أسيَاف للاستثمار
Asyaf Investments

Annual Report

2021

King Salman bin Abdulaziz Al Saud

Custodian of the Two Holy Mosques

Prince Mohammed bin Salman bin Abdulaziz

The Crown Prince, Deputy Prime Minister and Minister of Defense

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أسيَاف للاستثمار
Asyaf Investments

Overview of the company's business

Asyaf Investments Company is the first asset management and investment banking company in the Kingdom›s private markets. It is a Riyadh-based multi-asset investment management services company. It was newly established on September 14, 2020, and began operating on September 16, 2021 AD, and is subject to the regulation and oversight of the Saudi Capital Market Authority.

Our investments cover private equity, venture capital, project debt, commodities and real assets. This enables investors to deal with Asyaf to benefit from strong, effective, trustworthy and forward-looking solutions for their most important financial investments.

The strategic plan of Asyaf for investment in private equity is divided into three main phases, each phase has a specific time period. The first period «five years» is to invest in the establishment of companies, start-ups and distressed companies, total separation and total exit companies. The second period (three years) consists of offering companies in the parallel market. The third period (three years) is the public offering.

Asyaf Investment Company is an independent financial advisor in all these stages.

The main services provided by the company are investment strategy development, fund selection, portfolio building, follow-up and rebalancing.

Our international network of business partnerships, employees, agents and distribution partners, provides financial protection and asset management products and services to elite clients, such as independent sovereign funds, international institutions, corporations and family groups in the GCC.

Asyaf has succeeded in obtaining the approval of the Capital Market Authority to launch its first fund and is seeking to obtain the remaining approvals for other funds during 2022 AD.

Strategic management

Board of Directors

Aiman Al Atiqi
Managing Director
and CEO

Mansour Al-Misfir
Chairman of Board of
Directors

Sami Al-Zakari
Member of the Board of
Directors

His Highness Prince
Khalid bin Fahd bin
Abdullah Al Saud
Member of the Board of
Directors

Fahad Al-Maliki
Deputy Chairman of the Board

Comment on the company's business

Chairman's speech

On behalf of the members of the Board of Directors, I am pleased to place before you the annual report and financial statements for the year ending on December 31, 2021. This report clarifies the financial performance and business results and highlights the operational aspects during 2021 and the vision the future company.

With the continuation of the economic recovery, the Kingdom witnessed a strong recovery in oil prices, supported by the rise in demand from developed and developing countries, which caused a gap in oil supplies, and expectations indicate unrest

Offered by the producing countries. At the level of financial markets, the markets witnessed a sharp rise with the economic recovery from the effects of the pandemic, where the MSCI global index rose by 20% supported by the strong growth of indicators
American and European markets
While the rise was limited to the indices of Japan and China, at less than 5%. The performance of the MSCI Emerging Markets Index was negative.

While the Saudi TASI index achieved the best performance in more than a decade, with a growth of 29.8% and an extension of the previous year, the markets maintained daily trading rates.
High by about 8.9 billion riyals. In continuation of the company›s diligent work, the company has developed ambitious strategies to manage investment in various investment assets, the most important of which is the strategy of investment funds, which will appear in the first few years. We aspire in Asyaf to achieve outstanding investment performance in the field of investment management through investment funds that invest in promising companies that support the economy.

conclusion, we thank God for the financial results for the year 2021, which indicate the extent of support provided to the company's strategic plans, which we believe in and seek to achieve in the near future, God willing. We can only extend our thanks to our customers and the entire Asyaf family for their trust in us and the support and efforts made to contribute to achieving the strategic goals for the company.
Kingdom to achieve Vision 2030.

Mansour Al-Misfir

Chairman of Board of Directors

Managing Director and CEO's Speech

We at "Asyaf Investments" look forward to a promising future at a steady pace according to a well-studied strategy adopted by the Board of Directors and the company's work team, who have the professional ability to seize investment opportunities with lucrative investment returns in investment assets such as private equity, venture capital, loans for bold projects, and real assets.

The idea of establishing Asyaf Investment Company was based on a logical vision and an appropriate investment climate, as well as other factors that helped launch it, including the future vision, and the added value, in addition to achieving returns, continuous development, and gaining the confidence of major investors in the Kingdom and abroad. These factors have been the main pillar and the prominent feature of the company's journey since its inception, which is still moving forward with its goals for the better always. The company seeks to provide distinguished investment solutions, starting with providing advisory services, arranging, and managing investments.

Asyaf Investments Company (a Saudi joint stock company), commercial registration No. (1010690435), capital of 10 million Saudi riyals, obtained the Capital Market Authority License No. 20213_32 on September 14, 2020, which includes the activities of providing advisory and arranging in securities and investments management, and began practicing Its business on September 16, 2021. The company also built a headquarters in Riyadh, located in Al-Aqiq neighborhood, Imam Saud bin Faisal Road. Asyaf owns the land and the building in full.

Asyaf seeks in its strategies to build a creative team that contributes to supporting the success of its future plans. Asyaf will attract new cadres during the next year to support the implementation of the works and achieve the desired goals. Where we believe in Asyaf that creativity and innovation in offering products and customer service comes only from the womb of the creative and functional environment far from the traditional used in most establishments. Therefore, one of the most important factors of our success in Asyaf was our investments and focus on planting the spirit of initiative,

challenge, and youthful vitality within our professional and dynamic team, through which we achieved a solid professional system. As the members of the Asyaf family reached 27 by the end of 2021 AD, the percentage of the Saudi family members was 40% of the total family members, and the percentage of females was 25% of the total Asyaf family. Our success in providing an exciting work environment for completion was reflected positively on the rate of work turnover the company built the company's infrastructure, as it contracted with Albilad Capital and ANB Bank and opened three accounts for qualified investors in the last quarter of 2021 AD with a total capacity of 25 million We have also started the due diligence process for two opportunities in two different sectors, and it aims to open 10 accounts with a total capacity of 19 million riyals during the next year. The company has concluded final negotiations on several deals in the food and beverage sectors in 2021 and expects to sign the final purchase agreement by the first quarter of the year 2022AD. Through the Asyaf strategic plan, it aims to increase the volume of assets under management during the next year to reach 60 million Saudi riyals by the end of 2022 AD.
Asyaf is also seeking to establish 8 private investment funds through which it conducts local deals in several sectors, including manufacturing, food and beverages. The company is also developing a number of special funds specialized in private loans. It is currently preparing the terms and conditions for one of these funds.

Asyaf has agreed to build an electronic crowdfunding platform for the company that works to attract ambitious investors

Aiman Al Atiqi

Managing Director and CEO

The Saudi Economy

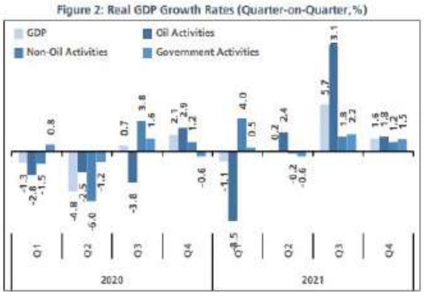
Saudi Economy

2021

Saudi Economy grows by 6.7% in Q4/ 2021 and 3.2% for the year 2021

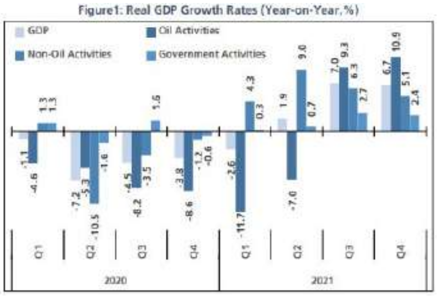
According to estimates by the General Authority for Statistics (GASTAT), the real Gross Domestic Product (GDP) of Saudi Arabia grew by 6.7% in Q42021/ compared to Q42020/ and 1.6% compared to Q32021/. This positive growth was to a large extent due to the high increase in oil activities (10.9% y-o-y). Non-oil activities also increased strongly by 5.1%, while government activities expanded by 2.4%.

Figure 2: Real GDP Growth Rates (Quarter-on-Quarter,%)



The Saudi economy continued its upward path in Q42021/ with a growth rate of 6.7% compared to the same quarter of the previous year. While the expansion of oil activities was the dominant growth factor by the end of the year, also non-oil activities grew at a dynamic rate of 5.1% in Q42021/. (Fig.1&2)

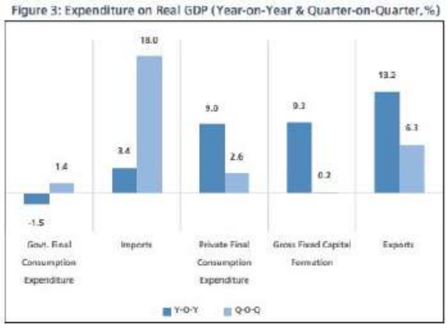
Figure1: Real GDP Growth Rates (Year-on-Year,%)



Expenditure on GDP at constant prices

Economic growth was driven by strong domestic non-government demand – private consumption and fixed capital investment grew at 9% and 9.3%, respectively - as well as a very dynamic development in exports (+13.2%). Government final consumption expenditure increased by 1.4% compared to the previous quarter while decreased by 1.5% on an annual basis. (Fig.3)

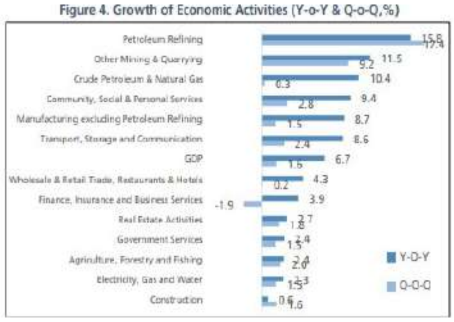
Figure 3: Expenditure on Real GDP (Year-on-Year & Quarter-on-Quarter,%)



GDP by economic activities at constant prices

All economic activities showed positive growth rates on an annual basis in Q42021/. Petroleum refining activities expanded at the highest rates by 15.8% (17.4% q-o-q), followed by other mining & quarrying activities 11.5% (9.2% q-o-q). Crude petroleum & natural gas activities grew by 10.4% (0.3% q-o-q). (Fig.4)

Figure 4. Growth of Economic Activities (Y-o-Y & Q-o-Q,%)




2021

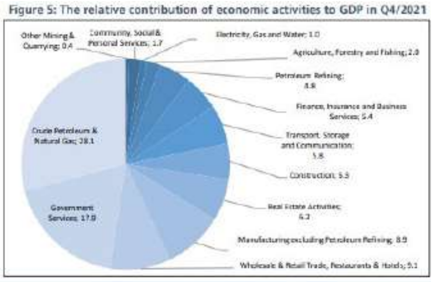
Saudi Economy

2021

Contribution of economic activities to GDP at current prices

Crude petroleum and natural gas activities showed the highest contribution to GDP with 28.1%, followed by government services activities with 17.9% then wholesale & retail trade, restaurants & hotels activities with 9.1%(Fig.5)

Figure 5: The relative contribution of economic activities to GDP in Q4/2021

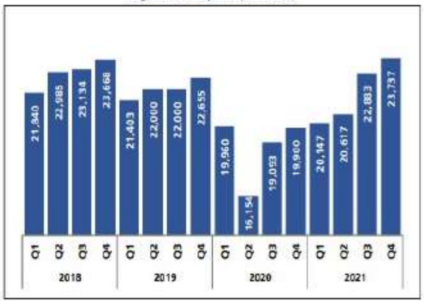


GDP per capita at current prices

GDP per capita at current prices.

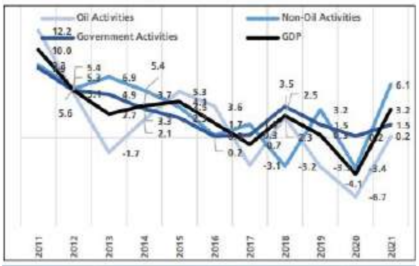
GDP per capita amounted to 23,737 riyals in Q42021/, growing by 19.3% compared to Q42020/, and grew by 3.7% compared to Q32021/. (Fig.6)

Figure 6: GDP per capita (SAR)



Annual real GDP growth rate

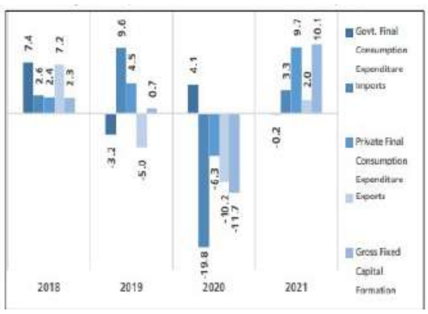
Real GDP for the year 2021 grew by 3.2% after the recession in 2020 (-4.1%) – amounting to the most dynamic growth since 2015. GDP growth in 2021 resulted from the economy recovering from the COVID-19 crisis through the growth of non-oil activities by 6.1%. the government activities showing a growth rate of 1.5%, and the Oil activities expanding by 0.2% (Fig.7)



Expenditure on annual GDP at constant prices

Expenditure on annual GDP at constant prices

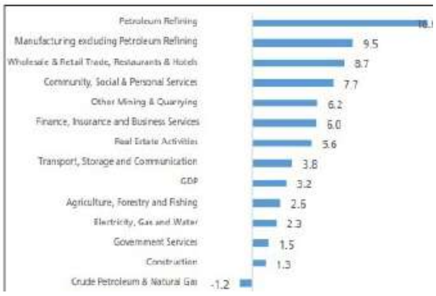
Domestic demand increased in 2021 where Gross Fixed Capital Formation expanded by 10.1%. Private Final Consumption Expenditure increased by 9.7%, while Government Final Consumption Expenditure decreased by 0.2%. Imports and exports also expanded by 3.3% and 2% respectively. (Fig.8)



Annual GDP by economic activities at constant prices

Economic activities showed positive growth rates in 2021, with Oil Refining activities expanding at the highest annual growth rates of 16.6%, followed by Manufacturing,

Figure 9: Annual Gross Domestic Product by Economic Activities in 2021

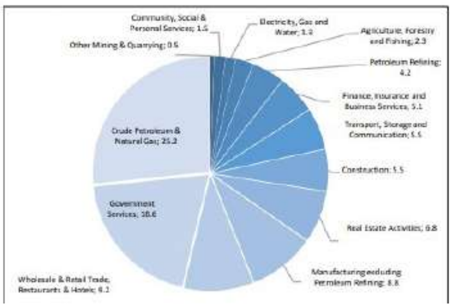


excluding Petroleum Refining with an annual growth rate by 9.5%, and Wholesale and Retail Trade, Restaurants & Hotels (8.7%). Crude Petroleum & Natural Gas declined by 1.2%. (Fig.9) .

Contribution of economic activities to GDP at current prices.

Crude Petroleum and natural gas activities showed the highest contribution to GDP in 2021 with a share of 25.2%, followed by Government services activities with 18.6%, and Wholesale & Retail trade, Restaurants

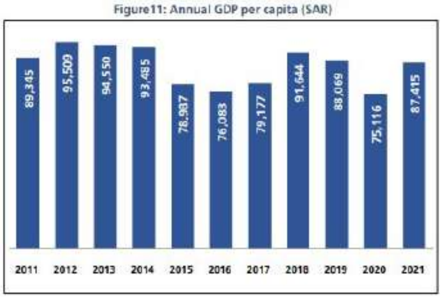
Figure10: The relative contribution of economic activities to GDP



Annual GDP per capita at current prices

GDP per capita amounted to 87,415 riyals in 2021, showing an increase of 16.4% from 2020. (Fig.11)

Figure11: Annual GDP per capita (SAR)



Saudi Economy 2022

The Saudi economy an expected growth that has not occurred in 18 years and a surplus in the 2022 budget

The Saudi economy begins the new year amid a state of realistic optimism based on the "language of numbers" about the recovery of the national economy despite the repercussions of the Corona pandemic on the global economy. From oil production starting in May 2022 according to the OPEC + agreement, as well as the recovery of global demand, and the improvement of global supply chains.

It is also expected that the growth of GDP will continue in the medium term, driven by the growth of the non-oil sector, in light of many factors that would support non-oil GDP growth rates, including the continued progress in implementing programs and projects to achieve Vision 2030, and the gradual implementation of structural reforms over the long term. The average is within the framework of the vision, in addition to the gradual return of some major activities to their pre-pandemic rates.

Saudi Economy..

Expected growth that has not occurred in 18 years and a surplus in the 2022 budget

The second highest growth rate in 18 years

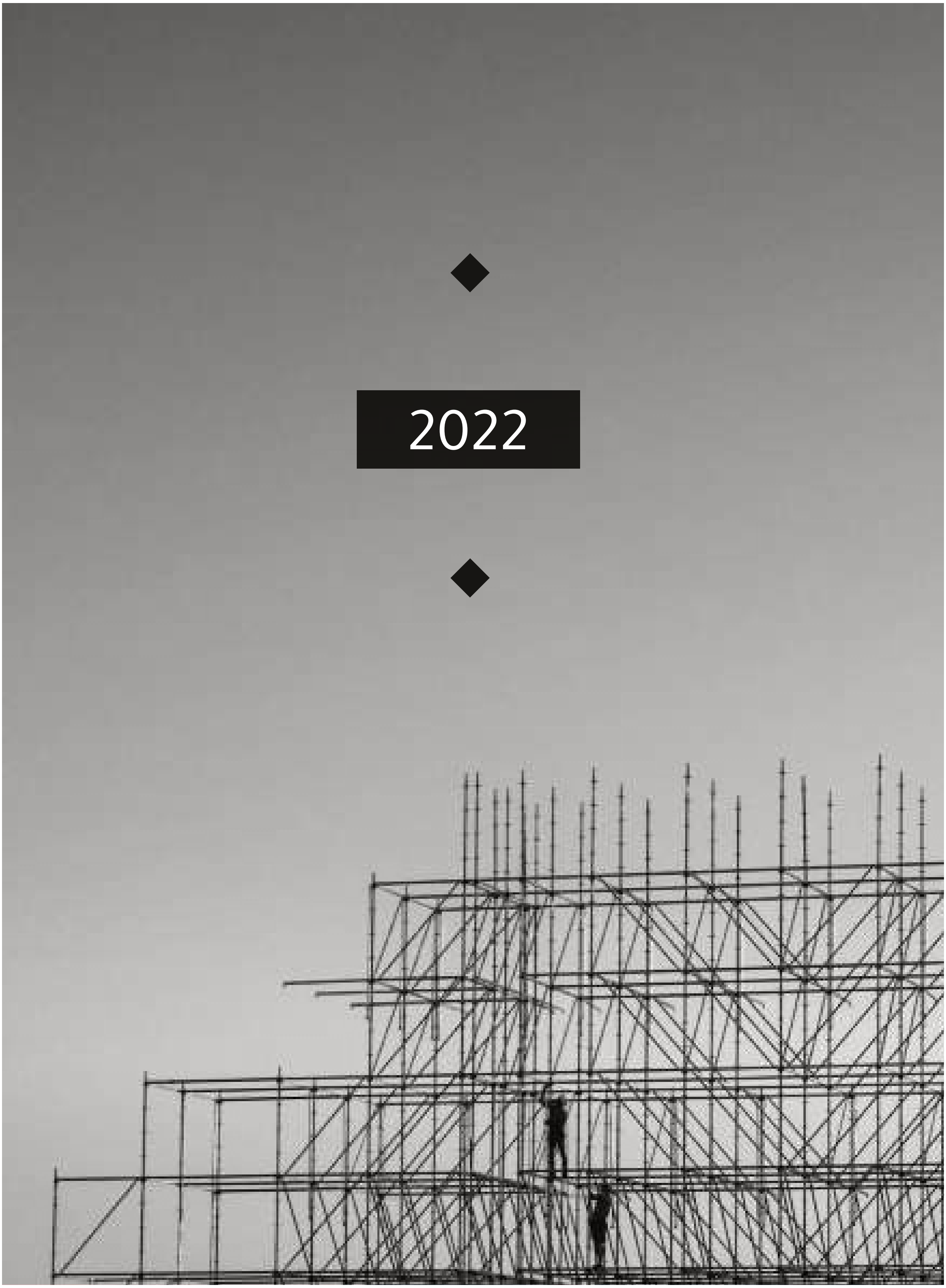
The expected growth in 2022 is the second highest growth for the Saudi economy in 18 years, that is, since the growth of 8% in 2004, and it is estimated that surpluses will be achieved in the budget in 2022, at about 90 billion riyals (2.5% of GDP). These surpluses in the budget will be directed to strengthening government reserves and supporting development funds and the Public Investment Fund, and the possibility of accelerating the implementation of some strategic programs and projects with an economic and social dimension will be considered.

955 billion riyals "expenses" 2022

The Saudi Ministry of Finance estimates, according to an official statement, that the gradual return to the Kingdom's economic recovery will lead to positive developments on the revenue side, and it is expected that total expenditures will reach about 955 billion riyals during 2022, with continued work to enhance spending efficiency, maintain financial sustainability, and implement economic reforms. finance, and attract more investment opportunities.
Finance Minister Mohammed bin Abdullah Al-Jadaan expects that the government's continuous efforts will be reflected in diversifying the economy, through the implementation of many programs and initiatives that are directly related to achieving the goals of Vision 2030, leading to continued revenue growth, reaching about 992 billion riyals in 2024, also driven by expectations. Local and global economic recovery in the medium term after the effects of the Corona pandemic recede.

Disability under control despite the pandemic

Despite the continuation of the Corona pandemic and the new developments it is witnessing that affect the movement of the economy, growth rates and the volume of global demand - controlling the deficit rates in the general budget for 2022 is proceeding as planned, as this deficit is expected to reach about 1.6 percent of GDP, and with It is estimated at 52 billion riyals, indicating that initiatives to stimulate the economy and support the private sector contributed to the rapid response of the economy. While the privatization program during 2022 will support partnership projects between the public and private sectors at the local and international levels in many sectors, most notably water, health, housing and media, as the program aims to increase the private sector's contribution to the GDP from 40% to 65% by 2030, and stressed The Minister of Finance stressed the government's continuation during 2022 in implementing the financial initiatives and reforms announced during the past years, supporting the continued implementation of the Kingdom's economic transformation plans, and financing expenditures of a social dimension.


2022

2022 is a critical year for "diversification of the economy"

A recent report by Jadwa Investment expected that the economy will move forward in 2022, as it represents a crucial stage in the Kingdom's efforts towards diversifying the base of its non-oil economy, which will be guided by a set of commitments for a period of 5 years until 2025, which were recently revealed within the framework of various programs to achieve visions. The expected growth is driven by the growth of the oil sector as a result of the Kingdom's increase in crude oil production, in line with year-on-year increases in global oil demand, at a time when the Kingdom's average production of crude oil is expected to reach 10.3 million barrels per day, an increase of 14% in the new year .

2021.. Vital decisions and projects that boost optimism for the New Year

The positive expectations of the Saudi economy during the new year come as an extension of the good leaps during 2021, which witnessed important decisions on the economic level in the Kingdom; It began with the adoption of the executive regulations of the mining investment system, the approval of the Real Estate Development Fund system, the approval of the Board of Directors of the Public Investment Fund for its new strategy for the next 5 years, and the establishment of a unified national platform called (the Unified National Employment Platform), in addition to activating the program to attract the regional headquarters of international companies, The following are the most prominent 20 economic decisions and projects in Saudi Arabia during 2021, and their positive extensions for the new year:

01 Launching the National Investment Strategy, which aims to raise net foreign direct investment flows to 388 billion riyals annually, and increase domestic investment, to reach about 1.7 trillion riyals annually by 2030.

02 Establishing the largest floating industrial gathering in the world in Saudi Arabia

03 Riyadh submits an official application to host the World Expo 2030

04 Establishment of the Small and Medium Enterprises Bank; As an important step to enable the small and medium enterprises sector to access financial financing.

05 Implementation of the decision to raise the minimum wage for Saudi employees in the private sector to 4,000 riyals to be counted as a worker in "Nataqat" Saudization in establishments.

06 Launching the transportation strategy

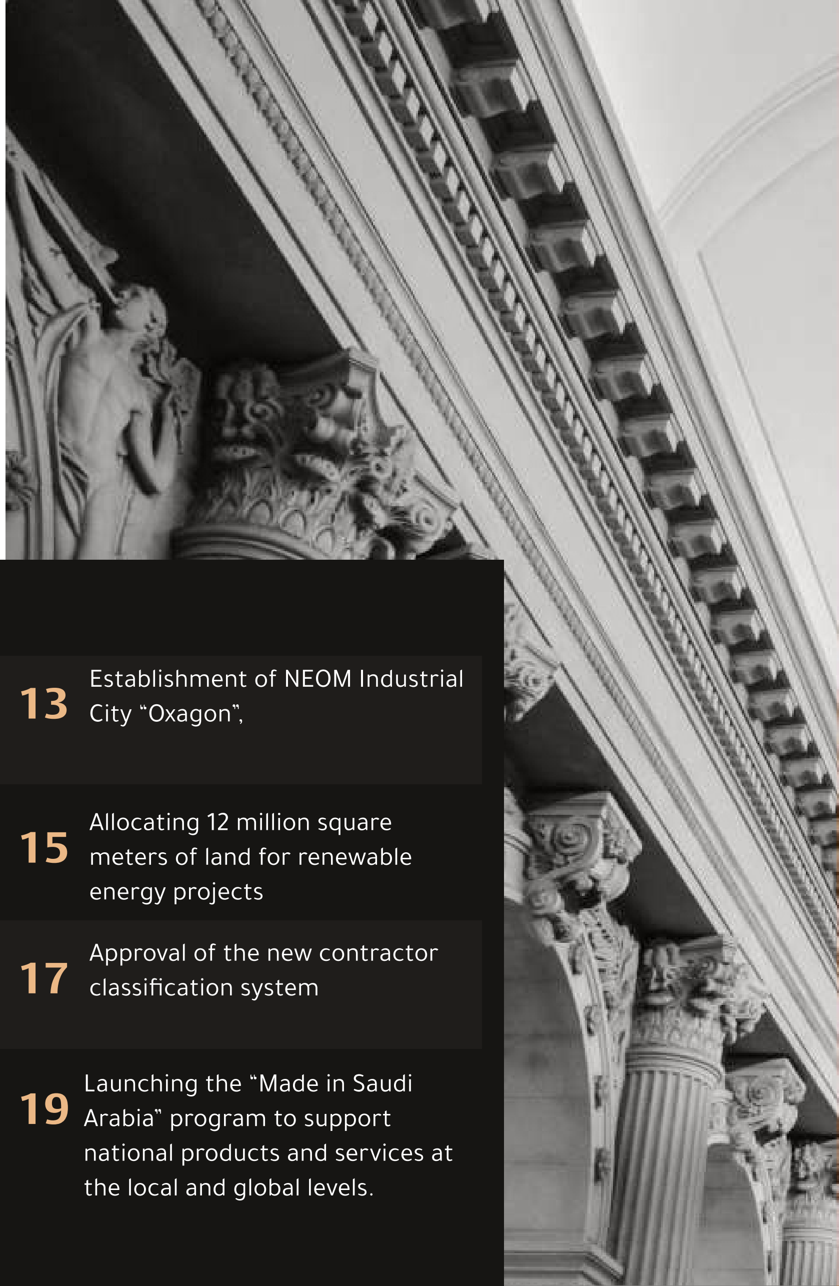
07 Launching the Human Capacity Development Program

08 Allocating 12 million square meters of land in the two industrial cities of Jeddah and Rabigh for renewable energy projects

09 Launching a strategy to develop the Asir region with the aim of turning it into a global tourist destination

10 "Tadawul" turns into a holding company under the name "Tadawul Group" in preparation for its IPO this year

11 Increasing the assets of the Public Investment Fund to 10 trillion riyals in 2030v



12 Create a national employment platform and a new strategy for the sovereign fund

13 Establishment of NEOM Industrial City “Oxagon”,

14 Issuing 6 new Emiratization decisions aimed at providing more than 40,000 jobs.

15 Allocating 12 million square meters of land for renewable energy projects

16 Launching the Human Capacity Development Programs and “Developer Nitaqat”

17 Approval of the new contractor classification system

18 Launching the Sudair Solar Energy Project with an investment value of SR3.4 billion

19 Launching the “Made in Saudi Arabia” program to support national products and services at the local and global levels.

20 Launching the program to enhance partnership with the private sector “Shareq”

The Most Prominent Figures in the Saudi Budget 2022

1045 billion riyals in revenues, compared to 930 billion riyals in 2021

955 billion riyals for expenditures, compared to 1015 billion riyals in 2021

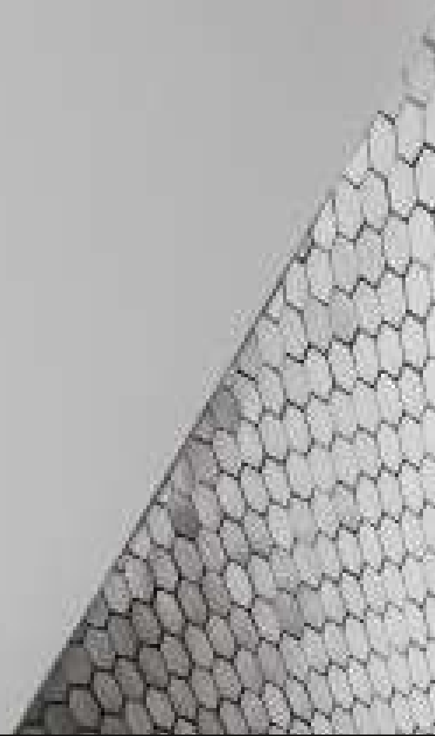
90 billion riyals surplus compared to a deficit of 85 billion riyals in 2021

185 billion riyals for the education sector

182 billion riyals for the public services sector

Governance

Asyaf Investments Company has adopted the principles of corporate governance that are in line with international standards and in compliance with the laws and regulations issued by the competent authorities in the Kingdom of Saudi Arabia. Thus, the company has fulfilled the requirements related to the establishment of board committees, the independence of the board of directors, and the implementation of the corporate governance structure.
adopted by the Financial Market Authority.



Board members in 2021

	Names of directors and members	Title	Non-executive / Executive	Board of Directors	executive committee	Investment Committee	The Audit Committee	Nomination and Remuneration Committee
1	Mansour Al-Misfir	Chairman	non-executive	✓	✓	✓		
2	Fahd Al-Maliki	Deputy Chairman of the Board	non-executive	✓				✓
3	Prince Khaled bin Fahd	Member of the Board of Directors	non-executive	✓	✓	✓		
4	Sami Al-zakri	Member of the Board of Directors	non-executive	✓			✓	
5	Aiman Al-atiqi	Managing Director and Executive Director	executive	✓	✓	✓		
6	Abdelaziz Al-Jaber	Committee member					✓	
7	Mohammed Al-Jarbou	Committee member					✓	
8	Hajar Al-Qaseyr	Committee member						✓
9	Mohammed Al-Sheri	Committee member						✓
The total number of members				5	3	3	3	3

Meeting of Board members in 2021

	Board of Directors	executive committee	Investment Committee	The Audit Committee	Nomination and Remuneration Committee
1	First meeting 14 sep 2021 Unofficial (Attend)	First meeting 29 Nov 2021 Official	.	First meeting 9 Nov 2021 Unofficial	First meeting 28 Oct 2021 Unofficial
2	The second official 27 sep 2021 meeting (Tadawul)	The second 20 Jan 2021 official	.	.	The second 28 Nov 2021 official
3	Third meeting 27 sep 2021 Official (Zoom)	.	.	.	.

Legal Section

Asyaf contracted with the Sharia Audit House on September 28, 2021 AD, and it is a leading company in the field of Sharia consulting and supervision. It is licensed by the Central Bank of Bahrain. It provides its services to various business sectors as it works as a Sharia observer and advisor to many companies spread over 15 different countries in the United States, Europe, and Africa. Asia and the Gulf Cooperation Council countries. It will review the terms and conditions, financial statements, and purchase contracts for the funds that the company aims to establish during the coming period.

دار المراجعة الشرعية

SHARIYAH
REVIEW BUREAU

Audited Financial Statements

Exhibit A
From 22 April 2021 to 31 December 2021

Assets	Clarification	31 December 2021
Current Assets		
Cash and cash equivalents	(7)	1.967.624
Other debit balances	(8)	1.149.101
Total Current Assets	-	3.116.725
Non-Current Assets		
Property, plant and equipment - Net	(9)	4.738.048
Projects in progress	(10)	3.377.150
Total Non-Current Assets		8.115.198
Total Assets		11.231.923
Liabilities and Shareholders' Equity		
Current Liabilities		
Other credit balances		45.360
Provision for estimated Zakat	(11)	32.990
Total Current Liabilities		78.350
Non-Current Liabilities		
Due to related party	(12)	4.318.228
Employees benefit obligation	(13)	69.446
Total Non-Current Liabilities		4.387.674
Total Liabilities		4.466.024
Shareholders' Equity		
Capital	(14)	10.000.000
Accumulated (loss)		(3.234.101)
Net Shareholders' Equity - Exhibit C		6.765.899
Total Liabilities and Shareholders' Equity		11.231.923

Exhibit B
From 22 April 2021 to 31 December 2021

Assets	Clarification	31 December 2021
Revenue, net	(15)	84.986
Cost of revenue	(16)	(57.000)
Gross profit	-	27.986
General and administrative expenses	(17)	(3.229.097)
(Loss) the period before the estimated zakat		(3.201.111)
Estimated Zakat	(11)	(32.990)
(Loss) for the period		(3.234.101)
Other comprehensive income Items that will not be reclassified subsequently to profit and loss: Re-measurement gain of defined employees benefits obligation		
Total comprehensive (loss) for the year - Exhibit C		(3.234.101)
(Loss) per share for the period	(18)	(3.23)

The Accompanying Notes from (1) to (26) Constitute an Integral Part of These Financial Statements

Exhibit C
From 22 April 2021 to 31 December 2021

	Capital	Accumulated (loss)	Total
Capital deposit	10.000.000	-	10.000.000
(Loss) for the period - Exhibit B	-	(3.234.101)	(3.234.101)
Other comprehensive income	-	-	-
Total comprehensive (loss) for the period - Exhibit B	-	(3.234.101)	3.234.101)
Shareholders' Equity as at 31 December 2021 - Exhibit A	10.000.000	(3.234.101)	6.765.899

Exhibit D
From 22 April 2021 to 31 December 2021

Cash Flow from Operating Activities	
(Loss) for the period	(3.234.101)
Adjustment for Non-Cash Expenses	
Depreciation of property, plant and equipment	32.821
Allocated to expenses from employees benefits obligation	69,446
Provision for estimated Zakat allocated to expenses	32.990
-	(3.098.844)
Changes in Assets and Operating Liabilities	
Other debit balances	(1.149.101)
Other credit balances	45.360
Net cash (used in) operating activities	(4.202.585)
Cash Flows from Financing Activities	
Purchase of property, plant and equipment	(4.770.869)
Addition of projects in progress	(3.377.150)
Net cash (used in) Investing activities	(8.148.019)
Cash Flows from Financing Activities	
Net movement of related parties	4.318.228
Capital deposit	10.000.000
Net cash from financing activities	14.318.228
Net increase in cash and cash equivalents	1.967.624

Exhibit D
From 22 April 2021 to 31 December 2021

Cash Flows from Financing Activities	
Cash and cash equivalents, beginning of the period	-
Cash and cash equivalents, end of the period - Exhibit A	1,967,624

The Accompanying Notes from (1) to (26) Constitute an Integral Part of These Financial Statements

1• Formation and Nature of Business:

Asyaf Investments Company - Saudi Closed Joint Stock Company - (referred to hereinafter as the "Company") was established in Riyadh, under commercial registration No.1010690435 dated 16 / 07 / 1442 H. to practice arranging securities, providing advice in securities and managing investments.

The company also obtained the approval of the Capital Market Authority to start practicing the activities of managing investments, arranging and providing advice in securities business on 25 / 08 / 2021

2The head office's registered address is as follows:

Riyadh - Al-Nada District,
Al-Thumama Road, Building No.3385
Po. Box 8398: 1317
Kingdom of Saudi Arabia

The accompanying financial statements represent assets, liabilities and results of operation of the above-mentioned commercial registration only.
of operation of the above-mentioned fcommercial registration only.

2• Basis of Preparation:

Statement of Compliance with IFRS:

Then financial statement were prepared in accordance with International Financial Reporting Standard (IFRS) and interpretations issued by the IFRS Interpretations Committee and the International Accounting Standards Board (IASB) adopted in the Kingdom of Saudi Arabia in addition to other standards issued by the Saudi Organization of Chartered and Professional Accountants (SOCPA) (hereinafter referred to as IFRS adopted in KSA).

Basis of Presentation and Measurement:

These financial statements have been prepared on the historical cost basis and using the accrual basis at the financial position date.

Functional Currency, Presentation Currency and Foreign Currency Conversion:

The financial statements are presented in Saudi Riyals (SR.), which is the Company›s functional currency.
Transactions in foreign currencies are originally recorded at spot rates of functional currencies at the relevant transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the spot exchange rates of functional currencies at the preparation date of financial statements.

Differences arising from the payment or transfer of monetary items are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are converted at the exchange rates prevailing at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currencies are converted using exchange rates prevailing at fair value measurement date. Gains or losses arising from conversion of non-monetary items that are measured at fair value are processed in consistency with recognition of profit or loss as a result of a change in the fair value of such item.

Fair Value Measurement:

Fair value is the price 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 of an asset or liability is measured assuming that market participants will benefit when pricing the assets and liabilities and will act in their best economic interests.

A fair value measurement 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 Company uses evaluation methods appropriate to circumstances, for which sufficient data are available to measure fair value, along with increasing use of observable inputs and reducing use of non-observable inputs.
All assets and liabilities measured at fair value or disclosed in financial statements are classified under the below fair value hierarchy levels and based on the lowest level inputs that are significant to measuring fair value as a whole:

• Level 1: Quoted prices in an active market for similar assets or liabilities.
• Level 2: Evaluation methods from which the lowest level inputs that are significant to measuring fair value, are observable whether directly or indirectly.
• Level 3: Evaluation methods for which the lowest level inputs that are significant to measuring fair value, non-observable.
For the purpose of fair value disclosures, the Company identified categories of assets and liabilities based on the nature, characteristics and risks of those assets or liabilities and the above fair value hierarchy levels.

3• Use of Accounting Estimates, Judgments and Assumptions:

Preparation of these financial statements in accordance with IFRSs requires using estimates, judgments and assumptions that may affect amounts of assets, liabilities and disclosures of contingent assets and liabilities at the financial position date, as well as amounts of income and expenses recorded during the related period. Although these estimates are based on best information available to the Management on events and activities, but the final results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and the effect of changes in accounting estimates is disclosed in the period in which they occur and the affected future periods. The following are the key assumptions and main sources of estimation uncertainty at financial position date, which have a significant impact that may lead to material future adjustments.

Estimated Useful Lives of, Property, Plant and Equipment:

The cost of property, plant and equipment is depreciated on a systematic basis over the estimated useful lives of these assets. The Management reviews the useful lives and depreciation method annually to ensure that it reflects the expected benefit. The management review the assets useful life and the expected residual value at least once a year. At the end of every year the future depreciation will adjust if the management find that the useful life different from previous estimations.

Employee Benefits Obligation:

These benefits represent employees› end of service benefits (EoSB) program. Amounts payable under Saudi Labor Law are calculated to indemnify employees for their accumulated periods of service. Company's net liabilities in respect of unfunded defined benefit for employees are calculated as the amount of future benefits that the employee receives relating to employee service in the current and prior periods. The benefits are discounted to determine the present value and any past unrecorded service costs.

Estimated Zakat:

Zakat fees on ordinary activities are the sum of total Zakat. The calculation of Zakat on the Company necessarily includes a degree of estimation in respect of certain items that cannot be determined definitively until a decision is reached with the Zakat, Tax and Customs Authority (ZATCA) or according to the relevant legal decisions. The final settlement of some of these items may result in profits, losses or cash flows.

Provisions:

Provisions are recognized when the Company has a liability (legal or constructive) arising from a past event and there is a possibility that costs to settle the obligation will arise which can be reliably measured. When the Company expects to receive compensation for some or all of the provision- for example, under an insurance contract - compensation is recognized as an independent asset but only in the event that the compensation is actually confirmed. Expenses relating to the provision are presented in the statement of profit or loss, net of any compensation.

4• Summary of Significant Accounting Policies:

The significant accounting policies applied by the company in the preparation of these financial statements are consistently applied as follows:

Current and Non-Current Classification of Assets and Liabilities:
The company presents its assets and liabilities in the statement of financial position as «current / non-current». Assets shall be deemed current:
- When it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- When it is expected to be realized within twelve months after the reporting period, or
- When it is cash and cash equivalents, unless it is restricted from being exchanged or used to settle any liabilities for at least twelve months after the reporting period.

All other assets shall be classified as non-current.
Liabilities shall be deemed current when they mature within twelve months after the reporting period.

The Company classifies all other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment (if any). Depreciation is calculated on the basis of the estimated useful life of the asset using the straight-line depreciation method. At the end of each financial year, the estimated useful lives and the expected salvage value of these assets are reviewed.

Asset sold or derecognized and amortization thereof are removed from the accounts on the date of sale or disposal. The estimated useful lives of property, plant and equipment are as follows:

Assets	Depreciation Ratio
Electronic and equipments	20%
Furniture and fixtures	10%

At each financial position date, the company considers whether there are indications of impairment in value of non-current assets. When such indicators exist, the recoverable amount of that asset is estimated to determine the extent of loss. In cases where the recoverable amount of that asset cannot be individually estimated, the Group estimates the recoverable amount of the cash-generating unit (GCU) to which that asset belongs.

Where the recoverable amount of an asset or a GCU is estimated to be less than its carrying amount, the cost of that asset or GCU is reduced to its recoverable amount and the impairment loss is recognized as an expense in the statement of income for the financial year in which it occurs. If an impairment loss is subsequently reversed, the cost of asset or GCU is increased to its recoverable amount, to the extent that its cost should not exceed the original cost that would have been determined had the impairment loss not been recognized in the value of that asset or GCU in previous years. The reversal of an impairment loss is recognized as revenues in the statement of income for the financial period in which it is incurred.

Related Parties:

Related parties are identified by the Company in accordance with the definition in international standard no. 24 "Related parties disclosures". A related party transaction is a transfer of resources, services or obligation between the Company's branch and a related party regardless of whether a price is charged. Terms and conditions of these transactions are approved by the Company management.

Revenue recognition:

- Asset management fees are recognized based on a certain percentage of the net asset value of the fund. The company, by virtue of managing the funds, calculates administrative fees, subscription fees and custody fees at certain percentages based on the agreements for each fund.
- Portfolio fees, advisory services, custody fees, and services that are presented in the other income account are recorded based on the nature of the contracts under which these services fall.
- Commissions are recognized on the accrual basis of accounting.
- The revenue recognition policy for financial instruments is clarified in the related note.

Expenses:

Selling and distribution expenses represent expenses resulting from sales, marketing and distribution efforts. All other expenses, excluding direct costs and financing expenses, are classified as general and administrative expenses. Selling, distribution and general and administrative expenses are recognized on the accrual basis in the period in which they are incurred. Joint expenses are allocated between the cost of revenue, selling and distribution expenses and general and administrative expenses on a systematic basis, if necessary.

Zakat Provision:

Zakat shall be separately calculated and recognized in the statement of income for each financial period in accordance with regulations of the Zakat, Tax and Customs Authority (ZATCA). Zakat shall be settled upon receipt of the final Zakat assessment. Differences between zakat provision and final assessment made by the Zakat, Tax and Customs Authority are charged to the income statement at the time of receipt of the final Zakat assessment.

Value-Added Tax (VAT):

VAT represents 15% of the total sales value and 15% is deducted for the paid inputs and the difference is then paid to ZATCA.

Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity or financial liabilities or equity instrument of another entity.

Financial Assets:

Financial assets include:

- Cash
- A contractual right to receive a financial asset from another entity (receivables)
- A contractual right to exchange financial instruments with another entity under favorable conditions of entity.
- A non-derivative contract where the entity is or may be required to receive a variable number of entity›s own equity instruments.

Classification and Initial Recognition:

An entity classifies its financial assets in the following measurement categories:

- Financial assets that are subsequently measured at fair value (either through statement of income (FVSI) or other comprehensive income (FVTOCI))
- Financial assets measured at amortized cost.

Classification is based on the business model used in the entity for managing financial assets and contractual terms of cash flows.

Subsequent Measurement of Financial Assets:

Equity Instruments:

• All equity investments are to be measured at fair value and if the entity›s management decides to present fair value gains or losses on equity investments within other comprehensive income, thengainsl (losses) on fair values cannot be reclassified subsequently in the statement of income. Dividend from the investment are recognized as income when the entity›s right to receive payments is established.

• Impairment losses and reversal of impairment losses on equity investments measured at FVTOCI are not treated separately from other changes in fair value.

• Changes in the fair value of financial assets at (FVTPL) are recognized in other income in the statement of income as appropriate.

Debt Instruments:

Subsequent measurement for debt instruments is based on the entity›s business model for asset management and cash flow characteristics of assets. There are three measurement categories and the entity classifies debt instruments by:

• Amortized cost:

Financial assets held for contractual cash flows represent the original investment and related interest thereon and are measured at amortized cost. Gains or losses on debt instruments at amortized cost that are not part of a hedging relationship are recognized in profit or loss when it is derecognized or impaired.

Interest income from financial assets is recognized using the effective interest rate method.

• Fair value through other comprehensive income (FVOCI):

Financial assets held for contractual cash flows and for sale, where cash flows represent the investment asset and interest thereon and are measured at FVOCI.

Changes in fair value are recognized through other comprehensive income except for the recognition of gains or losses relating to impairment, interest income and foreign exchange gains / losses in the statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from equity to income statement, recognized as other gains or losses and interest income from financial assets and treated as financial interest using the effective interest rate method.

• Fair value through statement of income (FVSI):

Assets that do not meet amortized cost or FVOCI are measured at fair value through statement of income. Gains or losses arising from subsequent measurement of investment in debt instruments are recognized at fair value through statement of income that is not part of a hedging relationship within the statement of income. They are recognized as net gains or losses in the period in which they arise. Interest income from these financial assets is recognized as financial interest.

Effective Interest Method:

The effective interest method is a method for calculating the amortized cost of a debt instrument and allocating interest revenue over the relevant period. The effective interest rate is the rate that discounts future cash payments received through the life expectancy of the debt instrument or, if appropriate, in the shorter period to carrying amount at initial recognition.

Impairment:

• The entity assesses expected future credit losses for financial assets at amortized cost and FVOCI. The impairment methodology applied depends

on whether there is a significant increase in credit risk.

• For trade receivables only, the entity applies the "simplified approach" permitted by IFRS 9, which requires the recognition of lifetime expected losses in initial recognition of receivables.

Interest income

Income is recognized for all financial instruments measured at amortized cost using the effective interest rate, which is the rate that exactly discounts expected future cash flows over the life of the financial instruments or for shorter periods, or, where appropriate, to their actual value.

When the loan and receivables are impaired, the company reduces the carrying amount to the recoverable amount, which represents the estimated future cash flow discounted at the instrument›s original effective interest rate, and continues to amortize the discount as interest income Interest income is recognized on the impaired financial assets using the effective interest rate.

Financial Liabilities:

Financial liabilities include:

• A contractual obligation to deliver cash or another financial asset to another entity.

• A contractual obligation to exchange financial instruments with another entity under conditions that are potentially unfavorable to the entity.

• A non-derivative contract where the entity is obliged to provide a variable number of entity›s own equity instruments.

Initial Recognition:

Financial liabilities are recognized initially at fair value. The financial liabilities of the entity include trade payables, other payables and long-term loans from the government at a lower market rate.

Subsequent Measurement:
The entity classifies all financial liabilities after initial recognition at amortized cost.

Off¬setting Financial Instruments:
Financial assets and liabilities shall be offset and the net amount presented in the statement of financial position only when there is a current enforceable right to settle the amounts recognized and when there is an intention to settle on a net basis or to liquidate assets and settle liabilities simultaneously.

Disposal of Financial Assets and Liabilities:

- An entity derecognizes a financial asset only when the contractual rights to cash flows from the asset expire or when it transfers the financial asset and all the risks and rewards of ownership thereof to another party. If an entity neither transfers nor retains all risks and rewards of ownership and continues to control the asset, the entity recognizes its share held in the asset and the liability for the amounts it may pay. If an entity retains substantially all risks and rewards of ownership of the financial asset, the entity continues to recognize the financial asset and recognize the associated liability.
- On derecognition of a financial asset measured at amortized cost, the difference between the carrying amount of the asset and the amount of the consideration received and receivable is recognized in the statement of income. In addition, upon derecognition of an investment in a debt instrument classified as FVOCI, the cumulative gain or loss previously recognized in the revaluation reserve is reclassified to profit or loss. Upon derecognition of an investment in equity instruments that the Company has chosen to recognize initially by measuring at (FVOCI), the cumulative gain or loss recognized in the investment revaluation reserve is not classified as profit or loss, but are converted to retained earnings.
- Financial liabilities are derecognized only when the liabilities are discharged, canceled, expired or invalidated. The difference between the carrying amounts of the financial liabilities and the amounts paid and required, including any non-monetary assets transferred or liabilities recognized in the statement of income, is recognized.

Post-Employment Benefits:
The Company's post-employment benefits include monthly contributions to General Organization for Social Insurance (GOSI) and gratuity scheme as per the requirements of Kingdom of Saudi Arabia regulations.

GOSI:
The monthly contributions to GOSI (separate entity) are categories as a defined contribution plan. The Company recognizes its portion of fixed contribution to GOSI every month as expense. The Company has no legal or constructive obligation to pay any further contribution, its only obligation is to pay the contribution as it falls due.

Gratuity:
The Company›s end of service benefits program is classified as a defined benefit plan. This program is considered unfunded, and the liability recognized in the statement of financial position related to the defined benefit end-of-service benefit program is represented by the present value of the defined benefit obligation at the end of the reporting period.

The defined benefit obligation is computed annually by an

independent actuary using the projected unit credit method, and the actuarial gains and losses arising from actuarial assumptions are recorded in the statement of other comprehensive income in the period in which they arise. Past service costs, current service costs, and net interest are recognized immediately in the income statement.

Provisions:

Provisions are recognized when the Company has a liability (legal or constructive) arising from a past event and there is a possibility that costs to settle the obligation will arise which can be reliably measured. When the Company expects to receive compensation for some or all of the provision- for example, under an insurance contract - compensation is recognized as an independent asset but only in the event that the compensation is actually confirmed. Expenses relating to the provision are presented in the statement of profit or loss, net of any compensation.

Finance costs

The financing costs directly attributable to the creation of the qualifying assets are added to the cost of those assets using a capitalization rate until the stage of completion of all activities necessary to prepare the qualifying asset for the specific purpose of its use. Eligible assets are those that require a long period of time to get ready for use for their intended purpose. All other finance costs are recognized in the income statement in the period in which they are incurred.

5• Standards and Interpretations issued but not yet effective:

Standard or Interpretation No.	Description	Effective date
IFRS (17) Insurance Contracts.	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognized as revenue over the coverage period. IFRS (17) requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts	January 1, 2023 (deferred from January 1, 2021).
Amendments to IAS (16) Property, Plant and Equipment.	The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022.
Reference to the Conceptual Framework (Amendments to IFRS 3).	Minor amendments were made to IFRS 3 to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognized at the acquisition date.	January 1, 2022.
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).	The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022.
IFRS Standards 20182020-	Annual Improvements to IFRS 9, IFRS 16, IFRS 1 and IAS 41.	January 1, 2022.

5• Standards and Interpretations issued but not yet effective:

Standard or Interpretation No.	Description	Effective date
Classification of Liabilities as Current or Non-Current Amendments to IAS (1).	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.	January 1, 2023 (deferred from January 1, 2022).
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement (2). The amendments are to be applied prospectively	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8).	On February 12, 2021, the International Accounting Standards Board (IASB) published «Definition of Accounting Estimates ". The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single transaction (Amendments to IAS 12 Income Taxes)	The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and affected entities would be requiring recognition of additional deferred tax assets and liabilities. That means the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 1, 2023

5• Standards and Interpretations issued but not yet effective:

Standard or Interpretation No.	Description	Effective date
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)	The Amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.	January 1, 2023
IFRS 10 and IAS 28 amendments. Sale of contribution between an investor and its associate or joint venture.	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	Indefinite effective date/ early adoption permitted.

Management anticipates that the adoption of the above standards and interpretations in future periods will have no material impact on the financial statements of the Company.

6• Cash and Cash Equivalents:

This item represents current accounts with local banks in Saudi Riyal as of 31 December 2021.

7• Other Debit Balances:

The details of this item are as follows:

Advances payment in investing funds	406,243
Value added tax	339,093
Insurance	141,042
Staff advances and receivables	23,899
Accrued revenue	84,986
Rent	53,375
Other	100,463
Total - Exhibit A	1.149.101

Notes to the Financial Statements

8• Property, Plant and Equipment:

The details of the cost and accumulated depreciation as of 31 December 2021 are as follows:

Cost	Lands	Electronic and equipments	Furniture and fixtures	Total
Addition during the period	4.394.634	140.440	235.795	4.770.869
Balance as at 312021/12/	4.394.634	140.440	235.795	4.770.869
Accumulated depreciation	-	-	-	-
Depreciation for the period	-	17.182	15.639	32.821
Balance as at 312021/12/	-	17.182	15.639	32.821
Property, plant and equipment, net at 312021/12/ - Exhibit A	4.394.634	123.258	220.156	4.738.048

9• Projects in Progress:

a)This item represents the amounts paid to prepare the company›s building, and the movement on this account was as follows:

Additions during the period	3.377.150
Balance at the end of the period - Exhibit A	3.377.150

b) The value of the contractual obligations on the projects in progress amounted to SR.689,136 as of 31 December 2021.

10• Estimated Zakat Provision:

a) The components of the Zakat base are as follows:

31 December 2021	
Zakat fund Subject (positive)	
Capital	10.000.000
Related parties	4.318.228
Total funds subject to Zakat	14.318.228
Less: (Negative Fund)	
Adjusted (loss) for the period - Note (11/b)	(3.131.665)
Non-current assets	(8.115.198)
Zakat base	3.071.365
Zakat accrued	
Zakat base without adjusted net (loss) @ 1.794%	111.282
Add: Adjusted net (loss) @ 2.5%	(78.292)
Zakat Provision - Note (11/c) - Exhibit B	32.990

b) Adjusted net (loss) for the period:

31 December 2021	
(Loss) for the period before estimated Zakat - Exhibit B	(3.201.111)
Provision	69.446
Adjusted net (loss) for the period - Note (11/a)	(3.131.665)

Notes to the Financial Statements

c) The movements in provision for estimated Zakat are as follows:

Allocated to expenses - Note (11/a)	32.990
Balance at end of the period - Exhibit A	32.990

d) The company obtained a zakat certificate for the year ended 31 December 2021, valid till 28 July 2022.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The company deals in its ordinary course of business with related parties which include entities related to the shareholders. The transactions with related parties occurred at prices and payment condition estimated and approved by the company's management; the transactions on related parties account are as follows:

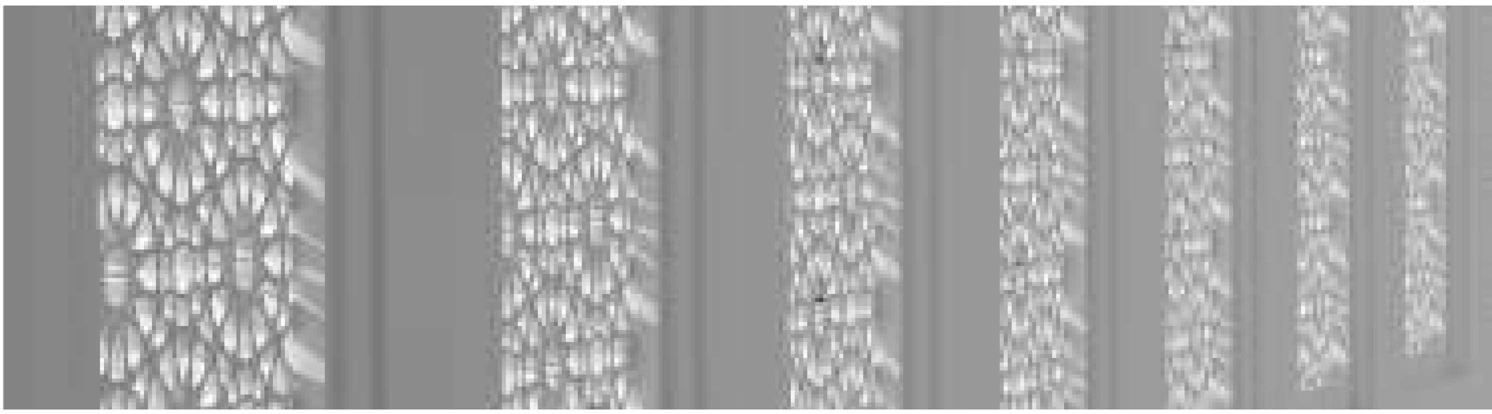
a) Due to a related party:

Name of related party	Nature of relationship	31 December 2021
Mr.Aiman Khaled Al-Atiqi	Shareholder	4.318.228
Total - Exhibit A		4.318.228

b) The major transactions:

Name of related party	Nature of relationship	Type of transaction	31 December 2021
Mr.Aiman Khaled Al-Atiqi	Shareholder	Finance	3.500.000
		Salaries	3.500.000

c) The related party account does not carry interest and does not have a fixed due date.



12• Long-Term Defined Employee Benefit Obligations:

The Company has an employees defined benefits scheme for its employees (the "members"). The scheme entitles the members to a lump sum payment related to length of service and salary at the time of retirement, resignation or death. The scheme funded by the company from contribution by the employer towards the discharge of Company's obligation under the scheme. This scheme are being ruled by the Labor Law in the Kingdom of Saudi Arabia.

The obligation recognized in the statement of financial position related to end of service indemnity represents the present value of the defined benefit obligations at the end of the reporting period. Defined benefit obligations are being calculated annually by independent actuary using the projected unit credit method.

Past cost service, current cost service, interest and actuarial gain or losses for the program (if any) are recognized in the income statement.

The amounts recognized in the statement of financial position and the statement of comprehensive income are summarized in the below schedule:

Present value of obligations recognized in the statement of financial position	69.446
Cost of service and interest recognized in the statement of income	69.446
Balance at beginning of the period	-
Cost of service	69.446
Balance at End of the period - Exhibit A	69.446

13• Capital

The company's capital amounting to SR.10,000,000 is divided into (1,000,000) ordinary cash shares with par value of SR.10 per share.

14• Revenues:

This item consists of the following:

Management fees	42.493
Consulting fees	42.493
Total - Exhibit B	84.986

15• Cost of Revenues:

This item consists of the following:

Salaries, wages and other related	57.000
Total - Exhibit B	57.000

16• General and Administrative Expenses:

This item consists of the following:

Wages, salaries and related costs	1.777.252
Fees and subscription	303.562
Professional and legal fees	230.900
Rent	123.228
Insurance	102.143
Social insurance	173.046
Depreciation of property plant and equipment - Note (9)	32.821
Supplies	91.992
Employee benefits obligation - Note (13)	69.446
Others	324.707
Total - Exhibit B	3.229.097

17 • Loss Per Share:

The loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding of 1,000,000 shares.

18• Financial Risk Management:

The Company›s activities expose it to a variety of financial risks. Market risk, credit risk and liquidity risk. The company›s comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the company›s financial performance.

The financial instruments included in these financial statements mainly consist of cash and cash equivalents, prepaid expenses and other debit balances, due to related parties, accrued expenses and other liabilities and accrued management fees. The recognition methods adopted are disclosed in the individual policy statements associated with each component. Compensation is made for financial assets and liabilities and the net amounts included in the financial statements, when the company has a legally enforceable right to disburse the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities at the same time.

Market Risk:

Market risk represents the risk arising from changes in market prices such as foreign exchange rates and commission rates that may affect the Group›s income. The objective of market risk management is to manage and monitor market risk exposures in the context of acceptable levels while maintaining returns.

Credit Risk:

The Company is exposed to credit risk, which is the risk that one party to the financial instruments causes a loss to the other party through non-fulfillment of the commitment from the related parties. The Company is exposed to credit risk with respect to due from related parties and cash deposited in bank balances.

The company›s policy is to enter into financial instrument contracts with reputable third parties. A company is called to reduce credit risk by monitoring credit exposures. Limiting transactions with specific third parties and continuously assessing the creditworthiness of other parties. Cash is deposited with a reputable financial institution.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The company's management monitors liquidity requirements by ensuring that sufficient funds are available to meet any obligations as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short-term loans.

19• Fair Values of Financial Instruments:

A fair value measurement of a non-financial asset takes into account a market participant›s ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use

Determination of fair value and fair value hierarchy

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole. It has different levels as follows:

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

Fair value of financial instruments:
The valuation of each publicly traded investment is based upon the closing market price of that stock as of the valuation date, less a discount if the security is restricted. Fair values of private equity investments and mutual funds classified in Level 3 are determined based on the investees' latest reported net assets values as at the date of statement of financial position taking into account the fair value of underlying investments by the fund. Fair values of other investments (including sukuks) classified in Level 3 are determined based on discounted cash flows, which incorporate assumptions regarding an appropriate credit spread. The carrying values of all other financial assets and liabilities approximate their fair values.

Transfer between fair value hierarchies:
For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement. There were no transfers in between levels during the period ending 31 December 2021.

20• Fiduciary Assets:
Customer cash accounts
In accordance with the Capital Market Authority Regulations for Authorized Persons that require segregation of customer accounts, the company has balances in various accounts with a local bank to carry out the activities of dealing, management and custody. Clients' funds held by the company amounted to SR.25,500,000 as of 31 December 2021G. In line with the company's accounting policy, these balances are not included in the financial statements.

21 • Regulatory Capital Requirements and Capital Adequacy:

The Capital Market Authority (the "CMA") has issued Prudential Rules (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules.

In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

Description	2021
Capital base	
Level -1 capital	10.000.000
Level -2 capital	-
Total Capital Base	10.000.000
Minimum Capital Requirement:	
Market risk	39.352
Credit risk	3.946.099
Operational risk	3.286.098
Total Minimum Capital Requirement	7.271.550
Surplus	2.728.450
Capital Adequacy Ratio	1.38

22• Financial Assets and Liabilities:

Financial assets measured at amortized cost less impairment in value:	
Cash and cash equivalents	1.967.624
Other debit balances	23.899
Total	1.991.523

Liabilities measured at amortized cost	
Accounts payable and other credit balances	45.360
Due to related party	4.318.228
Total	4.363.588

23• Significant events:

At the beginning of the year 2020, the Corona virus (Covid 2019) appeared as a global pandemic, which caused a state of instability in the global economy as a whole. At this early stage, the company evaluates any potential impacts on the financial statements, whether with regard to the negative effects of the virus on the business or the ability to pay debts, or with regard to the positive effects of servicing the facilities and support provided by the state to businesses affected by the spread of the virus, and changes in circumstances may require some disclosures related to them, including those on which the company›s estimates are based on forecasting expected credit losses related to financial instruments.

24• Approval of Financial Statements for Issuance:

The financial statements have been approved for issuance by the Company's Board of Directors on 25 Shaban 1443H. corresponding to 28 March 2022 G.

25• General:

a) These are the first audited financial statements issued by the Company.
b) The figures in the financial statements are rounded to the nearest Saudi Riyal.

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