

Intangible assets (continued)

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Intangible assets are amortized on a straight-line basis in the statement of profit and loss over their estimated useful lifes, from the date on which they are available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The useful life of the Company's main platform system is estimated to be 10 years.

Accounts receivable

Accounts receivables and other receivables are shown at their net realizable value, after subtracting the impairment in the value of the receivables. An impairment charge is made for the receivables when there is objective evidence that the company will not be able to collect the full amounts due in accordance with the basic terms of the transactions, and an impairment charge is made for the receivables. The value is on the income statement, and when the receivables become uncollectible, they are written off in exchange for a decrease in the value of the receivables. The amounts recovered later from the receivables that were previously written off are recorded in the statement of comprehensive income.

The most important financial difficulty for debtors is the possibility of declaring bankruptcy, financial restructuring, or delay in payment. These are considered indicators of a decline in the value of commercial receivable. Regarding individually large amounts, this estimate is made on an individual basis, as for amounts that are not individually large, but the due date has expired, and payment has not been made, they are estimated collectively, and an allowance is made according to the length of the due period based on historical recovery rates.

Accounts payable and accrued expenses

Accounts payable, accrued expenses and other liabilities are recognized for amounts to be paid in the future for services received, whether invoiced by the supplier or not. Trade payables are classified as current liabilities if payment is due in one year or less (or within the normal operating cycle of the business if longer), and if not, they are presented as non-current liabilities. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

Impairment of non-financial assets

The book value of the company's non-financial assets is reviewed at the end of each financial period to determine whether there is any indication of impairment. If there is any indication of impairment, the recoverable amount of the asset is estimated. The recoverable value of an asset or cash-generating unit is the highest of its value in use or its fair value after reducing the cost of selling. When estimating value in use, the expected future cash flows are discounted to the present value using a pre-zakat discount rate that reflects the current market assessment of the time value of money and the risks specifically related to the asset or cash generating unit. For the purpose of impairment testing, assets that can be tested individually are grouped into the smallest group.

An asset that generates cash flows from continuing operations that are largely independent of cash flows from other assets or cash-generating units. If the company's assets do not generate internal cash flows individually, if there is any indication that these assets are impaired, the recoverable value of that asset is estimated for the cash-generating unit to which that asset belongs. An impairment loss is recognized when the carrying amount of an asset or cash generating unit exceeds the amount expected to be recovered.

Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in prior periods are evaluated at the end of each financial period for any indications that the value of the losses has decreased and no longer exists. An impairment is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The auctioned carryforward amount of the asset due to the reversal of an impairment loss must not exceed the carryforward amount that would have been determined less amortization or depreciation, no impairment loss was recognized in prior years.

3 Material accounting policies (continued)

Employee end of service benefits

A provision is made for employee end of service benefit obligations for their periods of service at the date of the statement of financial position, and a provision is made for defined employee benefit obligations according to the projected unit method in accordance with International Accounting Standard No 19 “Employee Benefits”, considering the law Saudi labor and workers. The provision is recognized based on the present value of the end of service benefit obligation. The present value of defined benefit obligations is calculated using assumptions of the average annual percentage salary increase, the average tenure of employees, and an appropriate discount rate. The probabilities used are calculated on a constant basis for each period and reflect management's best estimates. The discount rate is determined based on the best available estimates of market returns currently available at the reporting date.

Current and past service costs related to employee end of service benefits are recognized directly in profit or loss while unwinding of the obligation is recognized at the discount rates as finance cost in the profit or loss. Any changes in net liabilities due to actuarial valuations and changes in assumptions are taken as a remeasurement in other comprehensive income. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Expenses

All other expenses, except direct costs and financing expenses, are classified as general and administrative expenses. General and administrative expenses are recorded according to the accrual basis in the year in which they are incurred. The common expenses are distributed between the cost of revenues and general and administrative expenses on a regular basis, if necessary. As for revenue costs, all costs related to the revenues or operational activity of the company are recorded according to the accrual principle.

Foreign currency translations

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Transactions with related parties

Transactions with related parties include the transfer of resources, services, obligations, or financing between the company and that related party, regardless of whether those transactions were carried out on terms equivalent to those that prevail in transactions conducted based on free competition or not

A person is considered related to the company if that person, or close to that person’s family:

- Is a member of the company’s senior management staff, or
- Has control or joint control over the company, or
- Has an important influence on the company’s decisions and directions,

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling activities directly or indirectly, including any director, whether executive or otherwise.

(All amounts in Saudi Riyal unless otherwise stated)

4 New standards, interpretations and amendments adopted by the Company

4.1 New standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023, but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendments to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
- IFRS 17 – Insurance contracts

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

4.2 Standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early, and they do not have a significant impact on those consolidated financial statements.

The most significant of these are as follows:

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	(Available for optional adoption / effective date deferred indefinitely)
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

(All amounts in Saudi Riyal unless otherwise stated)

4 New standards, interpretations and amendments adopted by the Company (continued)

4.2 Standards issued but not yet effective (continued)

Standard, interpretation, amendments	**Description**	**Effective date**
IFRS 18, 'Presentation and Disclosure in Financial Statements'	The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Reporting periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries` disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

Other standards		
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

5 Cash and cash equivalents

	31 December 2023	**31 December 2022**
Cash at banks (Note 5.1)	**33,555,491**	1,223,241
Total cash and cash equivalents	**33,555,491**	1,223,241

5.1 Amount comprises cash at bank in current accounts.

(All amounts in Saudi Riyal unless otherwise stated)

6 Accounts receivable, net

	31 December 2023	31 December 2022
Accounts receivable	**1,538,434**	772,684
Less: Allowance for expected credit losses (Note 6.1)	**(27,438)**	(13,784)
	1,510,996	758,900

6.1 The movement in allowance for expected credit losses during the year is as follows:

	31 December 2023	31 December 2022
Opening balance as at the beginning of the year	**13,784**	-
Charge during the year	**13,654**	13,784
Closing balance as at the end of the year	**27,438**	13,784

7 Prepaid expenses

Prepaid expenses balances consist of the following:

	31 December 2023	31 December 2022
Prepaid consultation expense	**218,935**	171,243
Prepaid medical insurance	**130,802**	35,164
	349,737	206,407

8 Related party transactions and balances

In the ordinary course of business, the Company enters into transactions with its related parties and these transactions are based on the agreed terms. The principal parties of the Company are Osoul Manafa Investment Company and its affiliate (The entities owned by the Parent Company, which is Osoul Manafa Investment Company), executive members of Company's Board of Directors, key management personnel and companies of which these related parties are principal owners.

a) Significant transactions and related amounts during the year ended December 31 were as follows:

	Nature of relationship	Nature of transaction	31 December 2023	31 December 2022
Abyan Capital Company	Affiliate	Expenses paid on behalf	**87,510**	12,400
Manafa Capital Company	Affiliate	Expenses paid on behalf	**(2,996,562)**	(5,267,589)
		Financing	**7,630,360**	11,742,458
Osoul Manafa Investment Company	Shareholder	Expenses paid on behalf	**3,608,930**	(1,784,604)
		Financing	**(35,000,000)**	35,000,000
Sukuk Capital Company	Affiliate	Financing	**(2,241)**	2,241

b) Related party transactions resulted in the following related balances as at:

Due from related parties:

	31 December 2023	31 December 2022
Manafa Capital Company	**11,108,667**	6,474,869
Osoul Manafa Investment Company	**1,824,326**	33,215,396
Abyan Capital Company	**99,910**	12,400
Sukuk Capital Company	**-**	2,241
Allowance for expected credit losses (Note b.1)	**(2,821)**	(7,941)
	13,030,082	39,696,965

(All amounts in Saudi Riyal unless otherwise stated)

8 Related party transactions and balances (continued)

b) Related party transactions resulted in the following related balances as at: (continued)

b.1 The following shows the movement in the allowance for expected credit losses:

	31 December 2023	31 December 2022
Opening balance as at the beginning of the year	7,941	-
(Reversal) / charge during the year	(5,120)	7,941
Closing balance as at the end of the year	2,821	7,941

Transactions with key management personnel,

Key Management Personnel ("KMP") are those having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Company's KMP includes the Board of Directors (including executive and non-executive directors) and selected key employees who meet the above criteria.

	31 December 2023	31 December 2022
Employee salaries and wages	3,002,986	612,500

9 Property and equipment, net

Property and equipment as of December 31 consisted of the following:

	Computers and mobile phones	
	2023	2022
Cost		
As at 1 January	119,011	-
Additions during the year	295,065	119,011
As at 31 December	414,076	119,011
Accumulated Depreciation		
As at 1 January	11,495	-
Charge for the year	68,938	11,495
As at 31 December	80,433	11,495
Net book value		
As at 31 December	333,643	107,516

10 Intangible assets, net

Intangible assets as at December 31 consisted of the following:

	Electronic platform	
	2023	2022
Cost		
As at 1 January	2,505,386	-
Additions during the year	-	317,269
Transfers during the year	-	2,188,117
As at 31 December	2,505,386	2,505,386
Accumulated Amortization		
As at 1 January	228,134	-
Charge for the year	247,785	228,134
As at 31 December	475,919	228,134
Net book value		
As at 31 December	2,029,467	2,277,252

(All amounts in Saudi Riyal unless otherwise stated)

11 Accrued expenses and other liabilities

Accrued expenses and other liabilities consist of the following:

	31 December 2023	31 December 2022 Restated – note 22
Accrued employee bonus	**747,346**	-
Accounts payable	**675,354**	-
Leave salary payable	**544,101**	118,236
Value added tax payable	**343,260**	544,206
Accrued salaries and wages	**95,583**	38,149
Accrued social insurance payable	**89,970**	45,003
Accrued professional fees	**-**	145,447
Other	**7,500**	12,644
	2,503,114	903,685

12 Zakat Payable

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA") as applicable in the Kingdom of Saudi Arabi
a.

a) Movement in the provision for zakat

The movement in the provision for zakat is as follows:

	31 December 2023	31 December 2022
Opening balance as at the beginning of the year	**773,782**	127,075
Charge during the year	**1,139,434**	773,782
Paid during the year	**(773,782)**	(127,075)
Closing balance as at the beginning of the year	**1,139,434**	773,782

b) Status of assessments

At the date of issuing these financial statements, zakat returns up to 2022 have been submitted to ZATCA. There have been no zakat assessments to date.

(All amounts in Saudi Riyal unless otherwise stated)

13 Employee's end of service benefits

The following tables summarize the components of specific employee end of service benefit obligations recognized in the statement of profit and loss and the amounts recognized in the statement of other comprehensive income and the statement of financial position:

	31 December 2023	31 December 2022
Provision for end of service benefit obligations	**333,000**	48,000
	333,000	48,000

13.1 The movement in the present value of employee defined benefit obligations is as follows:

	31 December 2023	31 December 2022
Opening balance as at the beginning of the year	**48,000**	-
Payments during the year	**(8,307)**	-
Provision for the year	**197,000**	41,000
Remeasurement loss on employee end of service benefits (Note 13.4)	**96,307**	7,000
Closing balance as at the beginning of the year	**333,000**	48,000

13.2 The significant actuarial assumptions used in the actuarial valuation at the reporting date are as follows:

	31 December 2023	31 December 2022
Discount rate	**5%**	4.5%
Salary increase rate	**5%**	4%
Mortality Table	**Saudi Life Table**	Saudi Life Table
Employee turnover (withdrawal) rates	**1%-25%**	1%-25%

13.3 Amounts charged to profit and loss:

	31 December 2023	31 December 2022
Service cost	**193,000**	40,000
Net Interest on the net defined benefit liability	**4,000**	1,000
The total amount charged to statement of profit and loss	**197,000**	41,000

13.4 Amounts charged to other comprehensive income:

	31 December 2023	31 December 2022
Loss / (gain) resulting from the change in financial assumptions	**6,000**	(7,000)
(Gain) / loss resulting from the change in demographic assumptions	**-**	-
Loss resulting from experience adjustments	**90,307**	14,000
The total amount charged to statement of profit and loss	**96,307**	7,000

13.5 Reconciliation of the net defined benefit liability:

	31 December 2023	31 December 2022
Net defined benefit liability as at beginning of the year	**48,000**	-
Service cost	**193,000**	40,000
Net interest on the net defined benefit liability	**4,000**	1,000
Benefit payments on exits	**(8,307)**	-
Remeasurements of the net defined benefit liability	**96,307**	7,000
The total amount charged to statement of profit and loss	**333,000**	48,000

13 Employee's end of service benefits (continued)

13.6 Sensitivity analysis for actuarial assumptions

A quantitative sensitivity analysis for the change in the actuarial assumptions on the defined benefit obligation as at December 31, 2023 and 31 December 2022 are as follows:

Assumption	**2023**	
Sensitivity level	**1% increase**	**1% decrease**
Discount rate	**305,000**	**369,000**
Salary increase rate	**368,000**	**304,000**
Employee turnover rate	**324,000**	**343,000**

Assumption	**2022**	
Sensitivity level	**1% increase**	**1% decrease**
Discount rate	44,000	53,000
Salary increase rate	53,000	44,000
Employee turnover rate	46,000	50,000

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee end of service benefits

13.7 Maturity profile of the defined benefit obligation

The duration of the defined benefit obligation is 10 years.

14 Share Capital

	Number of shares	**Share value**	**Share capital in Saudi Riyal**	**Percentage (contribution)**
Osoul Manafa Investment Company	4,000,000	10	40,000,000	100%
	4,000,000	**10**	**40,000,000**	**100%**

15 Statutory reserve

In accordance with the Company's By-laws, the Company is required to set aside a statutory reserve, after absorption of accumulated losses, by the appropriation of 10% of net income until the reserve equals at least 30% of the share capital. This reserve is not available for distribution to the shareholder.

16 Revenue

	31 December 2023	**31 December 2022**
Commission income – at a point of time	**15,528,400**	7,145,120
Wakalah fees – over time	**6,623,203**	1,879,823
	22,151,603	9,024,943

17 Cost of revenue

	31 December 2023	**31 December 2022**
Service and data providers expenses	**2,735,632**	652,228
Salaries and wages	**1,242,904**	380,809
Amortization of intangible assets	**247,785**	228,134
	4,226,321	1,261,171

18 General and administrative expenses

General and administrative expenses consist of the following:

	31 December 2023	31 December 2022
		Restated – note 22
Salaries and wages	**5,408,807**	2,599,871
Bonus	**1,195,601**	-
Professional fees	**1,089,983**	399,223
Social insurance	**850,647**	304,448
Advertising	**776,327**	327,101
Vacation allowance	**425,865**	98,228
Employee benefit obligations (Note 13.3)	**197,000**	41,000
Value added tax expenses	**66,097**	151,405
Travel expenses	**131,081**	-
Medical insurance	**102,852**	18,473
Depreciation (Note 9)	**68,938**	11,495
Bank charges	**46,431**	1,277
Other	**1,196,583**	170,814
	11,556,212	4,123,335

19 Customers' accounts

According to rules and regulations of crowdfunding established by Saudi Central Bank, released in the month of December 2021 in accordance with Article 42075986, that regards collection accounts in crowdfunding operations. The company holds these accounts with a local bank (Arabic National Bank), amounting to SR 52.3 million at 31 December 2023 (2022: SR 181.8 million). In addition, the company has outstanding financing agreements amounting to SR 291.8 million at 31 December 2023 (2022: 183.4 million). Such balances are not included in the Company's financial statements.

20 Financial instruments and risk management

The Company is exposed to multiple risks, including market risks (including currency risks, fair value risks, cash flow interest rates, and price risks), credit risks, and liquidity risks. The Company's senior management is responsible for supervising the management of these risks with the support of a financial risk committee that provides advice on financial risks and the appropriate framework for their governance. This committee also provides the Company's senior management with guarantees and assurances that the Company's financial risk activities are subject to appropriate policies and procedures and the identification, measurement, and management of risks, in accordance with the company's policies and its exposure to risks, and the Board of Directors reviews and approves policies to manage each of these risks, a summary of which is provided below:

Market risk

Market risk is the risk of fluctuation in the fair value of future cash flows of a financial instrument due to changes in market prices. Market prices include risks such as: stock price risks, interest rate risks, and currency risks.

Currency risks

Are the risks represented by the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Given that the Company's transactions are carried out mainly in Saudi riyals and US dollars, and the Saudi riyal is linked and pegged to the US dollar, the Company will not be exposed to currency risks in an important and fundamental way.

Fair value and cash flow interest rate risks

Represent exposure to various risks associated with the impact of fluctuations in prevailing interest rates on financial conditions and cash flows. The Company monitors and monitors commission rate fluctuations on an ongoing basis and acts accordingly and is subject to change on a periodic basis.

Price risk

Price risk is the fluctuation of the value of a financial instrument as a result of changes in market prices, whether those changes result from factors specific to the individual instrument or its issuer, or from factors affecting all instruments traded in the market.

(All amounts in Saudi Riyal unless otherwise stated)

20 Financial instruments and risk management (continued)

Credit risk

Credit risk is the failure of one of the counterparties to fulfill its obligations under one of the financial instruments or contracts concluded with customers, which leads to the emergence of a financial loss. The Company places its cash and funds with banks that have good and sound credit ratings, and records accounts receivable and amounts due from third parties, relevant to the net provision for expected losses, if any.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	2023	**2022**
Cash and cash equivalents	**33,555,491**	1,223,241
Due from related parties, net	**13,030,082**	39,696,965
Accounts receivable, net	**1,510,996**	758,900
	48,096,569	41,679,106

The Company has kept cash and cash equivalents in reputable banks and financial institutions. The cash at banks as at 31 December 2023 is SAR 33.5 million (31 December 2022: SAR 1.2 million). For banks and financial institutions, only independently rated parties are accepted.

Accounts receivables are shown net of allowance for expected credit losses. The Company applies the IFRS 9 simplified approach for measuring expected credit losses on accounts Receivable. To measure the expected credit losses, accounts Receivable are grouped based on shared credit risk characteristics and the days past due. The ECL on accounts Receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, days past due, expected recovery, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Due from related parties amounting to SAR 13 million are expected to be settled within the next 12 months. Related party receivables are callable overnight if payment is required earlier. Given the short life of the receivable and the fact they are with intercompany entities with no history of default, the related party balance considered to have low credit risk, therefore ECL is expected to be negligible on these receivables.

Liquidity risk

Liquidity risk is the exposure of an entity to difficulties in raising funds to meet the liabilities associated with financial instruments. Liquidity risk may result from the inability to quickly sell a financial asset at a value close to its fair value. Liquidity risk is managed by carrying out, on a regular basis, monitoring allocating sufficient and available funds through credit facilities that are committed to meet any future liabilities.

(All amounts in Saudi Riyal unless otherwise stated)

20 Financial instruments and risk management (continued)

Liquidity risk (continued)

Below are the amounts expected to be recovered or settled no more than 12 months and those more than 12 months after the reporting date.

	31 December 2023	31 December 2022
ASSETS		
Less than 12 months		
Cash and cash equivalents	**33,555,491**	1,223,241
Accounts receivable, net	**1,510,996**	758,900
Prepaid expenses	**349,737**	206,407
Due from related parties, net	**13,030,082**	39,696,965
	48,446,306	41,885,513
More than 12 months		
Property and equipment, net	**333,643**	107,516
Intangible assets, net	**2,029,467**	2,277,252
	2,363,110	2,384,768

	31 December 2023	31 December 2022
LIABILITIES		
Less than 12 months		
Accrued expenses and other liabilities	**2,503,114**	903,685
Provision for zakat	**1,139,434**	773,782
	3,642,548	1,677,467
More than 12 months		
Employee end of service benefits	**333,000**	48,000
	333,000	48,000

21 Financial instruments fair value

As at 31 December 2023 and 2022, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The fair values of financial position financial instruments not measured at fair value are not significantly different from the carrying values included in the financial statements. The fair values of cash and bank balances, accounts receivable, due from related parties, accrued expenses and other liabilities. which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, due to the short term duration of financial instrument and the current market commission rates are not significantly different from the contracted rates for bank loan. An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

22 Restatements of comparative information

Management has re-evaluated the accounting treatment and classification for certain transactions and balances recorded in the financial statements in the prior years to determine if such transactions and balances had been accurately accounted for under International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia. Where necessary, adjustments have been made to comparative figures in accordance with International Accounting Standard 8 "Accounting policies, changes in accounting estimates and errors" ("IAS 8") as endorsed in the Kingdom of Saudi Arabia.

As a result, management restated the comparatives to correct the errors detailed below in the financial statements for the year ended 31 December 2023 as prior year restatements.

22 Restatements of comparative information (continued)

The note below sets out the details of adjustments and the line items in the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in shareholder's equity and statement of cash flows:

A In the previous year, management erroneously did not record accrued employee leave balances totaling SR 118,236 as per the requirements of IAS 19 - Employee Benefits. As a result, accrued expenses and other liabilities amounting to SAR 118,236 as at 31 December 2022, have been recognized on the statement of financial position. This has correspondingly increased General and administrative expenses and Cost of revenue in the statement of profit or loss by SR 98,228 and SR 20,008 respectively for the year ended 31 December 2022.

B In the previous year, Value Added Tax (VAT) on Wakalah fees charged to investors for their services was not included in the Company's Financial Statements or VAT returns. During the current period, management conducted a VAT review and subsequently updated the VAT returns, resulting in payment of the difference to ZATCA. Consequently, prior year financial statements have been restated, leading to an increase in Accrued expenses and other liabilities, and General and administrative expenses by SAR 151,405. As a result of this error, accrued expenses and other liabilities amounting to SR 151,405 as at 31 December 2022 have been booked on the statement of financial position with a corresponding increase in General and administrative expenses by the same amount for the year ended 31 December 2022.

C The Company was established on 3 January 2021 as a Limited Liability Company (LLC), with the financial year starting from the beginning of January and ending at the end of December each year. On 13 September 2021, the legal form of the entity was changed from an LLC to a closed joint-stock Company. Consequently, management issued the first financial statements up to 13 September 2021. The second financial year then started on 14 September 2021 and ended on 31 December 2022. During 2023, management reviewed the accounting treatment for the change in legal form and determined that it does not establish a new accounting unit or reporting entity. Therefore, the first financial year should have continued until 31 December 2021, and the second financial year should have started on 1 January 2022. As a result of the aforementioned error, a third balance sheet was added as of 1 January 2022, reflecting only one additional transaction between 13 September 2021 and 31 December 2021: an additional Zakat provision amounting to SR 65,657. Additionally, the comparative statements of profit and loss and statement of cash flows have been restated to cover the period from 1 January 2022 to 31 December 2022.

D In 2023, management reassessed the classification of "amortization expenses – Manafa Platform" and concluded that these expenses should be properly classified under Cost of revenue rather than General and administrative expenses. The rationale for reclassification is that the Manafa Platform serves as the core system of the Company, used for operating and processing financing opportunities. Amortization expenses amounting to SR 228,134 for the year ended 31 December 2022 has been reclassified from General and administrative expenses to Cost of revenue.

E In the previous year, management erroneously classified charge for expected credit losses amounting to SAR 21,725 as part of General and administrative expenses instead of showing it separately in the statement of profit or loss. The Charge for expected credit losses amounting to SR 21,725 for the year ended 31 December 2022 has been reclassified from General and administrative expenses to being separately disclosed in the statement of profit or loss.

F In 2023, management reassessed the classification of employee costs and concluded that these expenses, which include direct labor costs, should be reclassified under Cost of revenue rather than General and administrative expenses. The rationale for reclassification is that these employees directly contribute to fulfilling performance obligations. Salaries and wages amounting to SR 360,801 for the year ended 31 December 2022 has been reclassified from General and administrative expenses to Cost of revenue.

(All amounts in Saudi Riyal unless otherwise stated)

22 Restatements of comparative information (continued)

	As previously reported	Restatement A	Restatement B	Restatement C	Restatement D	Restatement E	Restatement F	As Restated
1 January 2022								
Current assets								
Cash and cash equivalents	5,000,000	-	-	-	-	-	-	5,000,000
Accounts receivable, net	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Due from related parties, net	-	-	-	-	-	-	-	-
Total current assets	5,000,000	-	-	-	-	-	-	5,000,000
Non-current assets								
Property and equipment, net	-	-	-	-	-	-	-	-
Intangible assets, net	-	-	-	-	-	-	-	-
Total non-current assets	-	-	-	-	-	-	-	-
Total assets	5,000,000	-	-	-	-	-	-	5,000,000
Liabilities and shareholder's equity								
Liabilities								
Current liabilities								
Accrued expenses and other liabilities	30,000	-	-	-	-	-	-	30,000
Provision for zakat	61,418	-	-	65,657	-	-	-	127,075
Total current liabilities	91,418	-	-	65,657	-	-	-	157,075
Non-current liabilities								
Employee's end of service benefits	-	-	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-	-	-
Total liabilities	91,418	-	-	65,657	-	-	-	157,075
Shareholder's equity								
Share capital	5,000,000	-	-	-	-	-	-	5,000,000
Statutory reserve	-	-	-	-	-	-		-
Retained Earnings	(91,418)	-	-	(65,657)	-	-	-	(157,075)
Total shareholder's equity	4,908,582	-	-	(65,657)	-	-	-	4,842,925
Total liabilities and shareholder's equity	5,000,000	-	-	-	-	-	-	5,000,000

(All amounts in Saudi Riyal unless otherwise stated)

22 Restatements of comparative information (continued)

	As previously reported	Restatement A	Restatement B	Restatement C	Restatement D	Restatement E	Restatement F	As Restated
31 December 2022								
Current assets								
Cash and cash equivalents	1,223,241	-	-	-	-	-	-	1,223,241
Accounts receivable, net	758,900	-	-	-	-	-	-	758,900
Prepaid expenses	206,407	-	-	-	-	-	-	206,407
Due from related parties, net	39,696,965	-	-	-	-	-	-	39,696,965
Total current assets	41,885,513	-	-	-	-	-	-	41,885,513
Non-current assets								
Property and equipment, net	107,516	-	-	-	-	-	-	107,516
Intangible assets, net	2,277,252	-	-	-	-	-	-	2,277,252
Total non-current assets	2,384,768	-	-	-	-	-	-	2,384,768
Total assets	44,270,281	-	-	-	-	-	-	44,270,281
Liabilities and shareholder's equity								
Liabilities								
Current liabilities								
Accrued expenses and other liabilities	634,044	118,236	151,405	-	-	-	-	903,685
Provision for zakat	708,125	-	-	65,657	-	-	-	773,782
Total current liabilities	1,342,169	118,236	151,405	65,657	-	-	-	1,677,467
Non-current liabilities								
Employee's end of service benefits	48,000	-	-	-	-	-	-	48,000
Total non-current liabilities	48,000	-	-	-	-	-	-	48,000
Total liabilities	1,390,169	118,236	151,405	65,657	-	-	-	1,725,467
Shareholder's equity								
Share capital	40,000,000	-	-	-	-	-	-	40,000,000
Statutory reserve	375,231	-	-	-	-	-	-	375,231
Retained Earnings	2,504,881	(118,236)	(151,405)	(65,657)	-	-	-	2,169,583
Total shareholder's equity	42,880,112	(118,236)	(151,405)	(65,657)	-	-	-	42,544,814
Total liabilities and shareholder's equity	44,270,281	-	-	-	-	-	-	44,270,281

(All amounts in Saudi Riyal unless otherwise stated)

22 Restatements of comparative information (continued)

	As previously reported	Restatement A	Restatement B	Restatement C	Restatement D	Restatement E	Restatement F	As Restated
Income								
Revenue	9,024,943	-	-	-	-	-	-	9,024,943
Cost of revenue	(652,228)	(20,008)	-	-	(228,134)	-	(360,801)	(1,261,171)
Gross profit	8,372,715	(20,008)	-	-	(228,134)	-	(360,801)	7,763,772
Charge for expected credit losses						(21,725)	-	(21,725)
General and administrative expenses	(4,484,362)	(98,228)	(151,405)	-	228,134	21,725	360,801	(4,123,335)
Marketing expenses	(159,042)							(159,042)
Other income	23,001	-	-	-	-	-	-	23,001
Profit for the year before zakat	3,752,312	(118,236)	(151,405)	-	-	-	-	3,482,671
Zakat Expense	(773,782)	-	-	-	-	-	-	(773,782)
Profit for the year	2,978,530	(118,236)	(151,405)	-	-	-	-	2,708,889
Statement of other comprehensive income								
Profit for the year	2,978,530	(118,236)	(151,405)	-	-	-	-	2,708,889
Other comprehensive income items:								
Not to be reclassified to profit or loss in subsequent periods:								
Remeasurement loss on employee end of service benefits	(7,000)	-	-	-	-	-	-	(7,000)
Total other comprehensive loss for the year	(7,000)	-	-	-	-	-	-	(7,000)
Total comprehensive income for the year	2,971,530	(118,236)	(151,405)	-	-	-	-	2,701,889

(All amounts in Saudi Riyal unless otherwise stated)

22 Restatements of comparative information (continued)

	As previously reported	Restatement A	Restatement B	Restatement C	Restatement D	Restatement E	Restatement F	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES								
Net profit (loss) for the period before zakat	3,752,312	(118,236)	(151,405)	-	-	-	-	3,482,671
Adjustments for:								
Depreciation of property and equipment	11,495	-	-	-	-	-	-	11,495
Amortization of intangible assets	228,134	-	-	-	-	-	-	228,134
Provision for employee end of service benefit obligations	41,000	-	-	-	-	-	-	41,000
Allowance for expected credit losses	21,725	-	-	-	-	-	-	21,725
Operating profit/(loss) before changes in working capital								
Changes in working capital								
Accounts Receivables	(772,684)	-	-	-	-	-	-	(772,684)
Prepaid expenses	(206,407)	-	-	-	-	-	-	(206,407)
Due from related parties	(41,893,023)	-	-	-	-	-	-	(41,893,023)
Accrued expenses and other liabilities	604,044	118,236	151,405	-	-	-	-	873,685
Net cash flows (used in) operating activities before zakat and employee benefits	(38,213,404)	-	-	-	-	-	-	(38,213,404)
Zakat paid	(127,075)	-	-	-	-	-	-	(127,075)
Employee end of service benefits paid	-	-	-	-	-	-	-	-
Net cash (used in) operating activities	(38,340,479)	-	-	-	-	-	-	(38,340,479)
CASH FLOWS FROM INVESTING ACTIVITIES								
Additions to property and equipment	(119,011)	-	-	-	-	-	-	(119,011)
Additional to intangible assets	(317,269)	-	-	-	-	-	-	(317,269)
Net cash (used in) investing activities	(436,280)	-	-	-	-	-	-	(436,280)
CASH FLOWS FROM FINANCING ACTIVITIES								
Payments on capital increase	35,000,000	-	-	-	-	-	-	35,000,000
Net cash generated from financing activities	35,000,000	-	-	-	-	-	-	35,000,000
Net change in cash and cash equivalent	(3,776,759)	-	-	-	-	-	-	(3,776,759)
Cash and cash equivalents at the beginning of the year	5,000,000	-	-	-	-	-	-	5,000,000
Cash and cash equivalents at the end of the year	1,223,241	-	-	-	-	-	-	1,223,241

23 Subsequent events

There are no subsequent events after the year-end until the date of approval of these financial statements, which require disclosure or adjustment in these financial statements.

24 Date of approval of the financial statements

These financial statements were approved and authorized for issue by the Board of Directors of the Company on 22 August 2024.