QUARA FINANCE COMPANY
(A Saudi Joint Stock Company)

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

Independent auditor's report to the shareholders of Quara Finance Company

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Quara Finance Company (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).

What we have audited

The Company's financial statements comprise:

- the statement of comprehensive income for the year ended December 31, 2024;
- the statement of financial position as at December 31, 2024;
- the statement of changes in shareholders' 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.

Our audit approach

Overview

Key Audit Matter	Expected credit loss allowance against Murabaha receivables

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audit, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Independent auditor's report to the shareholders of Quara Finance Company (continued)

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 of the current period. This matter was 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 this matter.

Key audit matter	How our audit addressed the Key audit matter
Expected credit loss allowance against Murabaha receivables As at 31 December 2024, gross Murabaha receivables before impairment were SAR 779.6 million against which the Company maintained an expected credit loss ("ECL") allowance of SAR 35.1 million. We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgement and this has a material impact on the financial statements of the Company. The key areas of judgment include: 1. categorisation of receivables into Stages 1, 2 and 3 based on the identification of: a. exposures with a significant increase in credit risk ("SICR") since their origination; and b. individually impaired / defaulted exposures. The Company has applied additional judgements to identify and estimate the likelihood of borrowers that may have experienced SICR due to the current economic outlook. 2. Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") including but not limited to assessment of financial condition of the counterparties, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages.	• We obtained and updated our understanding of management's assessment of ECL allowance against Murabaha receivables including the Company's internal rating model, accounting policy, model methodology including any key changes made during the year. • We compared the Company's accounting policy for ECL allowance and the ECL methodology with the requirements of IFRS 9. • We assessed the design and implementation, and tested the operating effectiveness of key controls over: o the ECL model, including governance over the model, and any model updates performed during the period, including approval of the respective oversight committee of key inputs, assumptions and post model adjustments; o the classification of financing into Stages 1, 2 and 3, timely identification of SICR and the determination of defaulted / individually impaired exposures; and o the integrity of data inputs into the ECL model. • For a sample of customers, we assessed: o the internal ratings determined by management based on the Company's internal rating model and considered these assigned ratings in light of Company's ECL methodology and available industry information. We also assessed that these were consistent with the ratings used as input in the ECL model; and o management's computations for ECL.

Independent auditor's report to the shareholders of Quara Finance Company (continued)

Key audit matter (continued)

Key audit matter	How our audit addressed the Key audit matter
3. The need to apply post model overlays using expert credit judgement to reflect all relevant risk factors that might not have been captured by the ECL model. *Application of these judgements and estimates results in greater estimation uncertainty and the associated audit risk around ECL calculation as at 31 December 2024.* *Refer to the material accounting policies note 2.16 for the impairment of financial assets; note 6 which contains the disclosure of impairment against these receivables, credit quality analysis and key assumptions and factors considered in determination of ECL.*	• For selected customers, we assessed management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any. • We assessed the appropriateness of the Company's criteria for the determination of SICR and identification of "defaulted" or "individually impaired" exposures; and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the staging classification of the Company's financing portfolio. • We assessed the governance process implemented and the qualitative factors considered by the Company when applying any overlays, or making any adjustment to the output from the ECL model, due to data or model limitations or otherwise. • We assessed the reasonableness of the underlying assumptions used by the Company in the ECL model including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios. • We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2024. • Where required, we involved our experts to assist us in auditing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights and of assumptions used in post model overlays. • We assessed the adequacy of disclosures in the financial statements.

Independent auditor's report to the shareholders of Quara Finance Company (continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's 2024 Annual Report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Company's 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

Independent auditor's report to the shareholders of Quara Finance 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 scepticism 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 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.

Independent auditor's report to the shareholders of Quara Finance Company (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368

04 March 2025

QUARA FINANCE COMPANY
(A Saudi Joint Stock Company)
Statement of comprehensive income
For the year ended December 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	2024	2023
Murabaha income		**206,169,499**	187,610,869
Financial charges		**(15,218,140)**	(8,901,342)
		190,951,359	178,709,527
Other general and administrative expenses	4	**(79,126,647)**	(76,300,658)
Provision for Murabaha losses	6.2	**(28,265,511)**	(6,512,742)
Salaries and other benefits		**(35,985,813)**	(39,909,059)
Other income, net		**5,346,277**	7,056,643
Net income for the year before zakat		**52,919,665**	63,043,711
Zakat charge	13	**(9,673,279)**	(9,257,005)
Net income for the year after zakat		**43,246,386**	53,786,706
Other comprehensive income		**-**	-
Total comprehensive income		**43,246,386**	53,786,706
Earnings per share		**1.44**	1.79
Weighted average number of shares	15	**30,000,000**	30,000,000

The notes from 1 to 23 form an integral part of these financial statements.

Abdullah Alshilash	Faisal Al Alshaikh	Amrish Shah
Chairman	Chief Executive Officer	Chief Financial Officer

QUARA FINANCE COMPANY
(A Saudi Joint Stock Company)
Statement of financial position
As at December 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents	5	**64,818,672**	41,809,229
Murabaha receivables, net	6	**744,529,037**	676,975,453
Prepayments and other receivables	7	**52,434,674**	31,862,305
Repossessed assets held for sale	8	-	1,642,785
Intangibles	9.1	**11,167,110**	5,485,851
Property and equipment, net	9	**4,314,589**	7,309,197
Total assets		**877,264,082**	765,084,820
Liabilities and shareholders' equity			
Liabilities			
Term loans	10	**291,128,315**	227,188,804
Loan from a related party	11	**81,186,517**	98,027,769
Accrued expenses and other liabilities	12	**32,672,431**	32,795,936
Provision for zakat	13	**11,272,234**	12,830,880
Employees' termination benefits	14	**1,753,200**	1,719,100
Total liabilities		**418,012,697**	372,562,489
Shareholders' equity			
Share capital	15	**300,000,000**	300,000,000
Statutory reserve	16	**12,542,513**	12,542,513
Equity contribution on related party loan	11	**34,345,344**	10,862,676
Accumulated profit		**112,363,528**	69,117,142
Net shareholders' equity		**459,251,385**	392,522,331
Total liabilities and shareholders' equity		**877,264,082**	765,084,820

The notes from 1 to 23 form an integral part of these financial statements.

Abdullah Alshilash
Chairman

Faisal Al Alshaikh
Chief Executive Officer

Amrish Shah
Chief Financial Officer

QUARA FINANCE COMPANY
(A Saudi Joint Stock Company)
Statement of changes in shareholders' equity
For the year ended December 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Accumulated profit	Equity contribution on related party loan	Total
January 1, 2023	300,000,000	7,163,842	20,709,107	10,862,676	338,735,625
Comprehensive income:					
Net income for the year after zakat	-	-	53,786,706	-	53,786,706
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	53,786,706	-	53,786,706
Transfer to statutory reserve	-	5,378,671	(5,378,671)	-	-
December 31, 2023	300,000,000	12,542,513	69,117,142	10,862,676	392,522,331
Comprehensive income:					
Net income for the year after zakat	-	-	**43,246,386**	-	**43,246,386**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	**43,246,386**	-	**43,246,386**
Equity Contribution on Related Party Loan	-	-	-	**23,482,668**	**23,482,668**
Transfer to statutory reserve	-	-	-	-	-
December 31, 2024	**300,000,000**	**12,542,513**	**112,363,528**	**34,345,344**	**459,251,385**

The notes from 1 to 23 form an integral part of these financial statements.

Abdullah Alshilash
Chairman

Faisal Al Alshaikh
Chief Executive Officer

Amrish Shah
Chief Financial Officer

QUARA FINANCE COMPANY
(A Saudi Joint Stock Company)
Statement of cash flows
For the year ended December 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2024	2023
Cash flow from operating activities			
Net income for the year before zakat		**52,919,665**	63,043,711
Adjustments for non-cash items:			
Depreciation and amortisation	9	**4,041,797**	4,376,920
Accrued income on investments		-	3,330,772
Financial charges		**14,206,232**	8,901,342
Provision for Murabaha losses	6.2	**46,942,886**	32,362,597
Provision for employees' termination benefits	14	**193,340**	965,445
Loss on sale repossessed assets		**142,785**	-
Changes in working capital			
Murabaha receivables - net		**(114,496,470)**	(2,481,350)
Prepayments and other assets		**(20,572,369)**	(8,534,151)
Due from a related party		-	2,732,147
Accrued and other liabilities		**(123,505)**	14,207,934
Zakat paid	13	**(11,231,925)**	(9,619,012)
Employees' termination benefits paid	14	**(159,240)**	(317,445)
Financial charges paid		**(7,136,818)**	(7,502,993)
Net cash (utilised in) / from operating activities		**(35,273,622)**	101,465,917
Cash flow from investing activities			
Purchase of property and equipment and intangibles	9	**(6,728,448)**	(6,438,542)
Proceeds from sale of repossessed assets		**1,500,000**	35,000
Net cash utilised in investing activities		**(5,228,448)**	(6,403,542)
Cash flow from financing activities			
Proceeds from term loans	10	**188,000,000**	133,750,000
Payment of term loans	10	**(124,488,487)**	(364,353,976)
Sukuk repayments		-	(4,090,909)
Net cash from / (utilized in) financing activities		**63,511,513**	(234,694,885)
Net cash and cash equivalents		**23,009,443**	(139,632,510)
Cash and cash equivalents at the beginning of the year	5	**41,809,229**	181,441,739
Cash and cash equivalents at the end of the year	5	**64,818,672**	41,809,229

The notes from 1 to 23 form an integral part of these financial statements.

Abdullah Alshilash
Chairman

Faisal Al Alshaikh
Chief Executive Officer

Amrish Shah
Chief Financial Officer

1 General information

Quara Finance Company (the "Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under commercial registration number 1010262141 issued in Riyadh on Safar 9, 1430H (corresponding to February 4, 2009).

As per the Saudi Central Bank ("SAMA") license number 45/HA/201605 dated 2 Sha'ban 1437H (corresponding to May 9, 2016), the Company is authorized to provide lease finance, consumer finance and small and medium enterprise finance in the Kingdom of Saudi Arabia.

On March 7, 2024, the Company completed its Initial Public Offering ("IPO") and its ordinary shares (8.83% amounting to 2.65 million shares) were listed on the Nomu - Parallel Market (Saudi Arabia). Accordingly, the Company has been categorised as a Saudi Joint Stock Company. The Company has updated its legal documents from Closed Joint Stock Company to Joint Stock company, the Commercial Registration was updated on 29/10/2024 and the By-Laws were updated on 28/10/2024. The Company has conducted its ordinary general meeting on 16 October 2024.

The Company's registered office is located in Riyadh at the following address:
Quara Finance Company
P.O. Box 8246, Riyadh 12622
Kingdom of Saudi Arabia

2 Material accounting policies

The accounting and risk management policies adopted in the preparation of these financial statements are consistent with the Company's audited financial statements for the year ended December 31, 2023, except for the adoption of the amendments to existing standards which has had no material impact on the financial statements of the Company as follows.

2.1 Basis of preparation

The financial statements of the Company as at and for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the, The Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The financial statements have been prepared on a historical cost basis following the accrual basis of accounting, except as disclosed in the notes to these financial statements.

The statement of financial position is stated broadly in order of liquidity.

2.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('Saudi Riyals'). The financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

2 Material accounting policies (continued)

2.3 Adoption of new standards and amendments

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB), have been effective from 1 January 2024 and accordingly adopted by the Company has assessed that the amendments have no significant impact on the Company's financial statements, as applicable:

a) *New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Company:*

- *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.*

- *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.*

- *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.*

- *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.*

- *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.*

The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(All amounts in Saudi Riyals unless otherwise stated)

2 Significant accounting policies (continued)

2.3 Adoption of new standards and amendments: (continued)

b) Standards issued but not yet effective:

Standards issued but not yet effective up to the date of issuance of the Company's annual financial statements are listed below. The Company intends to adopt these standards when they become effective and these standards will not have any material impact on the financial statements of the company.

Standard / interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 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
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: 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

2 Significant accounting policies (continued)

2.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts (if any).

2.5 Murabaha receivables

Murabaha originated by the Company, are initially recognized at fair value including transaction costs when cash is advanced to customers. Subsequently, these financial assets are measured at amortized cost. For presentation purposes, the unearned finance income and provision for impairment are deducted from gross receivables

2.6 Repossessed assets held for sale

The Company, in the ordinary course of business, acquires real estate or other assets against settlement of finances due. Such assets are considered as assets held for sale and are initially recorded at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy, at the time of possession. No depreciation is charged on such assets.

Subsequent to initial recognition, any subsequent write down to fair value, less cost to sell, are charged to the statement of comprehensive income. Any subsequent gain in the fair value less cost to sell of these assets to the extent this does not exceed the cumulative write down is recognized as income together with any gain/loss on disposal.

2.7 Property and equipment and intangible assets

Property and equipment, and intangibles, are stated at historical cost less, depreciation and amortisation respectively. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of comprehensive income during the reporting period in which they are incurred.

Depreciation and amortisation is calculated using the straight-line method to allocate their cost, net of their residual values (property and equipment), over their estimated useful life. The estimated useful life of the assets are as follows:

	Number of years
Vehicles	5 years
Furniture and fixtures	5 years
Information technology equipment	5 years
Intangible Assets	5 years
Leasehold improvements	4 - 5 years or over the lease term whichever is shorter

2.8 Provisions, accrued and other liabilities

Provisions are recognized when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognized for future operating losses. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2.9 Employees' termination benefits

The Company operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as and when it falls due. Remeasurements (actuarial gains / losses) as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of comprehensive income.

2 Material accounting policies (continued)

2.10 Short-term employee benefits

Short-term employee benefits, include leave pay and airfare, are current liabilities included in accrued expenses, measured at the undiscounted amount that the entity expects to pay as a result of the unused entitlement.

2.11 Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"), the Company is subject to zakat attributable to the Saudi shareholders. Zakat is computed on the Saudi shareholders' share of equity or net income using the basis defined under the Zakat regulations. Zakat is accrued on a quarterly basis and charged directly to statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

2.12 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of comprehensive income.

2.13 Revenue recognition

Income from murabaha receivables is recognized in the statement of comprehensive income using the effective yield method, on the outstanding balance over the term of the contract.

The calculation of effective yield method includes transaction costs and fees and commission income received that are an integral part of effective yield method. Transaction costs include incremental costs that are directly attributable to the acquisition of the financial asset.

Other income is recognized on accrual basis as the services are rendered. Other income is recorded in accordance with the requirement of IFRS 15 "Revenue from Contracts with Customers". Revenue from providing services is recognised in the accounting period in which the services are rendered.

2.14 General and administrative expenses

General and administrative expenses are those arising from Company's efforts underlying the administrative activities.

2.15 Financial instruments

The Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

IFRS 9 contains three principal classification categories for financial assets. The Company classifies its financial assets in the following measurement categories:

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

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transactions cost of financial assets carried at fair value through profit or loss (FVTPL) are expensed in statement of comprehensive income.

2 Material accounting policies (continued)

2.15 Financial instruments (continued)

Subsequent measurement of debt instrument 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) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and profit (SPPP) are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of the hedging relationship is recognized in statement of comprehensive income when the asset is derecognized or impaired. Profit from these financial assets is calculated the effective yield method. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement, including the impact of prepayment and early termination features of the contract. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

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 FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, profit on financial instrument (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 comprehensive income and recognised in other gains / (losses). Profit from these financial assets is included in finance income using the effective yield method.

iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of comprehensive income and presented net in the statement of comprehensive income within other gains / (losses) in the period in which it arises. Profit from these financial assets is included in the finance income.

Currently, the Company does not hold any equity instruments; therefore, the related accounting policies have not been presented.

2.16 Impairment of financial assets

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

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

(All amounts in Saudi Riyals unless otherwise stated)

2 Material accounting policies (continued)

2.16 Impairment of financial assets (continued)

Incorporation of forward-looking information

Macroeconomic information (such as GDP growth rate, oil prices and inflation rate) is incorporated as part of the internal rating model.

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from economic experts and consideration of a variety of forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by the International Monetary Fund and the Saudi Central Bank.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro- economic variables and credit risk and credit losses. The economic scenarios used as at the year-end included the following ranges of key indicator:

Economic Indicators	31 December 2024	31 December 2023
Oil prices	**Upside 30%** **Base case 40%** **Downside 30%**	Upside 30% Base case 40% Downside 30%
Gross domestic product	**Upside 30%** **Base case 40%** **Downside 30%**	Upside 30% Base case 40% Downside 30%
KSA inflation rate	**Upside 30%** **Base case 40%** **Downside 30%**	Upside 30% Base case 40% Downside 30%

Probability weightings

The Company considered the probability weightings to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Company's credit portfolios in determining them.

Probability weighting of each scenario is determined by the management considering the risks and uncertainties surrounding the base case economic scenario. Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data.

Economic indicators	Forecast calendar years used in 2024 ECL model			Forecast calendar years used in 2023 ECL model		
	2025	**2026**	**2027**	**2024**	**2025**	**2026**
Gross domestic product	**4.6%**	**4.4%**	**3.6%**	3.7%	2.9%	2.8%
Oil price	**$74.6**	**$74.6**	**$74.6**	$89.8	$89.8	$89.8
KSA inflation rate	**1.7%**	**1.9%**	**2.0%**	2.2%	2%	2%

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full;
- the borrower is classified in default category as per internal credit grade (applicable for corporate and high net worth individuals); or
- the borrower is past due more than 90 days on any material credit obligation to the Company.

2 Material accounting policies (continued)

2.16 Impairment of financial assets (continued)

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative e.g. breaches of covenant
- quantitative e.g. overdue status and non-payment on another obligation of the same issuer to Company

Financial assets shall be written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be recovery of amounts due.

The Company uses three categories for murabaha receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

Category	Company definition of category	Basis for recognition of expected credit loss provision
Performing	Financial asset(s) that have not significantly deteriorated in credit quality since origination. Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are from 30 past due.	Lifetime expected losses
Non-performing	Interest and/or principal repayments above 90 days past due	Lifetime expected losses

Credit-impaired Murabaha receivables

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or lease by the Company on terms that the Company would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

A Murabaha receivable that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a Murabaha receivable that is overdue for 90 days or more is considered impaired.

Curing period

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period time. A customer needs to demonstrate consistently good payment behaviour (more than 1 repayment) over a period of time before the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to a 12-month ECL (Stage 1) for measurement at an amount equal to Lifetime ECL (Stage 2 and 3)

2.17 Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost using the effective yield method. The related cost of borrowing is charged to statement of comprehensive income. 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.

2 Material accounting policies (continued)

2.17 Financial liabilities (continued)

The Company derecognizes a financial liability (or a part of a financial liability) from its statement of balance sheet when, and only when, the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in statement of comprehensive income.

2.18 Derecognition of financial instruments

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of comprehensive income.

2.19 Modifications of financial assets and financial liabilities

a. 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 statement of comprehensive income.

b. 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 statement of comprehensive income.

2.20 Leases

Leases are recognized as a right-of-use asset and a corresponding liability, at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise the following:

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

Subsequently, the lease liabilities are measure at amortized cost using the effective interest rate method. They are re-measured when there is a change in future lease payments arising from a change in rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are re-measured in this way, a corresponding comprehensive income adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of comprehensive income if the carrying amount of right-of-use asset is reduced to zero.

- any initial direct costs, and
- restoration costs.

2 Material accounting policies (continued)

2.20 Leases (continued)

Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Refundable security deposits are not included in the initial measurement of a right-of-use asset. However, the difference between the nominal amount of the refundable security deposits and its fair value at the commencement of the lease represents, an additional lease payment which is prepaid and accordingly added to the initial carrying amount of the right-of-use asset and released to the statement of comprehensive income over the lease term as part of the depreciation of those assets.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-to-use assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liabilities.

Lease term

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

Short-term and low value leases

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipment and furniture.

2.21 Government grant

The Company recognizes a government grant related income, if there is a reasonable assurance that it will be received, and the Company will comply with the conditions associated with the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant related income. The below-market rate grant is recognized and measured in accordance with IFRS 9 - Financial Instruments. The benefit of the below- market rate of interest is measured as the difference between the initial carrying value of the grant determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. Government grant is recognized in the statement of comprehensive income on a systematic basis over the periods in which, the Company recognizes as expenses, the related costs which the grants is intended to compensate. The grant income is only recognised when the ultimate beneficiary is the Company. Where the customer is the ultimate beneficiary, the Company only records the respective receivable and payable amounts.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. Significant area where management has used estimates, assumptions or exercised judgements is provision for doubtful debts (note 2.17 and note 6).

(All amounts in Saudi Riyals unless otherwise stated)

3 Significant accounting judgments, estimates and assumptions (continued)

Critical accounting judgement

i. SPPP Test:

Management has assessed the prepayment and early termination features of the contract which require the customers to pay certain compensation in addition to the outstanding principal and accrued profit. However, management believes that such additional amounts represent 'reasonable compensation' for the reinvestment costs.

Furthermore, the contractual provisions also stipulate that in the event of default the Company pursues legal action to recover its outstanding dues only upon meeting certain additional requirements as set out in the applicable regulations and the amounts to be recovered from the customer, representing the outstanding principal and profit is determined by the outcome of the legal action. Accordingly, management believes that the contractual cashflows of investment in Islamic financing contracts meet the SPPP test.

4 Other general and administrative expenses

	Note	2024	2023
Enquiry and subscriptions		**36,177,132**	23,066,800
Marketing expenses		**12,710,027**	11,049,437
Information technology		**3,416,035**	10,251,500
Bank charges		**5,357,919**	7,447,855
Depreciation and amortisation	9 & 9.1	**4,041,797**	4,376,920
Sales and collection incentives		**3,027,418**	2,619,759
Medical insurance		**4,024,712**	3,983,961
Professional fees	4.1	**2,672,176**	2,802,861
Utilities		**1,576,645**	1,964,101
Office stationery and post office		**223,931**	1,362,436
End of service benefits and vacation		**455,856**	1,706,271
Rentals		**953,115**	726,114
Taxes		**-**	467,811
Committee allowances		**280,000**	313,250
Other expenses		**4,209,884**	4,161,582
		79,126,647	76,300,658

4.1 Auditor's remuneration:

	For the year ended 31 December	
	2024	**2023**
Fee for statutory audit and interim reviews	**892,975**	530,000
Fee for other statutory and related certifications	**132,250**	296,500
	1,025,225	826,500

5 Cash and cash equivalents

	As at December 31	
	2024	**2023**
Current accounts with banks	**64,818,672**	41,809,229
	64,818,672	41,809,229

Bank balances are placed with counterparties with sound credit ratings under Standard & Poor's (S&P Global Rating) and Moody's ratings methodology.

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivables, net

	As at December 31	
	2024	**2023**
Murabaha receivables	**1,124,312,997**	897,550,631
Less: Unearned revenue	**(344,675,391)**	(198,951,462)
Less: Modification loss on restructuring of financing	**-**	(1,067,469)
Murabaha receivables, net	**779,637,606**	697,531,700
Less: Provision for doubtful debts	**(35,108,569)**	(20,556,247)
	744,529,037	676,975,453
Current portion of Murabaha receivables	**435,622,700**	460,830,790
Non-current portion of Murabaha receivables	**344,014,906**	236,700,910
	779,637,606	697,531,700
Less: Provision for Murabaha losses	**(35,108,569)**	(20,556,247)
	744,529,037	676,975,453

The movement in provision for doubtful debts was as follows:

	As at December 31	
	2024	**2023**
Opening balance	**20,556,247**	15,217,446
Charge for the year	**46,942,886**	32,362,597
Written off during the year	**(32,390,564)**	(27,023,796)
Closing balance at end of the year	**35,108,569**	20,556,247

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivables, net (continued)

6.1 Stage wise analysis of Murabaha receivables is as follows:

	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	Total
December 31, 2024				
Receivables	**904,515,346**	**71,443,726**	**148,353,925**	**1,124,312,997**
Modification loss on restructuring of financing	**-**	**-**	**-**	**-**
Unearned revenue	**(294,918,270)**	**(21,360,108)**	**(28,397,013)**	**(344,675,391)**
Provision for Murabaha losses	**(1,262,379)**	**(1,110,600)**	**(32,735,590)**	**(35,108,569)**
Net receivables	**608,334,697**	**48,973,018**	**87,221,322**	**744,529,037**
December 31, 2023				
Receivables	685,512,704	136,918,057	75,119,870	897,550,631
Modification loss on restructuring of financing	(1,067,469)	-	-	(1,067,469)
Unearned revenue	(166,586,763)	(26,187,566)	(6,177,133)	(198,951,462)
Provision for Murabaha losses	(628,959)	(2,143,444)	(17,783,844)	(20,556,247)
Net receivables	517,229,513	108,587,047	51,158,893	676,975,453

6.2 The movement in provision for Murabaha receivables is as follows:

	2024			
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	Total
January 1	**628,959**	**2,143,444**	**17,783,844**	**20,556,247**
Charge for the year	**633,420**	**(1,032,844)**	**47,342,310**	**46,942,886**
Written off during the year	**-**	**-**	**(32,390,564)**	**(32,390,564)**
December 31, 2024	**1,262,379**	**1,110,600**	**32,735,590**	**35,108,569**

	2023			
	Performing (Stage 1)	Under performing (Stage 2)	Non-Performing (Stage 3)	Total
January 1	673,827	6,867,309	7,676,310	15,217,446
Charge for the year	(44,868)	(4,723,865)	37,131,330	32,362,597
Written off during the year	-	-	(27,023,796)	(27,023,796)
December 31, 2023	628,959	2,143,444	17,783,844	20,556,247

As of December 31, 2024, the receivables amount written off still subject to enforcement activity amounts to SR 32.4 million (2023: SR 27 million).

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivables, net (continued)

6.2 (a) Reconciliation for provision for Murabaha losses with statement of comprehensive income

	As at December 31	
	2024	**2023**
Expected credit losses charge for the year	**46,942,886**	32,362,597
Recoveries from written off customers*	**(18,677,375)**	(25,849,855)
	28,265,511	6,512,742

* Recoveries from written off customers pertains to doubtful debts written off in previous years.

6.3 Reconciliation between gross to net receivables

		December 31, 2024		
	Note	**Retail**	**SME financing**	**Total**
Murabaha receivable		**1,062,149,963**	**62,163,034**	**1,124,312,997**
Less: Unearned revenue		**(342,863,578)**	**(1,811,813)**	**(344,675,391)**
Less: Modification loss on restructuring of financings	13	**-**	**-**	**-**
Gross carrying value of Murabaha receivable		**719,286,385**	**60,351,221**	**779,637,606**
Less: Provision for Murabaha losses		**(33,819,390)**	**(1,289,179)**	**(35,108,569)**
		685,466,995	**59,062,042**	**744,529,037**
Current portion of Murabaha receivable		**376,743,036**	**58,879,664**	**435,622,700**
Non-Current portion of Murabaha receivable		**342,543,349**	**1,471,557**	**344,014,906**
		719,286,385	**60,351,221**	**779,637,606**
Less: Provision for Murabaha losses		**(33,819,390)**	**(1,289,179)**	**(35,108,569)**
		685,466,995	**59,062,042**	**744,529,037**

		December 31, 2023		
	Note	**Retail**	**SME financing**	**Total**
Murabaha receivable		710,162,272	187,388,359	897,550,631
Less: Unearned revenue		(193,260,856)	(5,690,606)	(198,951,462)
Less: Modification loss on restructuring of financings		-	(1,067,469)	(1,067,469)
Gross carrying value of Murabaha receivable		516,901,416	180,630,284	697,531,700
Less: Provision for Murabaha losses		(16,230,503)	(4,325,744)	(20,556,247)
		500,670,913	176,304,540	676,975,453
Current portion of Murabaha receivable		305,150,744	155,680,046	460,830,790
Non-current portion of Murabaha receivable		211,750,672	24,950,238	236,700,910
		516,901,416	180,630,284	697,531,700
Less: Provision for Murabaha losses		(16,230,503)	(4,325,744)	(20,556,247)
		500,670,913	176,304,540	676,975,453

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivables, net (continued)

6.4 The analysis of movement in provision for impairment of Murabaha receivable is as follows:

	For the year ended December 31, 2024			
Retail	**Performing (Stage 1)**	**Under-Performing (Stage 2)**	**Non-Performing (Stage 3)**	**Total**
Loss allowance as at January 1, 2024	**601,190**	**1,567,570**	**14,061,743**	**16,230,503**
Transfer from performing	**(45,502)**	**16,119**	**29,383**	**-**
Transfer from under-performing	**450,136**	**(883,331)**	**433,195**	**-**
Transfer from non-performing	**727,267**	**204,318**	**(931,585)**	**-**
Remeasurement of loss allowance	**(934,804)**	**761,173**	**52,117,832**	**51,944,201**
Financial assets – settled	**(326,764)**	**(597,509)**	**(1,809,776)**	**(2,734,049)**
Financial assets originated	**769,299**	**-**	**-**	**769,299**
Write-off during the year	**-**	**-**	**(32,390,564)**	**(32,390,564)**
Loss allowance as at December 31, 2024	**1,240,822**	**1,068,340**	**31,510,228**	**33,819,390**

	For the year ended December 31, 2024			
SME financing	**Performing (Stage 1)**	**Under-Performing (Stage 2)**	**Non-Performing (Stage 3)**	**Total**
Loss allowance as at January 1, 2024	**27,769**	**575,874**	**3,722,101**	**4,325,744**
Transfer from performing	**(1,010)**	**790**	**220**	**-**
Transfer from under-performing	**38,319**	**(311,031)**	**272,712**	**-**
Transfer from non-performing	**46,809**	**-**	**(46,809)**	**-**
Remeasurement of loss allowance	**(70,400)**	**(35,684)**	**(2,297,794)**	**(2,403,878)**
Financial assets – settled	**(19,930)**	**(187,689)**	**(425,068)**	**(632,687)**
Financial assets originated	**-**	**-**	**-**	**-**
Write-off during the year	**-**	**-**	**-**	**-**
Loss allowance as at December 31, 2024	**21,557**	**42,260**	**1,225,362**	**1,289,179**

	For the year ended December 31, 2023			
Retail	**Performing (Stage 1)**	**Under-Performing (Stage 2)**	**Non-Performing (Stage 3)**	**Total**
Loss allowance as at January 1, 2023	598,175	1,078,432	9,459,406	11,136,013
Transfer from performing	(54,162)	36,585	17,577	-
Transfer from under-performing	179,590	(476,175)	296,585	-
Transfer from non-performing	483,315	368,488	(851,803)	-
Remeasurement of loss allowance*	(709,012)	911,864	24,225,219	24,428,071
Financial assets – settled	(334,382)	(351,624)	(2,121,058)	(2,807,064)
Financial assets originated	437,666	-	-	437,666
Write-off during the year	-	-	(16,964,183)	(16,964,183)
Loss allowance as at December 31, 2023	601,190	1,567,570	14,061,743	16,230,503

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivables, net (continued)

6.4 The analysis of movement in provision for impairment of Murabaha receivable is as follows: (continued)

	For the year ended December 31, 2023			
SME financing	**Performing (Stage 1)**	**Under-Performing (Stage 2)**	**Non-Performing (Stage 3)**	**Total**
Loss allowance as at January 1, 2023	83,686	512,031	3,493,750	4,089,467
Transfer from performing	(12,504)	12,024	480	-
Transfer from under-performing	5,492	(92,546)	87,054	-
Transfer from non-performing	-	223,130	(223,130)	-
Remeasurement of loss allowance*	5,742	249,758	10,836,203	11,091,703
Financial assets – settled	(60,276)	(328,523)	(412,643)	(801,442)
Financial assets originated	5,629	-	-	5,629
Write-off during the year	-	-	(10,059,613)	(10,059,613)
Loss allowance as at December 31, 2023	27,769	575,874	3,722,101	4,325,744

6.5 The net carrying amount of loan receivables, and thus the maximum exposure to loss, is as follows:

	December 31, 2024		
	Retail	**SME financing**	**Total**
Performing (Stage 1)	**591,431,978**	**18,165,098**	**609,597,076**
Underperforming (Stage 2)	**46,554,632**	**3,528,986**	**50,083,618**
Non-performing (Stage 3)	**81,299,775**	**38,657,137**	**119,956,912**
Total net loan receivables	**719,286,385**	**60,351,221**	**779,637,606**
Less: Provision for Murabaha losses	**(33,819,390)**	**(1,289,179)**	**(35,108,569)**
Loan receivables net of expected credit losses	**685,466,995**	**59,062,042**	**744,529,037**

	December 31, 2023		
	Retail	**SME financing**	**Total**
Performing (Stage 1)	417,932,861	99,925,611	517,858,472
Underperforming (Stage 2)	72,314,291	38,416,200	110,730,491
Non-performing (Stage 3)	26,654,264	42,288,473	68,942,737
Total net loan receivables	516,901,416	180,630,284	697,531,700
Less: Provision for Murabaha losses	(16,230,503)	(4,325,744)	(20,556,247)
Loan receivables net of expected credit losses	500,670,913	176,304,540	676,975,453

6.6 Portfolio / Murabaha receivables classification mentioned above is based on curing period criteria, however considering DPD as base below is the classification.

	December 31, 2024	**December 31, 2023**
Performing	**619,759,253**	526,066,929
Underperforming	**45,524,612**	106,842,317
Non-performing	**114,353,741**	64,622,454
Total net loan receivables	**779,637,606**	697,531,700
Less: Provision for Murabaha losses	**(35,108,569)**	(20,556,247)
Loan receivables net of expected credit losses	**744,529,037**	676,975,453

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivable, net (continued)

6.7 (i) The movements in Murabaha receivables of retail and SME segments are as follows:

	For the year ended December 31, 2024			
Retail	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2024	**417,932,861**	**72,314,291**	**26,654,264**	**516,901,416**
Transferred from Stage 1	**(44,931,703)**	**14,195,793**	**30,735,910**	**-**
Transferred from Stage 2	**21,708,238**	**(45,423,996)**	**23,715,758**	**-**
Transferred from Stage 3	**1,329,498**	**417,329**	**(1,746,827)**	**-**
Repayments and settlements	**(481,201,291)**	**5,051,215**	**34,331,234**	**(441,818,842)**
New financial assets originated	**676,594,375**	**-**	**-**	**676,594,375**
Write-offs (From stage 3)	**-**	**-**	**(32,390,564)**	**(32,390,564)**
Gross carrying amount as December 31, 2024	**591,431,978**	**46,554,632**	**81,299,775**	**719,286,385**

	For the year ended December 31, 2023			
Retail	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2023	360,526,598	62,616,756	18,674,380	441,817,734
Transferred from Stage 1	(93,880,418)	73,156,771	20,723,647	-
Transferred from Stage 2	13,239,966	(26,463,529)	13,223,563	-
Transferred from Stage 3	1,010,556	779,898	(1,790,454)	-
Repayments and settlements	(223,837,932)	(37,775,605)	(7,212,689)	(268,826,226)
New financial assets originated	360,874,091	-	-	360,874,091
Write-offs (From stage 3)	-	-	(16,964,183)	(16,964,183)
Gross carrying amount as December 31, 2023	417,932,861	72,314,291	26,654,264	516,901,416

	For the year ended December 31, 2024			
SME financing	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2024	**99,925,611**	**38,416,200**	**42,288,473**	**180,630,284**
Transferred from Stage 1	**(7,642,570)**	**5,669,294**	**1,973,276**	**-**
Transferred from Stage 2	**6,723,578**	**(27,427,854)**	**20,704,276**	**-**
Transferred from Stage 3	**1,170,214**	**-**	**(1,170,214)**	**-**
Repayments and settlements	**(82,011,735)**	**(13,128,654)**	**(25,138,674)**	**(120,279,063)**
New financial assets originated	**-**	**-**	**-**	**-**
Write-offs (From stage 3)	**-**	**-**	**-**	**-**
Gross carrying amount as December 31, 2024	**18,165,098**	**3,528,986**	**38,657,137**	**60,351,221**

	For the year ended December 31, 2023			
SME financing	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2023	195,443,873	48,197,240	42,793,906	286,435,019
Transferred from Stage 1	(45,004,417)	40,045,113	4,959,304	-
Transferred from Stage 2	3,033,183	(27,896,125)	24,862,942	-
Transferred from Stage 3	-	7,797,293	(7,797,293)	-
Repayments and settlements	(115,770,673)	(29,727,321)	(12,470,773)	(157,968,767)
New financial assets originated	62,223,645	-	-	62,223,645
Write-offs (From stage 3)	-	-	(10,059,613)	(10,059,613)
Gross carrying amount as December 31, 2023	99,925,611	38,416,200	42,288,473	180,630,284

(All amounts in Saudi Riyals unless otherwise stated)

6 Murabaha receivable, net (continued)

6.7 (i) The movements in Murabaha receivables of retail and SME segments are as follows: (continued)

Management receives collaterals in form of real estate property and Kafalah. Management policy for valuation of real estate collaterals is in accordance with guidelines.

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Company has used GDP growth rate, oil prices and inflation as their key macroeconomic factors. The macro-economic factors has been updated based on the latest available information (for GDP forecast as issued by International Monetary Fund, and for inflation rate as available on the www.stats.gov.sa).

7 Prepayments and other receivables

	As at December 31	
	2024	**2023**
Prepayments and other receivables	**49,170,229**	31,139,558
Advance financial interest	**2,848,437**	722,747
Advance to Supplier (Related Party)	**416,008**	-
	52,434,674	31,862,305

The ECL on other receivables is insignificant. All receivable balances are due within a period of less than 90 days.

8 Repossessed assets held for sale

In 2016, the Company received real estate assets from a customer as partial settlement of the customer's outstanding balance. During the current period, these assets were sold for SAR 1.5 million.

(All amounts in Saudi Riyals unless otherwise stated)

9 Property and equipment, net

2024	**Vehicles**	**Furniture and fixtures**	**Information technology equipment***	**Leasehold improvements**	**Total**
Cost					
January 1, 2024	**265,300**	**2,957,017**	**15,540,735**	**5,968,159**	**24,731,211**
Additions during the year	**-**	**-**	**122,086**	**42,545**	**164,631**
December 31, 2024	**265,300**	**2,957,017**	**15,662,821**	**6,010,704**	**24,895,842**
Accumulated depreciation					
January 1, 2024	**265,296**	**2,665,350**	**9,151,293**	**5,340,075**	**17,422,014**
Charge for the year	**-**	**164,353**	**2,468,404**	**526,482**	**3,159,239**
December 31, 2024	**265,296**	**2,829,703**	**11,619,697**	**5,866,557**	**20,581,253**
Net book value at December 31, 2024	**4**	**127,314**	**4,043,124**	**144,147**	**4,314,589**

2023	**Vehicles**	**Furniture and fixtures**	**Information technology equipment***	**Leasehold improvements**	**Total**
Cost					
January 1, 2023	265,300	2,957,017	15,157,588	5,929,985	24,309,890
Additions during the year	-	-	526,787	38,174	564,961
Sold During the Year	-	-	(143,640)	-	(143,640)
December 31, 2023	265,300	2,957,017	15,540,735	5,968,159	24,731,211
Accumulated depreciation					
January 1, 2023	265,296	2,379,761	6,497,848	4,398,559	13,541,464
Sold During the Year	-	-	(108,640)	-	(108,640)
Charge for the year	-	285,589	2,762,085	941,516	3,989,190
December 31, 2023	265,296	2,665,350	9,151,293	5,340,075	17,422,014
Net book value at December 31, 2023	4	291,667	6,389,442	628,084	7,309,197

* This includes computer equipment and related information technology solutions.

(All amounts in Saudi Riyals unless otherwise stated)

9 Property and equipment, net (continued)

9.1 Intangibles

2024	**Software solutions**	**Capital WIP**	**Total**
Cost			
As at 1 January 2024	**4,339,757**	**1,533,824**	**5,873,581**
Additions during the year	**96,152**	**6,467,665**	**6,563,817**
As at 31 December 2024	**4,435,909**	**8,001,489**	**12,437,398**
Accumulated amortisation			
As at 1 January 2024	**387,730**	**-**	**387,730**
Amortisation during the year	**882,558**	**-**	**882,558**
As at 31 December 2024	**1,270,288**	**-**	**1,270,288**
Net book value as at 31 December 2024	**3,165,621**	**8,001,489**	**11,167,110**

2023	**Software solutions**	**Capital WIP**	**Total**
Cost			
As at 1 January 2023	-	-	-
Additions during the year	4,339,757	1,533,824	5,873,581
As at 31 December 2023	4,339,757	1,533,824	5,873,581
Accumulated amortisation			
As at 1 January 2023	-	-	-
Amortisation during the year	387,730	-	387,730
As at 31 December 2023	387,730	-	387,730
Net book value as at 31 December 2023	3,952,027	1,533,824	5,485,851

10 Term loans

	Note	**As at December 31 2024**	**2023**
Term loan – Monsha'at	10.1	**7,229,717**	26,141,254
Term loan – SAMA – funding for lending	10.2	**68,296,697**	160,428,631
Loan from Bank	10.3	**215,601,901**	40,618,919
		291,128,315	227,188,804

10.1 Term loan – Monsha'at

	Note	**As at December 31 2024**	**2023**
Opening balance		**24,207,819**	83,146,130
Add: Loan management fee accrued during the year		**815,612**	2,780,992
Less: Principal repayment during the year		**(17,556,553)**	(58,938,311)
Less: Loan management fee paid during the year		**(815,612)**	(2,780,992)
Closing balance		**6,651,266**	24,207,819
Add: Deferred income on interest free loans	10.1.1	**578,451**	1,933,435
		7,229,717	26,141,254
Current portion		**7,229,717**	18,911,528
Non-current portion		**-**	7,229,726
		7,229,717	26,141,254

(All amounts in Saudi Riyals unless otherwise stated)

10 Term loans (continued)

10.1.1 Deferred income on interest free loans

	As at December 31	
	2024	**2023**
Opening balance	**1,933,435**	5,891,929
Less: Amortization of deferred income on interest free loans	**(1,354,984)**	(3,958,494)
Closing balance	**578,451**	1,933,435

Since 2018, the Company has received eight interest free loans from Social Development Bank to finance small and medium sized entities in the Kingdom of Saudi Arabia amounting Saudi Riyals 245 million for three years. These loans carry a fixed special commission rate that is significantly lower than the current prevailing market rate. These loans provided to the Company carries a number of conditions, one of which is that these loans are to be used for providing loans to specific types/sectors of customers at discounted rates. The benefit being the impact of "lower than market value" loan obtained by the Company has been identified and accounted for in accordance with IFRS 9. Such benefit is being recognised in the statement of income and other comprehensive income of the Company on a systematic basis as the expense for which such loan is intended to compensate, is recognised.

10.2 Term loan – SAMA – funding for lending

	As at December 31	
	2024	**2023**
Opening balance	**160,428,631**	265,966,055
Add: Loans obtained during the year	**-**	93,750,000
Less: Principal repayment during the year	**(92,131,934)**	(199,287,424)
Closing balance	**68,296,697**	160,428,631
Current portion	**65,233,333**	92,131,941
Non-current portion	**3,063,364**	68,296,690
	68,296,697	160,428,631

During the year 2020, the Company has entered into SAMA's Funding for Lending Program, whereby Kafala (SME financing guarantee program) has guaranteed up to 95% of the financing amount to the SME customers. During the period ended 31st December 2024, the Company did not receive any additional financing. The financing tenure is thirty-six months. The net impact of the interest free funding from SAMA and interest charged on financing to SME customers with a low interest rate is not significant to the statement of income.

10.3 Loan from Bank

	As at December 31	
	2024	**2023**
Opening balance	**40,618,919**	-
Add: Loans obtained during the period	**188,000,000**	40,000,000
Add: Loan management fee accrued during the period	**8,104,188**	618,919
Less: Principal repayment during the period	**(14,800,000)**	-
Less: Loan management fee paid during the period	**(6,321,206)**	-
Closing balance	**215,601,901**	40,618,919
Current portion	**48,001,901**	8,618,919
Non-current portion	**167,600,000**	32,000,000
	215,601,901	40,618,919

(All amounts in Saudi Riyals unless otherwise stated)

11. Loan from a related party

	As at December 31	
	2024	**2023**
Opening balance	**98,027,769**	93,397,500
Add: Loan management fee accrued during the year	**6,641,416**	4,630,269
Less: Equity Contribution on Interest Free Loan	**(23,482,668)**	-
Closing balance	**81,186,517**	98,027,769

During 2021, the Company obtained loan amounting to Saudi Riyals 100 million in 4 equal tranches for a period of 3 years. These loans were interest free and are recorded at fair value. In April 2024, the Company renewed all the facility for another 3 years and as a result an equity contribution by the shareholders has been recognised in the statement of changes in equity to reflect the benefit of the interest-free terms.

12 Accrued expenses and other liabilities

	As at December 31	
	2024	**2023**
Murabaha contract related payables	**11,758,343**	18,263,922
Accrued expenses and others	**20,914,088**	14,532,014
	32,672,431	32,795,936

13 Provision for zakat

13.1 The movement in the zakat provision is as follows:

	2024	**2023**
January 1	**12,830,880**	13,192,887
Charge during the year	**9,673,279**	9,257,005
Payments made during the year	**(11,231,925)**	(9,619,012)
December 31	**11,272,234**	12,830,880

13.2 Status of assessments

The Company has filed its zakat returns with the Zakat, Tax and Customs Authority (ZATCA) for the years until 2023.

During the year, the Company received an assessment for the assessment year 2023 with additional Zakat liability amounting to Saudi Riyal 268,772. The company has accepted the additional liability and has proceeded for the final settlement and the same amount has been provided in the financial statements.

Further, zakat liability for the financial year from 2009 to 2022 is settled as per applicable zakat regulations.

14 Employees' termination benefits

	2024	**2023**
Opening balance	**1,719,100**	1,071,100
Current service cost	**699,240**	965,445
Reversal of past service cost	**(505,900)**	-
End of service payments during the year	**(159,240)**	(317,445)
Ending balance	**1,753,200**	1,719,100

(All amounts in Saudi Riyals unless otherwise stated)

14 Employees' termination benefits (continued)

The following tables summaries the components of net benefits expenses recognised in the statement of comprehensive income:

	December 31, 2024	December 31, 2023
Opening balance at beginning of year	**1,719,100**	1,071,100
Statement of comprehensive income		
Service cost attributable to the current and past periods	**193,340**	965,445
End of service paid during the year	**(159,240)**	(317,445)
Ending balance at end of year	**1,753,200**	1,719,100

The provision of this defined benefit plan is based on projected unit credit method. The key assumptions used in current and prior year include 2.5% (2023: 2.5%) salaries increment and 4.81% (2023: 5.0%) discount rate. The change in assumptions will not have significant effect on the provision as at December 31, 2024.

15 Share capital

As at 31 December, 2024 the Company's authorised, issued and paid-up share capital was 300 Million Saudi Riyals (31 December, 2023: 300 Million Saudi Riyals) divided into 30 million shares (31 December, 2023: 30 million shares) with a nominal value of Saudi Riyals 10 each.

16 Statutory reserves

In accordance with the new Companies Law in Saudi Arabia, the requirement for companies to set aside a statutory reserve has been eliminated. Consequently, the management has decided to stop the appropriation for the statutory reserve for the year 2024. Previously, the Company was required to set aside a statutory reserve, after absorption of accumulated losses, if any, by the appropriation of 10% of net income until the reserve reaches at least 30% of the share capital. This reserve was not available for distribution.

17 Commitments

Capital commitments

There are no capital commitments at financial position date.

18 Operating segments

Operating segments are identified based on internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance is measured based on segment's financing portfolio and the operating results of the segment i.e. the profit of the segment, as management believes that this indicator is the most relevant in evaluating the results of segments relative to other entities that operate within these sectors.

The Company's operations are in the Kingdom of Saudi Arabia and the Company currently provides financing to Saudi and resident individuals from government and private sectors and to SMEs. Accordingly, the Company's operations represent the following operating segments. None of a single customer of the Company generates more than 10% of the revenue.

(All amounts in Saudi Riyals unless otherwise stated)

18 Operating segments (continued)

The Company's reportable segments are as follows:

1) Retail (Personal financing): These personal financing is provided to retail segment. Products included in retail segment are cash loan and microfinance.

2) SME financing: These financing to provide to small and medium enterprises. Product included in SME financing segment is term loans.

For the year ended December 31, 2024	**Retail**	**SME financing**	**Total**
Murabaha income	**197,799,862**	**8,369,637**	**206,169,499**
Revenue	**197,799,862**	**8,369,637**	**206,169,499**
Finance charges	**(15,052,825)**	**(165,315)**	**(15,218,140)**
Expenses			
Other general and administrative	**(57,839,717)**	**(3,238,039)**	**(61,077,756)**
Provision for murabaha losses	**(32,218,342)**	**3,952,832**	**(28,265,510)**
Salaries and other benefits	**(14,218,515)**	**-**	**(14,218,515)**
Other income	**3,233,193**	**-**	**3,233,193**
	81,703,656	**8,919,115**	**90,622,771**
Unallocated income*			**2,113,084**
Unallocated expenses**			**(39,816,189)**
Net income before zakat			**52,919,666**

For the year ended December 31, 2023	**Retail**	**SME financing**	**Total**
Murabaha income	162,640,887	24,969,982	187,610,869
Revenue	162,640,887	24,969,982	187,610,869
Finance charges	(5,274,188)	(3,627,155)	(8,901,343)
Expenses			
Other general and administrative	(43,977,066)	(2,145,629)	(46,122,695)
Provision for murabaha losses	(21,860,173)	(10,494,390)	(32,354,563)
Salaries and other benefits	(17,259,452)	(466,443)	(17,725,895)
Other income	15,768,440	11,464,806	27,233,246
	90,038,448	19,701,171	109,739,619
Unallocated income*			7,056,643
Unallocated expenses**			(53,752,551)
Net income before zakat			63,043,711

* Unallocated income mainly includes interest on short-term deposits and nationalisation rebates.

** Unallocated other general and administrative expenses are common expenses which mainly include bank charges, depreciation, taxes and other common expenses which are not relevant to a particular segment.

For the year ended December 31, 2024	**Retail**	**SME financing**	**Total**
Murabaha receivables, net	**685,466,995**	**59,062,042**	**744,529,037**
Unallocated assets			**132,735,045**
Total assets			**877,264,082**
Loans	**296,788,418**	**75,526,414**	**372,314,832**
Unallocated liabilities			**45,697,865**
Total liabilities			**418,012,697**

(All amounts in Saudi Riyals unless otherwise stated)

18 Operating segments (continued)

For the year ended December 31, 2023	Retail	SME financing	Total
Murabaha receivables, net	500,670,913	176,304,540	676,975,453
Unallocated assets			88,109,367
Total assets			765,084,820
Loans	138,646,687	186,569,886	325,216,573
Unallocated liabilities			47,345,916
Total liabilities			372,562,489

19 Fair values of financial assets and liabilities

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

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

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

Financial assets consist of Murabaha receivables, due from related party, cash and cash equivalents and other receivables. Financial liabilities consist of Sukuk, loan from a related party, long term loans. Fair value of all financial assets except Murabaha receivables and all financial liabilities that are measured at amortized cost approximate their fair value.

Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

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; and

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Where they are available, the fair value of loans and advances and loan from a related party is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes contractual cash flows discounted at latest yield, which is the contracted profit rate for recent transactions.

(All amounts in Saudi Riyals unless otherwise stated)

19 Fair values of financial assets and liabilities (continued)

Valuation models (continued)

The following table shows the carrying amount and fair values of financial assets and financial liabilities where fair value is different from carrying value or where the financial assets and liabilities are recorded at fair value, including their levels in the fair value hierarchy.

	Carrying	**Fair value**			
31 December 2024	**value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets as amortised cost:					
Murabaha receivable	**779,637,606**	**-**	**-**	**809,344,895**	**809,344,895**
Due from related parties					
Cash and cash equivalents	**64,818,672**	**64,818,672**	**-**	**-**	**64,818,672**
Other receivables	**52,018,665**	**52,018,665**	**-**	**-**	**52,018,665**
Financial liabilities at amortised cost:					
Loan from a related party	**81,186,517**	**-**	**-**	**81,186,517**	**81,186,517**
Long term loan	**291,128,314**	**-**	**-**	**291,128,314**	**291,128,314**

	Carrying	**Fair value**			
31 December 2023	**value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets as amortised cost:					
Murabaha receivable	697,531,700			701,298,736	701,298,736
Due from related parties	-				
Cash and cash equivalents	41,809,229	41,809,229	-	-	41,809,229
Other receivables	31,862,305	31,862,305	-	-	31,862,305
Financial liabilities at amortised cost:					
Loan from a related party	98,027,769	-	-	98,027,769	98,027,769
Long term loan	227,188,804	-	-	227,188,804	227,188,804

20 Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and supervising the Company's risk management framework. The Board of Directors has established the Risk Management Committee, to oversee the development and maintenance of risk management processes, policies, strategies, risk methodologies and reporting them to the Board.

In addition, the Audit Committee of the Company also reviews the internal audit risk assessment, discusses the Company's policy with respect to risk assessment and risk management. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Risk Management Committee oversees the Company risks and reports to the Board of Directors.

(i) Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to Murabaha receivables customers, including outstanding receivables. For details of credit risk in Murabaha receivables please refer note 6.

Cash and cash equivalents are maintained with local banks approved by management. Accordingly, as a pre-requisite, the banks with whom cash and cash equivalents are maintained are required to have a minimum acceptable security rating level affirming their financial strength. When Murabaha receivable customers are independently rated, such ratings are used. Where there is no such independent rating, the risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The compliance with credit limits by Murabaha receivables customers is regularly monitored by line management.

The overall decision to lend to a particular customer is based on the following key parameters:

- Dual credit score i.e. Saudi Credit Bureau (SIMAH) and internal risk acceptance criteria;
- Minimum income level and maximum debt burden of the borrower; and
- Loan repayment history with other financial institutions sourced from SIMAH.

At the inception of the contract, internal credit risk ratings are allocated to each exposure. These credit risk grades are defined using a variety of qualitative and quantitative factors including income levels, employment segment, nationality etc.

A significant number of customers are Government sector employees. The Company generally receives repayments through variable channels such as SADAD and bank transfers. The Company has approved collection policies and procedures establishing a collection strategy to follow up with the delinquent customers. In order to monitor exposure to credit risk, reports are reviewed by the risk committee on a quarterly basis. Furthermore, the Company has also strengthened its legal department in order to be actively involved in the collection process of delinquent customers. An allowance for ECL is maintained at a level which, in the judgment of management, is adequate to provide for potential losses that can be reasonably anticipated.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. For certain Murabaha receivables the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Amounts arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment.

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(i) Credit risk (continued)

Amounts arising from ECL – Significant increase in credit risk (continued)

In determining whether credit risk has increased significantly since initial recognition, the Company assesses past due information.

Stage 1: When receivables are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 receivables also include facilities where the credit risk has improved and the receivables has been reclassified from Stage 2.

Stage 2: When a receivable has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECL. Stage 2 receivables also include facilities, where the credit risk has improved and the receivables has been reclassified from Stage 3.

Stage 3: Receivables considered credit-impaired. The Company records an allowance for the Lifetime ECL.

POCI: Purchased or originated credit impaired (POCI) assets are receivables that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative modelling, the remaining lifetime PD is determined to have increased significantly.

Using its expert credit judgment and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

For SME and retail portfolio, apart from the customers whose receivables are restructured due to deterioration in credit worthiness, as a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- the criteria do not align with the point in time when an asset becomes 30 days past due.

Collateral

The Company in the ordinary course of financing activities hold collaterals as security to mitigate credit risk in the Murabaha receivables. These collaterals mostly include financial guarantees, real estate, Kafala and other fixed assets. The collaterals are held mainly against SME Murabaha receivables and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

The amount of collateral held as security for SME Murabaha receivables that are credit impaired as at 31 December are as follows:

	2024	**2023**
Less than 50% collateral	-	-
51-80% collateral	-	4,450,144
More than 80% collateral	**38,634,838**	34,942,702
Total	**38,634,838**	39,392,846

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(i) Credit risk (continued)

Collateral (continued)

Concentration of Murabaha receivables according to segment

As at December 31, 2024	Net receivable	ECL	Total
Retail – Governmental	**305,525,255**	**(3,300,446)**	**302,224,809**
Retail - Private	**413,761,129**	**(30,518,944)**	**383,242,185**
SME - Construction	**23,823,798**	**(281,437)**	**23,542,361**
SME - Non-Construction	**36,527,424**	**(1,007,742)**	**35,519,682**
Total	**779,637,606**	**(35,108,569)**	**744,529,037**

As at December 31, 2023	Net receivable	ECL	Total
Retail – Governmental	289,927,391	(7,602,079)	282,325,312
Retail - Private	226,974,025	(8,628,423)	218,345,602
SME - Construction	56,268,410	(894,520)	55,373,890
SME - Non-Construction	124,361,874	(3,431,225)	120,930,649
Total	697,531,700	(20,556,247)	676,975,453

Credit quality of Murabaha receivables based on past due days is as follows:

Retail 2024	Net receivable	ECL	Total
0 – 30	**601,501,769**	**(2,238,228)**	**599,263,541**
31 - 60	**20,305,421**	**(619,784)**	**19,685,637**
61 - 90	**19,151,210**	**(719,795)**	**18,431,415**
91 - 180	**17,783,922**	**(6,354,073)**	**11,429,849**
181 - 270	**25,384,579**	**(10,441,422)**	**14,943,157**
271 - 360	**27,841,265**	**(10,875,703)**	**16,965,562**
361 - 720	**7,318,219**	**(2,570,385)**	**4,747,834**
Above 720	-	-	-
	719,286,385	**(33,819,390)**	**685,466,995**

Retail 2023	Net receivable	ECL	Total
0 - 30	422,338,777	(1,060,780)	421,277,997
31 - 60	38,314,182	(1,031,251)	37,282,931
61 - 90	31,427,804	(1,071,525)	30,356,279
91 - 180	8,026,397	(4,156,549)	3,869,848
181 - 270	7,173,335	(3,836,746)	3,336,589
271 - 360	5,466,956	(2,887,450)	2,579,506
361 - 720	4,153,965	(2,186,202)	1,967,763
Above 720	-	-	-
	516,901,416	(16,230,503)	500,670,913

SME 2024	Net receivable	ECL	Total
0 – 30	**18,931,821**	**(39,158)**	**18,892,663**
31 – 60	**2,100,343**	**(29,652)**	**2,070,691**
61 – 90	**3,509,135**	**(73,701)**	**3,435,434**
91 – 180	**4,339,143**	**(206,078)**	**4,133,065**
181 – 270	**2,191,746**	**(65,357)**	**2,126,389**
271 – 360	**1,225,947**	**(18,386)**	**1,207,561**
361 – 720	**16,545,351**	**(309,437)**	**16,235,914**
Above 720	**11,507,735**	**(547,409)**	**10,960,326**
	60,351,221	**(1,289,178)**	**59,062,043**

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(i) Credit risk (continued)

Collateral (continued)

SME 2023	Net receivable	ECL	Total
0 – 30	103,728,152	(77,671)	103,650,481
31 – 60	15,413,353	(473,649)	14,939,704
61 – 90	21,686,979	(386,149)	21,300,830
91 – 180	-	-	-
181 – 270	2,029,680	(72,395)	1,957,285
271 – 360	10,015,091	(394,223)	9,620,868
361 – 720	23,114,348	(2,447,882)	20,666,466
Above 720	4,642,681	(473,775)	4,168,906
	180,630,284	(4,325,744)	176,304,540

Measurement of ECL

The Company applies the IFRS 9 general approach to measuring expected credit losses which uses a 12-month or lifetime expected loss allowance as applicable for investment in Murabaha receivable contracts. The Company's ECL model is sensitive to macroeconomic variables such as expected movements of oil prices, inflation and GDP scenario weightings. Management evaluates changes in such macroeconomic factors on a periodic basis and has recognised the corresponding impact on the calculation of ECL as at 31 December 2024. The assessment of credit risk in the net investment in Murabaha receivables requires further estimations of credit risk using ECL which is derived by Probability of default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

The Company measures an ECL at a contract level considering the EAD, PD and LGD. PD estimates are estimates at a certain date, based on the term structures as provided below. For LGD estimates, the Company uses present value of recoveries for loss accounts adjusted by the forward-looking information and further adjusts it in accordance with the Basel guidelines for investment in financing contracts. For retail and SME financing products LGD ranges from 5% to 100%. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract i.e. contractual repayments. For discounting, the Company has used each contract's effective profit rate. The Company's management believes that adequate ECL allowance has been made, where required to address the credit risk. Also see Note 6.

Generating the term structure of PD

PD is determined based on the historical loss experience of an entity. This historic PD is then adjusted by a factor, determined by reviewing the historic relationship between key economic parameters and PD. Forward looking macro-economic information is then considered and the calculated historical PD is adjusted.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, management considers the 'days past due' analysis of each exposure and certain other qualitative factors such as monitoring the forward looking information about financial difficulties faced by private sector employers of the customers and nationalization targets for specific industry groups etc. Management considers such analysis to be an effective and efficient measure of monitoring significant increase in credit risk, without undue cost and effort.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on an extensive exercise carried out by the management, it had concluded that the GDP was the macroeconomic factor with the highest correlation to the historical collection and default trends. The Company measures the ECL as either a probability-weighted 12-month ECL (Stage 1) or a probability-weighted lifetime ECL (Stage 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weightings of 30%, 40% and 30% for "upturn", "baseline" and "downturn" scenarios respectively. Management updates the inputs with respect to macroeconomic factors to their ECL model on a periodic basis based on the latest available information. For details of macroeconomic factors used please refer note 2.17. As at 31 December 2024, the GDP incorporated in the upturn, baseline and downturn scenarios was 1.5%, 4.6% and 4.4% respectively (31 December 2023: Upturn 4.1%, baseline 3.7% and downturn 3.3%).

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(i) Credit risk (continued)

Sensitivity analysis

An increase or decrease of USD 10 per barrel in the oil prices scenario weightings with all other variables held constant will result in an increase/decrease of Saudi Riyals 13,725 in the ECL allowance.

An increase or decrease of 1% in the GDP growth rate weightings with all other variables held constant will result in an increase/decrease of Saudi Riyals 35,300 in the ECL allowance.

An increase or decrease of 1% in the inflation rate weightings with all other variables held constant will result in an increase of Saudi Riyals 48,226 in the ECL allowance.

	Impact of ECL
100% weightage is given to base case	**-**
100% weightage is given to downturn case	**27,888**
100% weightage is given to upside case	**(27,888)**

Cash and bank balances and other receivables

The Company believes that it has a low credit risk on these financial assets and the loss allowance would not be material for the Company. The Bank balances are held with a bank which has been assigned investment grade rating "A-2" as per Standard and Poor's (S&P). Hence, currently the Company is not exposed to any significant credit risk. Other receivables are not significant and not exposed to significant credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management manages assets with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities and monitors future cash flows and liquidity on a daily basis.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Total unused credit facilities available to the Company as at 31 December 2024 were approximately Saudi Riyals 125 million (31 December 2023: Saudi Riyals: 10 million).

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(ii) Liquidity risk (continued)

The Company has also complied with the liquidity ratios required by the regulator. The contractual maturities of liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date and do not take account of the effective maturities as indicated by the Company's availability of liquid funds. Management monitors the maturity profile to ensure that adequate liquidity is maintained. The table below summarizes the maturity profile of the Company's liabilities based on contractual undiscounted cash flows. Maturity profile of financial assets and liabilities are as follows:

2024	**Less than 3 months**	**3 to 12 months**	**1 to 10 years**	**Total 2024**
Financial assets – commission bearing				
Murabaha receivables, net	**180,805,090**	**472,704,977**	**470,802,930**	**1,124,312,997**
Financial assets – non commission bearing				
Cash and cash equivalents	**64,818,672**	**-**	**-**	**64,818,672**
Other receivables	**18,325,169**	**-**	**-**	**18,325,169**
Financial liabilities – commission bearing				
Loan from a related party	**-**	**-**	**100,000,000**	**100,000,000**
Term loan	**26,263,013**	**94,198,839**	**170,666,463**	**291,128,315**
Financial liabilities – non commission bearing				
Accrued and other liabilities	**30,055,331**	**-**	**-**	**30,055,331**
Liquidity gap	**207,630,587**	**378,506,138**	**200,136,467**	**786,273,192**

2023	**Less than 3 months**	**3 to 12 months**	**1 to 10 years**	**Total 2023**
Financial assets – commission bearing				
Murabaha receivables, net	203,131,356	395,769,748	297,582,058	896,483,162
Due from a related party	-	-	-	-
Financial assets – non commission bearing				
Cash and cash equivalents	41,809,229	-	-	41,809,229
Other receivables	31,862,305	-	-	31,862,305
Financial liabilities – commission bearing				
Sukuk	-	-	-	-
Loan from a related party	-	100,000,000	-	100,000,000
Long term loan	34,910,035	84,752,353	107,526,416	227,188,804
Financial liabilities – non commission bearing				
Accrued and other liabilities	17,698,025	13,190,199	1,907,712	32,795,936
Liquidity gap	224,194,830	197,827,196	188,147,930	610,169,956

(All amounts in Saudi Riyals unless otherwise stated)

20 Financial risk management (continued)

(iii) Commission rate risk

Commission rate risk is the impact on future earnings of the Company resulting from increase in the market interest rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to interest rate adjustment within a specified period. The most important source of such risk is the Company's murabaha receivables and borrowings. The commission rate is fixed for the murabaha receivables and for the loan borrowings. The Company manages such risk by ensuring that there is no significant mismatch between commission bearing assets and liabilities and therefore such risk is not considered to have a significant impact on the financial statements.

(iv) Currency risk

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign currency exchange rates. All the transactions of the Company are in Saudi Arabian Riyals.

21 Capital management

The Company’s objective when managing capital are to safeguard Company’s ability to continue as a going concern in order to provide returns for the shareholders and benefits to other stakeholders and to maintain optimal capital structure to reduce the cost of capital. For the purpose of the Company’s capital management, capital includes share capital, and all other equity reserves attributable to the shareholders.

The Company’s objective when managing capital are to safeguard Company’s ability to continue as a going concern in order to provide returns for the shareholders and benefits to other stakeholders and to maintain optimal capital structure to reduce the cost of capital. The Company is in compliance with maintaining an equity to net receivable (excluding expected credit losses) ratio as per approved limits.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of Murabaha financing, and the advantages and security afforded by a sound capital position. In relation to the capital structure of the Company, management closely monitors the compliance with regulations and debt covenants. As at the statement of financial position date the Company was in compliance with the prescribe requirements. At financial position date, the management analysis of gearing ratio was as follows:

	2024	**2023**
Debt	**372,314,831**	325,216,573
Shareholders’ equity	**459,251,385**	392,522,331
Debt to equity Ratio	**0.81**	0.83

Net receivables to equity ratio	**2024**	**2023**
Net receivables (excluding ECL)	**779,637,606**	697,531,700
Shareholders’ equity	**459,251,385**	392,522,331
Net receivables to equity ratio	**1.7**	1.8

(All amounts in Saudi Riyals unless otherwise stated)

22 Related party transactions

In the ordinary course of its activities, the Company transacts business with related parties, which are related to its shareholders.

Transactions with related parties during the year:	**For the year ended December 31, 2024**	**For the year ended December 31, 2023**
Professional fees and expenses for listing (Al Khair Capital)	**862,500**	-
Development of System (Quara AI Tech Private Limited – Affiliate)	**3,133,655**	-

Balances:	**As at December 31, 2024**	**As at December 31, 2023**
Al Mawared Al Oula – Shareholder	**100,000,000**	100,000,000
Quara AI Tech Private Limited – Affiliate (Note 7)	**416,008**	-

Key Management Personnel	**2024**	**2023**
Salaries and other short-term employee benefits	**7,689,620**	7,785,124
End of service benefits – Paid	**-**	102,719
End of service benefits – Accrued	**411,054**	172,016
Directors' meeting attendance fee	**280,000**	245,250
Loans to key management of the Company	**20,173**	13,207

Key management personnel include Chief Executive Officer and other department heads

23 Approval of the financial statements

The financial statements have been approved by the Board of Directors on 19 February 2025 (corresponding to 20 Sha'ban 1446H).