BNP PARIBAS INVESTMENT COMPANY KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Financial statements and independent auditor's report
For the year ended 31 December 2024

Building a better working world

Ernst & Young Professional Services (Professional LLC)
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BNP PARIBAS INVESTMENT COMPANY KSA
(A SAUDI CLOSED JOINT STOCK COMPANY)

Opinion
We have audited the financial statements of BNP Paribas Investment Company KSA (A Saudi Closed Joint Stock Company) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter paragraph
The financial statements of the Company for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 18 Ramadan 1445H (corresponding to 28 March 2024).

Responsibilities of Management and the Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable requirements of the Regulations for Companies and Company's By-Laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e. Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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INDEPENDENT AUDITORS REPORT
TO THE SHAREHOLDERS OF BNP PARIBAS INVESTMENT COMPANY KSA
(A SAUDI CLOSED JOINT STOCK COMPANY) (CONTINUED)

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

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

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

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

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

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

- 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.

for Ernst & Young Professional Services

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR. 1010383821
شركة ارنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Dana K. Bin Hader
Certified Public Accountant
License No. 673

Riyadh: 24 Ramadan 1446H
(24 March 2025)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	*2024* *SR*	*2023* *SR*
ASSETS			
Current assets			
Cash and cash equivalents	3	**65,974,864**	94,198,975
Account receivables	4	**40,404,954**	24,832,643
Deposits and prepayments	5	**329,216**	232,609
Income tax receivable	8	**21,195**	-
		106,730,229	119,264,227
Non-current asset			
Property, equipment and right-of-use assets (ROUA) - net	6	**11,067,995**	9,549,426
TOTAL ASSETS		**117,798,224**	128,813,653
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Accrued and other current liabilities	7	**5,783,151**	6,509,721
Income tax payable	8	**-**	3,245,954
Lease Liabilities	10	**1,881,487**	1,055,319
Total current liabilities		**7,664,638**	10,810,994
Non-current liabilities			
Employees' defined benefit liabilities	9	**1,830,852**	1,440,283
Lease liabilities	10	**8,568,060**	9,750,220
Total non-current liabilities		**10,398,912**	11,190,503
Total liabilities		**18,063,550**	22,001,497
Equity			
Share capital	11	**87,500,000**	87,500,000
Statutory reserve	12	**3,406,752**	2,538,071
Remeasurement reserve for employees' defined benefit liabilities		**1,009,797**	1,052,989
Retained earnings		**7,818,125**	15,721,096
Total equity		**99,734,674**	106,812,156
TOTAL EQUITY AND LIABILITIES		**117,798,224**	128,813,653

Dr. Abdullah El-Kuwaiz
Chairman

Ammar Pharaon
Chief Executive Officer

Ammar PHARAON
CEO BIC KSA

Alanoud Alotaibi
Finance Associate

The attached notes 1 to 19 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	*2024* *SR*	*2023* *SR*
REVENUE			
Advisory services - net		**20,912,461**	27,508,664
Service fee income - net		**4,007,709**	6,583,741
		24,920,170	34,092,405
OPERATING EXPENSES			
Salaries and employee related benefits		**(12,560,724)**	(10,369,042)
General and administrative expenses	15	**(4,973,452)**	(7,096,213)
OPERATING PROFIT		**7,385,994**	16,627,150
OTHER INCOME - NET			
Special commission income on term deposits	17	**4,683,508**	4,384,479
Non-operating income	16/17	**443,463**	486,205
Interest expense on lease liabilities	10	**(437,140)**	(237,561)
PROFIT BEFORE TAX		**12,075,825**	21,260,273
Income tax expense	8	**(3,389,019)**	(3,792,389)
PROFIT FOR THE YEAR		**8,686,806**	17,467,884
Other comprehensive income for the year			
Other comprehensive loss items that will not to be reclassified to profit or loss in subsequent periods:			
(Loss) gain on remeasurement of employees' defined benefit liabilities	9	**(43,192)**	142,341
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,643,614**	17,610,225

Dr. Abdullah El-Kuwaiz
Chairman

Ammar Pharaon
Chief Executive Officer

Ammar PHARAON
CEO BIC KSA

Alanoud Alotaibi
Finance Associate

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STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	*2024* *SR*	*2023* *SR*
OPERATING ACTIVITIES			
Profit before tax		**12,075,825**	21,260,273
Adjustments for:			
Depreciation of property, equipment and right-of-use assets	6	**1,336,294**	1,423,391
Provision for employees' defined benefit liabilities	9	**428,156**	403,360
Interest expense on lease liabilities	10	**437,140**	237,561
Property and equipment, other adjustments	6	**-**	(998)
Operating profit before working capital changes		**14,277,415**	23,323,587
Working capital changes:			
Account receivables		**(15,116,386)**	(17,810,846)
Deposits and prepayments		**(96,607)**	157,278
Accrued expenses and other payables		**(1,182,495)**	3,668,945
Cash flows (used in) generated from operations		**(2,118,073)**	9,338,964
Employees' end of service benefits – net	9	**(80,779)**	(115,947)
Income tax paid	8	**(6,656,168)**	(771,584)
Net cash flows (used in) generated from operating activities		**(8,855,020)**	8,451,433
INVESTING ACTIVITY			
Purchase of property and equipment	6	**(2,854,863)**	(113,617)
Net cash flows used in an investing activity		**(2,854,863)**	(113,617)
FINANCING ACTIVITIES			
Dividend paid	13	**(15,721,096)**	(2,172,599)
Repayment of principal portion of lease liabilities	10	**(793,132)**	(127,790)
Net cash flows used in financing activities		**(16,514,228)**	(2,300,389)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(28,224,111)**	6,037,427
Cash and cash equivalents as at 1 January		**94,198,975**	88,161,548
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	3	**65,974,864**	94,198,975

Dr. Abdullah El-Kuwaiz
Chairman

Ammar Pharaon
Chief Executive Officer

Ammar PHARAON
CEO BIC KSA

Alanoud Alotaibi
Finance Associate

The attached notes 1 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Capital *SR*	*Statutory reserve* *SR*	*Remeasurement reserve for employees' defined benefit liabilities* *SR*	*Retained earnings* *SR*	*Total* *SR*
Balance as at 1 January 2023	87,500,000	791,283	910,648	2,172,599	91,374,530
Profit for the year	-	-	-	17,467,884	17,467,884
Other comprehensive income for the year	-	-	142,341	-	142,341
Total comprehensive income for the year	-	-	142,341	17,467,884	17,610,225
Transfer to statutory reserve	-	1,746,788	-	(1,746,788)	-
Dividend paid	-	-	-	(2,172,599)	(2,172,599)
Balance at 31 December 2023	87,500,000	2,538,071	1,052,989	15,721,096	106,812,156
Profit for the year	-	-	-	8,686,806	8,686,806
Other comprehensive income for the year	-	-	(43,192)	-	(43,192)
Total comprehensive income for the year	-	-	(43,192)	8,686,806	8,643,614
Transfer to statutory reserve	-	868,681	-	(868,681)	-
Dividend paid	-	-	-	(15,721,096)	(15,721,096)
Balance at 31 December 2024	**87,500,000**	**3,406,752**	**1,009,797**	**7,818,125**	**99,734,674**

Dr. Abdullah El-Kuwaiz
Chairman

Ammar Pharaon **Ammar PHARAON**
Chief Executive Officer CEO BIC KSA

Alanoud Alotaibi
Finance Associate

The attached notes 1 to 19 form part of these financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

BNP Paribas Investment Company KSA is a Saudi closed joint stock company. The Company was registered as a limited liability company in the Kingdom of Saudi Arabia under commercial registration number 1010270533 issued in Riyadh on Rajab 7, 1430H (corresponding to June 30, 2009) and the Capital Market Authority ("CMA") license number 13173-37 dated Safar 14, 1435H (corresponding to December 17, 2013).

The Company was converted from a limited liability company to a Saudi closed joint stock company on Safar 26, 1439H (corresponding to November 15, 2017) which is the effective date of the conversion of the Company to a Saudi closed joint stock company.

The Company's registered office is located at Building 5.05, 5th floor – Unit No. 2, King Abdullah Financial District, P.O. Box 18771, 6690 Discovery Boulevard Road - Al Aqeeq District Riyadh 2766-13519, Kingdom of Saudi Arabia. The Company is a subsidiary of and controlled by BNP Paribas SA, a company domiciled in France.

The objectives of the Company are to provide corporate finance advisory services, conduct dealing (as a principal, agent and underwriter), managing investment funds, arranging and custody of securities. However, there were no business activities executed during the year by the Company with reference to some of these licenses.

The accompanying financial statements were authorized for issue by the Board of Directors of the Company on 19 March 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with IFRS Accounting 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")

These financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Company.

The financial statements are prepared under the historical cost convention except for employees' end of service benefits ("EOSBs") carried at present value using Projected Unit Credit Method.

2.2 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) effective from 1 January 2024 as noted below:

Topics	***Effective date***
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7	1 January 2024

The adoption of the new and amended standards and interpretations do not have a material impact on the financial statements of the Company.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 New and amended standards issued but not yet effective and not early implemented

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Topics	***Effective date***
Lack of exchangeability – Amendments to IAS 21	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	1 January 2026

The Company did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

2.4 Material accounting policy information

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

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

Based on the five-step model, the revenue recognition policies for the various revenue streams are as follows:

Advisory services
Income from advisory services is recognised based on services rendered as being complete in accordance with the underlying agreement / contract using the five-step approach to revenue recognition above.

Retainer fees is recognized over a period of time, in case if an advance payment is received to perform future obligations. Generally, it is linked to timing of performance obligation. For example, monthly, quarterly, etc. In that case the income from retainer fees is to be recognized on timely basis.

In some cases, accrual of the retainer fees is linked to agreed milestones. If the terms of retainer fees are linked to such performance obligations, then upon satisfaction of such performance obligations, that is, on fulfilment of terms as per the contract with the customers.

Revenue from success fees, as the name indicates is recognised upon fulfilment of performance obligations. For example, achievement of certain objectives as a financial advisor.

Arranging services
Income from arranging services is recognised on an accrual basis when the agreed services are provided.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

Revenue recognition (continued)

Special commission income
Special commission income is recognised on an accrual basis based on effective commission rate method.

Service fee income
Service fee income is recognised when services are determined as complete in accordance with the underlying service level agreement, agreed with the related parties and invoiced, as generally set forth under the terms of the engagement.

Property and equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a a straight-line basis over the estimated useful lives of the assets as follows:

Office equipment	3 to 10 years
Furniture and fixtures	10 years

Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. The asset’s residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted, if appropriate.

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use assets
The Company recognises right-of-use asset at the commencement date of the lease (i.e., the date underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets include the amount of leased liabilities recognised. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset, as follows:

Right-of-use assets	The shorter of the asset's useful life and the lease term

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

Leases (continued)
The carrying amounts of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying amount exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that does not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined as per revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in comprehensive income when the asset is derecognised, modified, or impaired. The Company's financial assets at amortised cost includes trade receivables, cash and cash equivalents and amounts due from related parties.

Account receivables
Account receivables are stated at original invoice amount less a provision for any unrecoverable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise of cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balance and cash as defined above.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)
For financial assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include accrued expenses, rent payable, lease liabilities, amounts due to related parties and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Accruals and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

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

Employees' end of service benefits
The provision for employees' end of service benefits ("EOSBs") is made based on an actuarial valuation of the Company's liability under the Saudi Arabian Labour Law.

In accordance with the provisions of IAS 19 "Employee benefits", management carries out an exercise to assess the present value of its obligations, using the projected unit credit method. Under this method an assessment is made of the employees' expected service life with the Company and expected salary at the date of leaving the service.

The cost of providing benefits under the Company's defined benefit plans is determined using the projected unit credit method by professionally qualified actuaries and arrived at using actuarial assumptions based in the market expectations at the date of statement of financial position. These valuations attribute entitlement benefits to the current period (to determine the current service cost). Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through statement of comprehensive income in the period in which these occur. Re-measurements are not reclassified to statement of income in subsequent periods.

Past service costs are recognized in the statement of income on the earlier of:
- the date of the plan amendment or curtailment; and
- the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The defined benefit liability in the statement of financial position comprises the present value of the defined benefit obligation (using a discount rate).

Current versus non-current classification
The Company presents assets and liabilities based on current/non-current classification. An asset as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Taxation
The Company is subject to income tax in accordance with the regulation of the Zakat, Tax and Customs Authority ("ZATCA"). Income taxes are charged to the statement of income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined. Deferred tax is provided in full, if material, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (continued)

Taxation (continued)
Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax relating to items recognised outside statement of income is recognised either in statement of comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company also withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Value added tax (“VAT”)
The Company is subject to VAT in accordance with the regulations in the Kingdom of Saudi Arabia. Output VAT related to revenue is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT. VAT that is not recoverable is charged to the statement of income as expense.

Foreign currency translation
Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of comprehensive income.

Fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Dividend distribution
Dividend paid are recognised in the period in which such dividends are declared and approved.

2.5 SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Company’s accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property and equipment
The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Determination of lease term of contracts with renewal and termination options – Company as a lessee
The Company has a lease contract that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Leases - Estimating the incremental borrowing rate
The Company uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

Taxation
Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, including differing interpretations of tax regulations by the Company and the tax authority. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

Going concern
The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

3 CASH AND CASH EQUIVALENTS

	2024 ***SR***	*2023* *SR*
Cash at bank - current account (Note i)	**2,974,864**	4,198,975
Short-term deposit maturing within 90 days (Note i and ii)	**63,000,000**	90,000,000
	65,974,864	94,198,975

Note:

(i) Cash at bank is maintained with BNP Paribas - Riyadh Branch, which is a related party (Note 17).

(ii) The term deposit carries special commission at the rate of one-month SIBOR plus agreed spread and is due for maturity within one month after the reporting date.

4 ACCOUNT RECEIVABLES

	2024 ***SR***	*2023* *SR*
Account receivables	**35,611,013**	19,021,798
Amounts due from related parties (Note 17)	**4,793,941**	5,810,845
	40,404,954	24,832,643

5 DEPOSITS AND PREPAYMENTS

	2024 ***SR***	*2023* *SR*
Prepaid expenses	**156,209**	74,233
Prepaid license fees	**105,000**	95,000
Security deposit	**43,290**	43,290
Prepaid insurance	**24,717**	20,086
	329,216	232,609

6 PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSESTS - NET

			Right-of-use assets (Note 10)			
	Office equipment SR	*Furniture and fixtures SR*	*Motor vehicles SR*	*Leasehold property SR*	*Capital work-in-progress SR*	*Total SR*
Cost:						
As at 1 January 2024	183,592	1,309,004	251,584	10,278,530	-	12,022,710
Additions	-	-	-	-	2,854,863	2,854,863
At 31 December 2024	183,592	1,309,004	251,584	10,278,530	2,854,863	14,877,573
Accumulated depreciation:						
As at 1 January 2024	78,638	1,309,004	125,777	959,865	-	2,473,284
Charge for the year	30,688	-	81,752	1,223,854	-	1,336,294
At 31 December 2024	109,326	1,309,004	207,529	2,183,719	-	3,809,578
Net carrying amount:						
At 31 December 2024	**74,266**	**-**	**44,055**	**8,094,811**	**2,854,863**	**11,067,995**

			Right-of-use assets (Note 10)		
	Office equipment SR	*Furniture and fixtures SR*	*Motor vehicles SR*	*Leasehold property SR*	*Total SR*
Cost:					
As at 1 January 2023	82,907	1,306,861	-	3,684,919	5,074,687
Additions	113,617	-	251,584	9,907,773	10,272,974
Movements	(1,145)	2,143	-	-	998
Disposals	(11,787)	-	-	-	(11,787)
Expiry of lease	-	-	-	(3,314,162)	(3,314,162)
At 31 December 2023	183,592	1,309,004	251,584	10,278,530	12,022,710
Accumulated depreciation:					
As at 1 January 2023	66,598	1,140,706	-	3,168,538	4,375,842
Charge for the year	23,827	168,298	125,777	1,105,489	1,423,391
Disposals	(11,787)	-	-	-	(11,787)
Expiry of lease	-	-	-	(3,314,162)	(3,314,162)
At 31 December 2023	78,638	1,309,004	125,777	959,865	2,473,284
Net carrying amount:					
At 31 December 2023	104,954	-	125,807	9,318,665	9,549,426

7 ACCRUED AND OTHER PAYABLES

	2024 ***SR***	*2023* *SR*
Accrued bonus and other employee cost	**2,404,544**	1,738,784
Amounts due to related parties (Note 17)	**1,474,430**	1,018,505
Withholding tax payable	**879,338**	130,735
Value added tax payable	**475,592**	2,034,717
Accrued professional fees	**278,784**	182,794
Accrued IT expenses	**155,897**	141,980
Head office – ITO (“IT and Operation services”) re-invoicing cost	**-**	729,367
Other payables	**114,566**	532,839
	5,783,151	6,509,721

8 TAXATION

The Company has filed its income tax returns for the years up to 2023. Assessments for the years 2009 to 2018 are finalized by ZATCA.

ZATCA concluded the assessment for the year 2019 via email dated March 11, 2024, creating an additional income tax liability of SAR 11,975. The company has settled the additional tax liability, and the proceedings stand concluded.

For the remaining years from 2020 to 2023 ZATCA has not initiated any query/assessment as of now.

The reconciliation between the accounting profit and taxable income results is as follows:

	2024 ***SR***	*2023* *SR*
Accounting profit before income tax	**12,075,825**	21,260,273
Adjustments:		
Depreciation per ZATCA scale rates	**(96,542)**	(96,222)
Others	**928,056**	475,644
Gross taxable income	**12,907,339**	21,639,695
Tax losses utilised during the year	**-**	(5,409,924)
Net taxable income	**12,907,339**	16,229,771
Income tax rate	**20%**	20%
Income tax expense for the year	**2,581,468**	3,245,954

The following are the tax liabilities or obligations recognised by the Company and the movement during the year:

	2024 ***SR***	*2023* *SR*
As at 1 January	**3,245,954**	225,149
Provision for the year	**2,581,468**	3,245,954
Adjustments in respect of current income tax of previous year	**807,551**	546,435
Paid during the year	**(6,656,168)**	(771,584)
At 31 December	**(21,195)**	3,245,954

9 EMPLOYEES' DEFINED BENEFIT LIABILITIES

The Company operates a defined benefit plan in line with the Labour Law requirements in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment. The movements in the provision for employees' end of service benefits recognized in the statement of financial position are as follows:

	2024	*2023*
	SR	*SR*
As at 1 January	**1,440,283**	1,295,211
Provided during the year	**428,156**	403,360
Paid during the year	**(80,779)**	(115,947)
Remeasurements loss (gain)	**43,192**	(142,341)
At 31 December	**1,830,852**	1,440,283

9.1 Amounts recognised in the statement of comprehensive income

The amounts recognised in the statement of comprehensive income related to employee benefit obligations are as follows:

	2024	*2023*
	SR	*SR*
Current service cost	**341,156**	321,360
Interest expense on the defined benefit liabilities	**87,000**	82,000
Total amount recognised in the statement of comprehensive income	**428,156**	403,360
Remeasurements loss (gain)		
Gain from change in financial assumptions	**161,192**	(28,341)
Experience gain	**(118,000)**	(114,000)
Total amount recognised in other comprehensive income	**43,192**	(142,341)

9.2 Key actuarial assumptions

	2024	*2023*
Discount rate	**5.10%**	6.10%
Salary growth rate	**4.8%**	4.8%

9.3 Sensitivity analysis for actuarial assumptions

At 31 December 2024	**Change in assumption**		**Impact on employee benefit obligations**	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	+1%	-1%	**(1,670)**	**2,013**
Salary growth rate	+1%	-1%	**2,011**	**(1,668)**

At 31 December 2023	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	+1%	-1%	(1,307)	1,591
Salary growth rate	+1%	-1%	1,591	(1,305)

9 EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

9.3 Sensitivity analysis for actuarial assumptions (continued)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination. The expected cash flows over the next years valued on an undiscounted basis are shown in the table below:

Employees' end of service benefits:	***2024*** ***SR***	*2023* *SR*
1 year	**29,000**	28,000
2 to 4 years	**134,000**	127,000
5 years and above	**1,844,000**	1,901,000
	2,007,000	2,056,000

10 LEASES

Set out below are the carrying amounts of the right-of-use assets recognized and the movement during the year:

	2024 ***SR***	*2023* *SR*
As at 1 January	**9,444,472**	516,381
Additions	**-**	10,159,357
Depreciation charge for the year	**(1,305,606)**	(1,231,266)
At 31 December	**8,138,866**	9,444,472

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 ***SR***	*2023* *SR*
As at 1 January	**10,805,539**	536,411
Additions	**-**	10,159,357
Interest expense for the year	**437,140**	237,561
Repayments made during the year	**(793,132)**	(127,790)
At 31 December	**10,449,547**	10,805,539

The statement of comprehensive income shows the following amounts relating to leases:

	2024 ***SR***	*2023* *SR*
Leasehold property	**1,223,854**	1,105,489
Vehicle	**81,752**	125,777
Depreciation expense of right-of-use assets (Note 6)	**1,305,606**	1,231,266
Interest expense on lease liabilities	**437,140**	237,561

10 LEASES (CONTINUED)

Presented in the statement of financial position as at 31 December 2024 is as follows:

	2024	*2023*
	SR	*SR*
Non-current	**8,568,060**	9,750,220
Current	**1,881,487**	1,055,319
At 31 December	**10,449,547**	10,805,539

11 SHARE CAPITAL

The authorized and paid-up share capital of the Company is divided into 875,000 shares of SAR 100 each.
The shareholding of the Company for the year ended 31 December 2024 and 2023 is as follows:

	Country of	***31 December 2024***		*31 December 2023*	
Name of Shareholder	***Origin***	***Shareholding***	***Amount***	*Shareholding*	*Amount*
BNP Paribas SA	France	**95%**	**83,125,000**	95%	83,125,000
ANTIN Participation V	France	**5%**	**4,375,000**	5%	4,375,000
		100%	**87,500,000**	100%	87,500,000

12 STATUTORY RESERVE

In accordance with the Company's Articles of Association, 10% of the net income is required to be transferred to statutory reserve until the reserve equals at least 30% of the share capital of the Company. The Company has a net income for the year ended 31 December 2024 amounting to SR 8.686 million (2023: SAR 17.468 million), further, as at 31 December 2024, the Company has retained earning amounting to SR 7.181 million (2023: SR 15.721 million). During the year SR 0.869 million (2023: SR 1.747 million) was transferred from retained earnings to statutory reserve.

13 DIVIDEND

The dividend distribution of SR 15,721,096 for the year 2023 (2022: 2,172,599) has been approved in the annual general assembly meeting held on 25 June 2024 (2022: 29 June 2023).

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2024.

15 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	*2023*
	SR	*SR*
Cost of outsourced services (Note 17)	**1,485,969**	1,434,984
Depreciation on property, equipment and right-of-use assets (Note 6)	**1,336,294**	1,423,391
Professional fees	**837,271**	1,352,209
Travel and IT related services	**607,345**	524,025
Withholding taxes	**354,185**	475,439
Registration fee	**150,248**	363,915
Head office – ITO re-invoicing cost (Note 17)	**(703,286)**	703,286
Repairs and maintenance	**17,772**	23,683
Miscellaneous expenses	**887,654**	795,281
	4,973,452	7,096,213

16 NON-OPERATING INCOME

This represents the share of income / expense related to inter-group transactions re-distributed by BNP Paribas SA. The calculation is made at group level by BNP Paribas SA at predefined agreed method.

17 RELATED PARTY DISCLOSURES

Related parties represent the partners and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related party balances
Balance with related party included in the statement of financial position is as follows:

Amounts due from related parties	*Nature of relationship*	***2024 SR***	*2023 SR*
BNP Paribas DIFC	Affiliate	**3,049,421**	3,772,952
BNP Paribas Paris	Affiliate	**344,126**	1,380,569
BNP Paribas, London	Affiliate	**1,400,394**	657,324
		4,793,941	5,810,845

Amounts due to related parties	*Nature of relationship*	***2024 SR***	*2023 SR*
BNP Paribas, Wholesale Unit, Bahrain - re-invoicing	Affiliate	**64,363**	689,311
BNP Paribas, Wholesale Unit, Bahrain - outsourced cost	Affiliate	**346,100**	328,715
BNP Paribas, Switzerland	Affiliate	**1,050,886**	-
BNP Paribas, London	Affiliate	**13,081**	-
BNP Paribas, Dubai	Affiliate	**-**	479
		1,474,430	1,018,505

Cash and bank balances	*Nature of relationship*	***2024 SR***	*2023 SR*
BNP Paribas – Riyadh Branch - current account	Affiliate	**2,974,864**	4,198,975
BNP Paribas – Riyadh Branch - deposit account	Affiliate	**63,000,000**	90,000,000
		65,974,864	94,198,975

Related party transactions
Transactions with the related party included in the statement of comprehensive income is as follows:

Name of related party	***Nature of relationship***	***Nature of transactions***	***2024 SR***	*2023 SR*
BNP Paribas SA	Shareholder	Non-operating income	**443,463**	486,205
BNP Paribas SA	Shareholder	Head office – ITO re-invoicing cost	**(703,286)**	703,286
BNP Paribas - Riyadh Branch	Affiliate	Special commission income on term deposits	**4,683,508**	4,384,479

17 RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions (continued)

Name of related party	*Nature of relationship*	*Nature of transactions*	*2024 SR*	*2023 SR*
BNP Paribas, Wholesale Unit, Bahrain (Note (i))	Affiliate	Expense for outsourced services	**1,485,969**	1,434,984
BNP Paribas – DIFC	Affiliate	Service fee income	**2,792,031**	3,931,621
BNP Paribas, Switzerland	Affiliate	Service Expense	**1,050,886**	-
BNP Paribas London	Affiliate	Service fee income	**2,266,564**	2,652,120

Note:

(i) The Company has outsourced certain services to the related party as per the service level agreements between the two entities. The outsourced services include finance, information technology, human resources, operations and other support services. The costs are agreed and allocated based on terms of the said agreements and are payable annually in arrears. The cost agreed for these outsourced services amount to Saudi Riyals 1.485 million for the year ended 31 December 2024 (2023: Saudi Riyals 1.435 million).

Terms and conditions of transactions with related parties

The transactions with related parties are made at terms approved by management. Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed. The Company has not recorded any impairment of receivables relating to amount due from a related party as of 31 December 2024 and 2023. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel

The remuneration of key management during the year is as follows:

	2024 SR	*2023 SR*
Short-term benefits	**7,639,970**	4,703,437
	7,639,970	4,703,437

18 FINANCIAL RISK MANAGEMENT

Objective and policies

The Company's principal financial liabilities comprise of accrued expenses, lease liabilities, amounts due to related parties and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as amounts due from related parties, account receivables and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not exposed to price risk as there are no financial assets held by the Company which are valued based on market prices.

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk
The risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three type of risks: currency risk, commission rate risk and price risk.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Company's activities either internally or externally at the Company's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements. Operational risk is a distinct risk category which the Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective in managing operational risk is to ensure control of the resources by protecting the assets of the Company and minimising the potential for financial loss.

The Company's risk management approach involves identifying, assessing, managing, mitigating, monitoring and measuring the risks associated with operations. The management of operational risk has a key objective of minimising the impact of losses suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering a large extreme (unexpected) loss.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company seeks to limit its credit risk with respect to banks by dealing with reputable bank.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2024	*2023*
	SR	*SR*
Cash and cash equivalents	**65,974,864**	94,198,975
Amounts due from related parties	**4,793,941**	5,810,845
Account receivables	**35,611,013**	19,021,798
	106,379,818	119,031,618

Allowance for expected credit losses on financial assets
As at December 31, 2024, financial assets amounting to SAR 106.38 million (2023: SAR 119.032 million) are classified in stage 1 (12-month ECL). All the financial assets held at Amortised cost were considered for ECL as of December 31, 2024. However, the impact of these assets was immaterial as the majority of the balance pertains to trade receivables and cash at bank held with counter parties which has sound credit rating. There is no history of default for the recovery of these balances.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Company limits its liquidity risk by ensuring bank facilities are available.

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)
The table below summarises the maturities of the Company's financial liabilities at 31 December, based on undiscounted contractual payment dates and current market interest rates.

At 31 December 2024	***Less than 3 months SR***	***3 to 12 months SR***	***More than 1 year SR***	***Total SR***
Lease liabilities	**-**	**-**	**10,449,547**	**10,449,547**
Accrued expenses	**4,194,155**	**-**	**-**	**4,194,155**
Amounts due to related parties	**1,474,430**	**-**	**-**	**1,474,430**
Other payables	**114,566**	**-**	**-**	**114,566**
	5,783,151	**-**	**10,449,547**	**16,232,698**

At 31 December 2023	*Less than 3 months SR*	*3 to 12 months SR*	*More than 1 year SR*	*Total SR*
Lease liabilities	-	-	10,805,539	10,805,539
Accrued expenses	4,958,377	-	-	4,958,377
Amounts due to related parties	1,018,505	-	-	1,018,505
Other payables	532,839	-	-	532,839
	6,509,721	-	10,805,539	17,315,260

Capital management
The objective of managing capital is to safeguard the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholder by pricing products and services commensurate with the level of risk. It is the policy of the Company to maintain adequate capital base so as to maintain investor, creditor, and market confidence and to support future development of the business. The Company's capital base sufficiently covers all material risks meeting the minimum capital requirement and the Company intends to maintain a healthy capital ratio to cater future business growth.

The Company's objectives when managing capital are, to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base. As at December 31, 2024, the Company was in compliance with the externally imposed capital restrictions. Capital comprises share capital, statutory reserve and retained earnings and is measured at SR 98,724,877 on 31 December 2024 (2023: SR 105,759,167).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of amounts due from related parties, account receivables and cash and cash equivalents.

Financial liabilities consist of accrued expenses, lease liabilities, amounts due to related parties and other payables.

The fair values of financial instruments are not materially different from their carrying values.