

EJADA CAPITAL
(A SAUDI CLOSED JOINT STOCK COMPANY)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD
OF DIRECTORS AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EJADA CAPITAL
CLOSED JOINT STOCK COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2024;
- The statement of comprehensive loss for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 in the financial statements, which indicates that the Company's accumulated losses reached to SR 20,628,824 (2023: 13,647,825) being 89.69% (2023: 59.33%) of the capital of SR 23,000,000. These events or conditions, along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Article of Association/(Bylaws) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EJADA CAPITAL
CLOSED JOINT STOCK COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS (conitnued)

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and asses the risk 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 by the 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EJADA CAPITAL
CLOSED JOINT STOCK COMPANY

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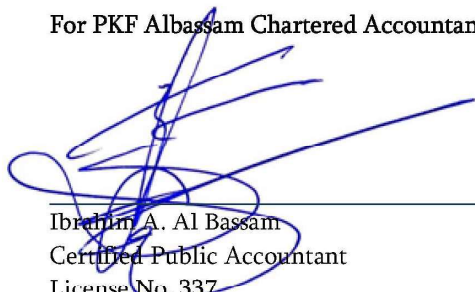
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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 PKF Albassam Chartered Accountants



Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337
Riyadh, Kingdom of Saudi Arabia
25 Ramadhan 1446H
Corresponding to: 25 March 2024



EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	<i>Note</i>	As at 31 December 2024 SAR	As at 31 December 2023 SAR
ASSETS			
Cash and cash equivalents	4	1,657,883	12,824,539
Prepayments and other receivables	5	443,576	267,734
Due from related parties	17	4,057,553	3,648,789
Investments carried at fair value through profit or loss ("FVTPL")	6	5,226,381	-
Fixtures and equipments, net	7	367,665	436,741
TOTAL ASSETS		11,753,058	17,177,803
LIABILITIES AND EQUITY			
Liabilities			
Accruals and other payables	8	1,504,842	730,674
Zakat payable	18	103,411	34,302
Due to a related party	17	-	6,786,693
Defined benefit obligation	9	300,981	273,959
Total liabilities		1,909,234	7,825,628
Equity			
Share capital	10	23,000,000	23,000,000
Advances against share capital	11	7,500,000	-
Other reserves		(27,352)	-
Accumulated losses		(20,628,824)	(13,647,825)
Total Equity		9,843,824	9,352,175
TOTAL LIABILITIES AND EQUITY		11,753,058	17,177,803



Naif Alrammah
Chairman

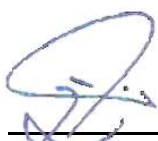


Hasan Juma
CEO

The accompanying notes 1 through 25 form an integral part of these financial statements.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
STATEMENT OF COMPREHENSIVE LOSS
For the year ended 31 December 2024

		For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	Note	SAR	SAR
Revenues			
Asset management income	12	260,437	-
Unrealised gains on investments carried at fair value through profit or loss(FVTPL)	6	226,381	-
Other income		24,538	-
		511,356	-
Expenses			
Salaries and employee related benefits	13	(4,719,944)	(6,443,214)
General and administrative expenses	16	(1,585,674)	(987,308)
Legal provision	15	(1,008,000)	-
Depreciation	7	(75,326)	(56,944)
Pre-operating expenses	14	-	(6,126,057)
Total operating expenses		(7,388,944)	(13,613,523)
Loss before zakat		(6,877,588)	(13,613,523)
Zakat expense	18	(103,411)	(34,302)
LOSS FOR THE YEAR/ PERIOD AFTER ZAKAT		(6,980,999)	(13,647,825)
Other comprehensive loss	9	(27,352)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/ PERIOD		(7,008,351)	(13,647,825)


Naif Airmamah
Chairman


Hasan Juma
CEO

The accompanying notes 1 through 25 form an integral part of these financial statements.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital	Advances towards share capital	Other reserves	Accumulated losses	Total
	SAR	SAR	SAR	SAR	SAR
Balance at 1 March 2023	23,000,000	-	-	-	23,000,000
Loss for the period	-	-	-	(13,647,825)	(13,647,825)
Other comprehensive profit (loss) for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(13,647,825)	(13,647,825)
Balance at 31 December 2023	23,000,000	-	-	(13,647,825)	9,352,175
Advances towards share capital	-	7,500,000	-	-	7,500,000
Loss for the year	-	-	-	(6,980,999)	(6,980,999)
Other comprehensive profit (loss) for the year	-	-	(27,352)	-	(27,352)
Total comprehensive loss for the year	-	-	(27,352)	(6,980,999)	(7,008,351)
Balance at 31 December 2024	23,000,000	7,500,000	(27,352)	(20,628,824)	9,843,824

The accompanying notes 1 through 25 form an integral part of these financial statements.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	<i>Note</i>	<i>For the year ended 31 December 2024</i> SAR	<i>For the period from 1 March 2023 to 31 December 2023</i> SAR
CASHFLOWS FROM OPERATING ACTIVITIES			
Loss for the year/ period before zakat		(6,877,588)	(13,613,523)
Adjustments for non-cash items:			
Depreciation	7	75,326	56,944
Provision for defined benefit obligation	9	169,009	304,139
Unrealised gains on investments carried at fair value through profit or loss(FVTPL)	6	(226,381)	-
Movement in working capital:			
Prepayments and other receivables		(175,842)	(267,734)
Accruals and other payables		774,168	730,674
Due from related parties		(408,764)	(3,648,789)
Due to a related party		3,225	6,786,693
Net cash used in operations		(6,666,847)	(9,651,596)
Defined benefits paid	9	(169,339)	(30,180)
Zakat paid	18	(34,302)	-
Net cash used in operating activities		(6,870,488)	(9,681,776)
CASHFLOWS FROM INVESTING ACTIVITY			
Purchase of investment carried at FVTPL	6	(5,000,000)	-
Purchase of fixtures and equipments	7	(6,250)	(493,685)
Net cash used in investing activity		(5,006,250)	(493,685)
CASHFLOWS FROM FINANCING ACTIVITY			
Advances against share capital	11	710,082	-
Proceeds from issuance of shares		-	23,000,000
Net cash generated from financing activity		710,082	23,000,000
INCREASE IN CASH AND CASH EQUIVALENTS		(11,166,656)	12,824,539
Cash and cash equivalents at 1 January 2024 / 1 March 2023		12,824,539	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2024 / 2023	4	1,657,883	12,824,539
SUPPLEMENTARY INFORMATION FOR NON-CASH ITEMS			
Due to a related party		(6,789,918)	-
Advances against share capital		6,789,918	-

The accompanying notes 1 through 25 form an integral part of these financial statements.

EJADA CAPITAL

(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACTIVITIES

Ejada Capital (the "Company") is a Saudi Closed Joint Stock Company. The Company was registered as a Saudi Closed Joint Stock Company in the Kingdom of Saudi Arabia under Commercial Registration number 1010865003 issued in Riyadh on Sha'ban 9, 1444 AH (corresponding to 1 March 2023) and the Capital Market Authority ("CMA") license number 22236-12 dated Dhu'l-Qi'dah 16, 1444 H (corresponding to 5 June 2023).

As per the By-laws of the Company, the first fiscal period under legal status of a Saudi Closed Joint Stock Company will be from the date the commercial registration obtained i.e. 1 March 2023 and shall end on 31 December 2023 (as presented in the comparatives). The Company's statutory financial statements for the subsequent years will be prepared from 1 January to 31 December of each Gregorian year.

The Company's registered office is located at 3rd floor, Raden Commercial Center, Olaya Street, Al Muruj district, Riyadh, Kingdom of Saudi Arabia.

The principal activities of the Company are to operate and manage investments, funds and providing arranging services. The Company commenced its commercial operations as of the year ended 31 December 2024.

2. BASIS OF PREPARATION

Statement of compliance

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

The preparation of financial statements in conformity with the IFRS as endorsed in KSA requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in this note below.

Basis of measurement and presentation

These financial statements have been prepared under the historical cost convention except for defined benefit obligation carried at present value using Projected Unit Credit Method and investments carried at FVTPL which are stated at fair value.

Functional and presentation currency

The financial statements are prepared under the historical cost convention and are presented in Saudi Riyals ("SAR") which is the functional and presentation currency of the Company.

Critical accounting judgements and estimates

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods affected.

Areas where management has used significant estimates are as follows:

Impairment losses on due from related parties

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

Receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Recognition and measurement of provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. The Company's estimates related to provisions for environmental matters are based on the nature and seriousness of the contamination, as well as on the technology required for remediation. Provisions for litigation are based on an estimate of costs, considering legal advice and other information available.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. BASIS OF PREPARATION (Continued...)

Critical accounting judgements and estimates (Continued...)

Use of estimates (Continued...)

Provision for zakat

The calculation of the Company's zakat charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant zakat authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits or losses and/or cash flows.

Defined benefit obligation

The liabilities relating to defined benefit plans are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. This method involves making assumptions about discount rates and future salary increases. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in note 8 to these financial statements.

Useful lives and residual values of fixtures and equipment

An estimate of the useful lives and residual values of fixtures and equipment is made for the purposes of calculating depreciation. These estimates are made based on expected useful lives of relevant assets. Residual value is determined based on experience and observable data where available.

Use of judgements

Critical judgements in applying the Company's accounting policy are as follows:

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 16 of these financial statements.

Going concern

The Company has reported an accumulated loss for the year ended 31 December 2024 amounting to 20,628,824 (period ended 31 December 2023: SAR 13,647,825) which represents 89.69% (2023: 59.34%) of the paid up share capital of the Company as of the same date. This requires as per Article No. (132) of the companies law, that the extraordinary general assembly be called for a meeting within one hundred and eighty days from the date of knowledge of this to consider the continuity of the Company taking any of the necessary actions to remedy or resolve such losses. The Company's going concern assessment is as follows:

- a) The Company has an onshore presence and have valid licenses from regulators to operate and based on the current available licenses and the products of the Company, management is confident about the existence and continuity prospects of the Company.
- b) The Company has obtained the approval from the Capital Market Authority to amend the list of shareholders of Ejada Capital (the "Company") to be 100% owned solely by Alteia African Assets Ltd (previously known as Barak African Assets Ltd) and it was approved to increase its paid-up share capital from SAR 23,000,000 to SAR 36,333,333. Currently, the Company is in the process of formally increasing its share capital, the legal formalities in respect to the capital increase are in progress. Further, the Company is confident of its business projections for 2025 as well as its business projection under stress scenario, both of which would not result in any breach of liquidity, capital or accumulated losses to capital ratio requirement.

Taken into account the cash flow forecasts based upon its assumptions as to commence operations, the Company's Board of Directors confirms that the going concern basis used for the preparation of these financial statements remains appropriate.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) The following new amendments to standards, enlisted below, are effective from 1 January 2024 but they do not have a material effect on the Company's financial statements.

Amendments to standards	Description	accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	01 January 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IAS 7 and IFRS 7	Supplier finance arrangements	01 January 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IFRS 16	Leases on sale and leaseback	01 January 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

b) The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	01 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	01 January 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.

EJADA CAPITAL (A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

b) The Company has not applied the following amendment to IFRS that have been issued but are not yet effective (Continued...)

IFRS 18	Presentation and Disclosure in Financial Statements	01 January 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01 January 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Management anticipates that these amendment will be adopted in the Company's financial statements as and when it is applicable and adoption of this amendments may have no material impact on the financial statements of the Company in the period of initial application.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash with local banks having original maturity of ninety days or less and is carried in the statement of financial position at amortised cost.

d) Financial instruments

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost, which results in an impairment charge being recognised in the statement of income when an asset is newly originated.

Classification and measurement of financial assets

On initial recognition, the Company classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

d) Financial instruments (Continued...)

Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Company in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected;
- how the asset's performance is internally evaluated and reported to key management personnel;
- how risks are assessed and managed; and
- and how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVTPL.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The SPPP assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPP, and that are not designated at FVTPL, are measured at amortised cost.

Fair value through profit or loss (FVTPL)

If debt instrument's cash flows do not represent solely SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated as FVTPL, then it is measured at FVTPL.

A gain or loss on a debt investment measured at FVTPL, where cash flows do not represent SPPP, is recognised in the statement of income, within "Net gain / (loss) on investments mandatorily measured at FVTPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are held for trading are presented separately from debt investments that are mandatorily measured at fair value through profit or loss, within "Net gain / (loss) in investments designated at FVTPL or held for trading".

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognized in statement of income. When the debt financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period. Currently, cash at bank - current account and other receivables are carried at amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

EJADA CAPITAL
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

d) Financial instruments (Continued...)

The Company subsequently measures all equity investments at FVTPL, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to the statement of income, including on disposal. On disposal, FV gain/losses in FV reserve is transferred directly to retained earnings.

Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Impairment of financial assets

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
 - The time value of resources; and
 - Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- (i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored.
- (ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- (iii) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- (iv) Financial instrument in Stage 1 have their ECL measured at an amount equal to the portion of expected credit losses that result from the default events possible within the next 12 months.
- Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- (v) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should be consider forward-looking information.
- (vi) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Stage 1: (Initial recognition) 12-month expected credit losses

Stage 2: (Significant increase in credit risk since initial recognition) Lifetime expected credit losses

Stage 3: (Credit impaired assets) Lifetime expected credit losses

The financial assets of the Company, which are subjected to ECL review include bank balances and receivables.

The impact of ECL on the financial assets of the Company is immaterial.

IFRS 9 outlines a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stages of Impairment under IFRS 9

The impairment approach of IFRS 9 provides a framework for Expected Credit Losses (ECL) where in, the assets have to be segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial asset. The three stages differ in terms of recognition of expected credit losses and the presentation of profit revenue.

Stage 1 - Performing financial assets

Stage 1 assets are assessed based on Company's existing credit risk management standards for acceptable credit quality. Overall, the financial assets falling under this category have the following characteristics at minimum:

- Adequate capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability to fulfil its obligations.

Stage 2 - Financial Assets with significant increase in credit risk

These are financial assets whose credit quality has deteriorated significantly since origination but do not have objective evidence of impairment.

Stage 3 - Credit impaired financial assets

Financial assets classified under this category have exceeded either the objective thresholds set by the Company i.e. have defaulted or have been subjectively considered as obligors which lack a capacity to repay their contractual obligations, on a timely basis.

The Company considers "Default" event when the obligor is unlikely to pay for its credit obligations in full, without recourse by the Company to the actions such as realizing security (if held).

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

e) Financial liabilities

Initial recognition and measurement

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVTPL where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income.

Subsequently, all special commission bearing financial liabilities other than those held at FVTPL are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement.

f) Fair valuation of financial instruments

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

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

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.

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.

- 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.

g) Derecognition of financial instruments

A financial asset is derecognized, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances where the Company is assessed to have transferred a financial asset, the asset is derecognized if the Company has transferred substantially all the risks and rewards of ownership. Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Company has not retained control of the financial asset. The Company recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expired.

h) Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

i) Fixtures and equipments

Fixtures and equipments are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on fixtures and equipments so as to allocate its cost, less estimated residual value, on a straight line basis over the estimated useful lives of the assets.

- Leasehold improvements 10 years
- Furnitures 5 years
- Computer hardware and equipments 3 years

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of income.

j) Impairment of non-current assets

The Company reviews its non-current assets for impairment at each reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value-in-use.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

j) Impairment of non-current assets (Continued...)

Non-current assets that suffer impairment loss are reviewed for possible reversal of the impairment at each reporting date. When it becomes evident that the circumstances which resulted in the impairment no longer exist, the impairment amount is reversed (except for goodwill) and recorded as income in the statement of income in the year/period in which such reversal is determined.

k) Accruals and other current liabilities

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company. The Company is carrying these at amortised cost.

l) Defined benefits obligation

The provision for defined benefits obligation 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).

m) Zakat

The company is subject to zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. A provision for zakat is made on an accrual basis, and this provision is charged to the statement of income. The zakat provision is calculated according to the zakat base or the adjusted net profit, whichever is higher, and any differences between the calculated zakat and the final assessment (if any) are recognized within the statement of income in the period in which the assessment is finalized. Zakat is calculated based on 2.5% of the zakat base or adjusted net income, whichever is higher.

n) Withholding tax

The management withholds taxes on non-resident parties (if any) according to the ZATCA's regulations, which are not recognized as expenses because the amounts of the obligations on the counterparty are deducted on its behalf.

o) 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.

p) Leases

Rental contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Short-term leases comprise premises rent of 12 months with no extension option.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued...)

q) Revenue recognition

The Company recognizes revenue in accordance with the principles as set out in IFRS 15 Revenue from contract with customers. The Company applies the five steps mode stipulated in IFRS 15 for recognizing revenue, which consists of identifying the contract with the customer; identifying the relevant performance obligations; determining the amount of consideration to be received under the contract; allocating the consideration to each performance obligation; and earning the revenue as the performance obligations are satisfied. The Company recognise revenue when it transfers control over a product or service to a customer.

The Company has the following streams of revenues:

Asset management income

Fees charged for managing investment funds and private portfolios are recognized as revenue rateably as the services are provided, based on the applicable service contracts. Management fees are presented net of rebates and generally calculated as a percentage of net assets of the respective funds. The subscription fee is recognized at the time of subscription. Performance fees are presented net of rebates and are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle. Performance fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods, typically over one year. The fees are recognized when they can be reliably estimated and/or crystallized, and there is deemed to be a low probability of a significant reversal in future periods. This is usually at the end of the performance period or upon early redemption by a fund investor.

r) Asset under management

The Company offers assets management services to its customers, which include management of certain investment funds. Such assets are not treated as assets of the Company and accordingly are not included in these financial statements.

s) Other income

Other income includes income from sources that are not incidental or related to the core operations/business of the Company and is recognized in profit or loss.

t) Foreign currency translations and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the statement of income, within finance costs. All other foreign exchange gains and losses are presented in the statement of income on a net basis within other gains / (losses), if any.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in statement of income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at FVOCI are recognised in other comprehensive income.

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4 CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
	SAR	SAR
Cash at bank - current account	1,657,883	12,824,539

Cash at bank is maintained with local banks with sound credit rating and no commission was earned during the year / period ended 31 December 2024 and 2023.

5 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
	SAR	SAR
Input VAT	354,646	181,955
Staff advances	68,500	306
Prepaid medical insurance	-	75,681
Other receivables	20,430	9,792
	443,576	267,734

6 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	31 December 2024	31 December 2023
	SAR	SAR
Investment in Alteia Saudi Murabaha Fund*	5,226,381	-

*The fund is a private open-ended fund managed by Ejada Capital.

The cost and fair value of investment carried at FVTPL portfolio is summarised as follows:

	31 December 2024	31 December 2023
	SAR	SAR
Fair value	5,226,381	-
Cost	5,000,000	-
Unrealised gain	226,381	-

7 FIXTURES AND EQUIPMENTS, NET

	Leasehold improvements	Furnitures	Computer hardware and equipments	Total
2024	SAR	SAR	SAR	SAR
Cost				
As at 1 January 2024	381,844	3,525	108,316	493,685
Additions during the year	-	-	6,250	6,250
As at 31 December 2024	381,844	3,525	114,566	499,935

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7 FIXTURES AND EQUIPMENTS, NET (Continued...)

Accumulated depreciation

As at 1 January 2024	31,820	372	24,752	56,944
Charge for the year	38,185	705	36,436	75,326
As at 31 December 2024	70,005	1,077	61,188	132,270

Net Book Value

As at 31 December 2024	311,839	2,448	53,378	367,665
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2023

Cost

As at 1 March 2023	-	-	-	-
Additions during the period	381,844	3,525	108,316	493,685
As at 31 December 2023	381,844	3,525	108,316	493,685

Accumulated depreciation

As at 1 March 2023	-	-	-	-
Charge for the period	31,820	372	24,752	56,944
As at 31 December 2023	31,820	372	24,752	56,944

Net Book Value

As at 31 December 2023	350,024	3,153	83,564	436,741
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8 ACCRUALS AND OTHER PAYABLES

	31 December 2024 SAR	31 December 2023 SAR
Legal provision	1,008,000	-
Employee leave days accrual	174,789	292,888
Board of Directors fees	215,000	253,000
Accrued professional fees	65,000	114,880
Other payables	42,053	69,906
	1,504,842	730,674

9 DEFINED BENEFIT OBLIGATION

The following tables summarise the components of defined benefits obligation recognised in the statements of financial position, income and other comprehensive income.

a) Amount recognised in the statement of financial position:

	31 December 2024 SAR	31 December 2023 SAR
Present value of defined benefit obligation	300,981	273,959

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9 *DEFINED BENEFIT OBLIGATION (Continued...)*

b) Benefit expense (recognised in statement of income):

	31 December 2024	31 December 2023
	SAR	SAR
Current service cost	155,997	273,959
Finance cost	13,012	-
Past service cost	-	-
Benefit expense	169,009	273,959

c) Movement in the present value of defined benefit obligation:

	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	SAR	SAR
Present value of defined benefit obligation at beginning of the year/ period	273,959	-
Charge recognised in statement of income:		
Current service cost	155,997	304,139
Finance cost	13,012	-
Past service cost	-	-
Charge recognised in statement of other comprehensive Income:		
Changes in Financial Assumptions	(17,703)	-
Experience Adjustments / ((gains)/ losses)	45,055	-
Benefits paid	(169,339)	(30,180)
Present value of defined benefit obligation at end of the year/ period	300,981	273,959

d) Principal actuarial assumptions:

	31 December 2024	31 December 2023
Discount rate	5.50%	4.75%
Salary increase rate	2.50%	2.50%

The economic and demographic assumptions used in the valuation are unbiased, mutually compatible and best estimates as per the requirements of IAS 19. Financial assumptions are based on market expectations as at the valuation date.

e) Maturity profile of defined benefit obligation:

	31 December 2024	31 December 2023
Weighted average duration of the defined benefit obligation Distribution of timing of benefit payments		
Year 1	52,687	44,461
Year 2	72,010	54,689
Year 3	88,981	70,883
Year 4	99,896	87,981
Year 5	109,095	101,989
Year 6 and beyond	1,877,840	1,949,574

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9 DEFINED BENEFIT OBLIGATION (Continued...)

f) Sensitivity analysis

The table below shows the change in defined benefits obligation based on a reasonable possible change in the base assumption value for discount and salary increment rates:

	31 December 2024 - SAR	
	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	279,496	324,919
Future salary growth (1% movement)	327,325	276,997
31 December 2023 - SAR		
	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	256,839	293,167
Future salary growth (1% movement)	294,843	255,069

10 SHARE CAPITAL

	31 December 2024	31 December 2023
	SAR	SAR
Authorised shares		
4,000,000 shares of nominal value SAR 10 each	40,000,000	40,000,000
Share capital issued and fully paid		
2,300,000 shares of nominal value SAR 10 each	23,000,000	23,000,000

11 ADVANCES AGAINST SHARE CAPITAL

During the year ended 31 December 2024, the amount which was due to one of the shareholders, Alteia African Assets Ltd (previously known as Barak African Assets Ltd), was settled by way of conversion into share capital. Additionally, the shareholder contributed a further amount, bringing their total to SAR 7,500,000 (2023: nil) towards increasing the Company's share capital.

As of the reporting date, the legal formalities related to the capital increase are still in progress. Accordingly, the amount contributed has been classified as advances against share capital until the completion of the required regulatory approvals and the formal issuance of shares.

12 ASSET MANAGEMENT INCOME

The Company's revenue primarily comprises asset management income, including management fees, performance fees, operating fees, and discretionary portfolio management (DPM) fees, recognized as per IFRS 15 based on service delivery and performance conditions.

	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	SAR	SAR
Management fees	95,979	-
Performance fees	109,165	-
Operating fees	32,008	-
DPM - Management fees	23,285	-
	260,437	-

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13 SALARIES AND EMPLOYEE RELATED BENEFITS

	<i>For the year ended 31 December 2024</i>	<i>For the period from 1 March 2023 to 31 December 2023</i>
	SAR	SAR
Salaries and employment related benefits	3,683,395	4,626,779
General organization for social insurance	452,765	391,478
Medical insurance expense	294,574	141,826
Defined benefit obligation expense	169,009	273,959
Other staff expenses	80,201	756,172
Board of Directors fees	40,000	253,000
	4,719,944	6,443,214

14 PRE-OPERATING EXPENSES

Pre-operating expenses were incurred before obtaining the commercial registration and are considered as initial costs associated with setting up and preparing the Company for its intended activities.

15 LEGAL PROVISION

The Company is currently involved in a legal case against a shareholder, which is expected to result in a financial outflow. Based on the assessment of legal experts, there is a likelihood of an obligation arising from this case. As a reliable estimate of the liability is available, the Company has recognized a provision in the financial statements.

The Company continues to monitor the situation and will reassess the provision as necessary based on any developments in the case.

16 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the year ended 31 December 2024</i>	<i>For the period from 1 March 2023 to 31 December 2023</i>
	SAR	SAR
Professional and regulators related fees	1,097,243	511,236
Rent expense	235,865	234,647
Maintenance and office supplies	113,042	66,123
Utilities and telecommunication expenses	91,729	45,884
Marketing and public relations	10,295	100,293
Other expenses	37,500	29,125
	1,585,674	987,308

17 RELATED PARTY TRANSACTION AND BALANCE

Related parties of the Company include its major shareholders, associated and affiliated Companies, funds under management, directors and key management personnel of the Company. These transactions are carried out on mutually agreed terms and approved by the management of the Company.

During the year, the Company transacted with related parties in the normal course of business. The significant transactions with related parties and the related amounts other than those disclosed elsewhere in these financial statements are as follows:

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17 RELATED PARTY TRANSACTION AND BALANCE (Continued...)

a) Significant transactions arising from transactions with related parties are as follows:

Relationship	Nature of transaction	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
		SAR	SAR
Alteia Saudi Murabaha fund	Asset management income	260,437	-
Alteia African Assets Ltd (previously known as Barak African Assets Ltd)	Placement with financial institutions	940,000	-
Shareholders	Pre-operating expenses	-	6,126,057

b) Key management personnel of the Company comprise senior executive management and the Board of Directors. The compensation summary of key management personnel during the year is set out below:

	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	SAR	SAR
Remuneration for Senior Executive Management	2,182,848	1,595,414
BOD Sitting fees	40,000	253,000
	2,222,848	1,848,414

c) The following receivable/ (payable) balances arose as a result of transactions with related parties:

Name of related party	Relationship	31 December 2024	31 December 2023
		SAR	SAR
Essam Albakr	Shareholder	3,648,789	3,648,789
Alteia African Assets Ltd (previously known as Barak African Assets Ltd)	Shareholder	86,030	(6,786,693)
Alteia Saudi Murabaha fund	Fund manager	272,734	-
Alteia GCC Fund SP	Common shareholder	50,000	-

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18 ZAKAT

a) Zakat

The zakat charge consists of the current year provision amounting to SAR 103,411 (period ended 31 December 2023: SAR 34,302). The provision is based on the following:

	31 December 2024	31 December 2023
	SAR	SAR
<i>Zakat base for the Company</i>		
Adjusted equity share as at 1 January 2024 / 1 March 2023	12,037,834	10,062,500
Provisions and other adjustments	(131,679)	(13,204)
Book value of long term assets	(160,853)	(191,074)
Investments in funds	(2,286,542)	-
	9,458,760	9,858,222
Adjusted loss for the year/ period	(6,981,561)	(7,149,444)
Zakat base for the Company	2,477,199	2,708,778
Zakat charged for the year/ period	63,849	34,302
<i>Zakat base for the investment in local funds</i>		
Total Net Asset Value (NAV) as at 1 January 2024 / 1 March 2023	10,452,761	-
Total ownership	50%	-
Zakat charged for investment in local funds	39,562	-
Total zakat payable	103,411	34,302
Movement in zakat payable during the year/ period		
The movement in zakat payable for the year/ period ended 31 December 2024 and 2023 is as follows:		
At the beginning of the year/ period	34,302	-
Provided during the year/ period	103,411	34,302
Payments during the year/ period	(34,302)	-
At 31 December	103,411	34,302

19 FINANCIAL RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Audit Committee, which has the responsibility to monitor the overall risk process within the Company.

The Board of Directors has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

Credit risk

The Company manages exposure to credit risk, which 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 assesses the probability of default of counterparties using internal rating mechanism. This is done for corporate and high net worth individuals only.

The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Company's risk management policies are designed to identify, to set appropriate risk limits, and to monitor the risks and adherence to limits. Actual exposures against limits are monitored on regularly basis. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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19 FINANCIAL RISK MANAGEMENT (Continued...)

Management monitors the market value of collateral obtained during its review of the adequacy of the impairment allowance for credit losses. The Company regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The carrying amount of financial assets represents the maximum credit exposure. In assessing credit risk, prepaid expenses have been excluded from other receivables. The exposure to credit risk at the reporting date was on account of:

	31 December 2024	31 December 2023
	SAR	SAR
Cash and cash equivalents	1,657,883	12,824,539
Other receivables	78,930	191,262
Due from related parties	4,057,553	3,648,789
	5,794,366	16,664,590

Market risk

Market risk is measured, monitored and managed with a blend of quantitative and qualitative approach along with experienced talent and quantitative tools including sensitivity analysis and Value at Risk approach. In addition, exposure limits for individual transactions, concentration, maturities and other risk parameters captures the risk timely.

a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyals is on a fixed parity to the US Dollar, management believes that the Company is not subject to any significant currency risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its net financing requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of financing to dry up immediately. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

i) Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2024 and 31 December 2023 based on contractual undiscounted repayment obligations. The contractual maturities of liabilities have been determined based on the remaining period at the statement of financial position date to the contractual maturity date.

	2024			
	Fixed maturity		No fixed maturity	Total
	Within 1 year	More than 1 year		
Accruals and other payables	1,330,053	-	174,789	1,504,842
Due to a related party	-	-	-	-
Defined benefit obligation	-	-	300,981	300,981
	1,330,053	-	475,770	1,805,823

	2023			
	Fixed maturity		No fixed maturity	Total
	Within 1 year	More than 1 year		
Accruals and other payables	437,786	-	292,888	730,674
Due to a related party	6,786,693	-	-	6,786,693
Defined benefit obligation	-	-	273,959	273,959
	7,224,479	-	566,847	7,791,326

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19 FINANCIAL RISK MANAGEMENT (Continued...)

b) Liquidity risk (Continued...)

ii) Analysis of financial assets and liabilities according to when they are expected to be recovered or settled

The table shows an analysis of financial assets and liabilities according to when they are expected to be recovered or settled:

	2024			
	Fixed maturity		No fixed maturity	Total
	Within 1 year	More than 1 year		
Financial assets				
Cash and cash equivalents	1,657,883	-	-	1,657,883
Other receivables	78,930	-	-	78,930
Investments carried at fair value through profit or loss ("FVTPL")	-	-	5,226,381	5,226,381
Due from related parties	4,057,553	-	-	4,057,553
Total	5,794,366	-	5,226,381	11,020,747
Financial liabilities				
Accruals and other payables	1,504,842	-	-	1,504,842
Defined benefit obligation	-	-	300,981	300,981
Total	1,504,842	-	-	1,805,823
Net financial assets (liabilities)	4,289,524	-	5,226,381	9,214,924

	2023			
	Fixed maturity		No fixed maturity	Total
	Within 1 year	More than 1 year		
Financial assets				
Cash and cash equivalents	12,824,539	-	-	12,824,539
Other receivables	306	-	9,001	9,307
Due from related parties	3,648,789	-	-	3,648,789
Total	16,473,634	-	9,001	16,482,635
Financial liabilities				
Accruals and other payables	437,786	-	292,888	730,674
Due to a related party	6,786,693	-	-	6,786,693
Defined benefit obligation	-	-	273,959	273,959
Total	7,224,479	-	566,847	7,791,326
Net financial assets (liabilities)	9,249,155	-	(557,846)	8,691,309

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, 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 exposed to market risk with respect to its investments in funds.

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19 FINANCIAL RISK MANAGEMENT (Continued...)

c) Price risk (Continued...)

A change in the NAV of Level 3 investment, with all other variables held constant, would impact the statement of comprehensive income as set out below:

Change in NAV %	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	SAR	SAR
± 5	261,319	-
± 10	522,638	-

20 FINANCIAL INSTRUMENTS AND FAIR VALUE

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

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

The principal or the most advantageous market must be accessible to by the Company. Financial instruments comprise financial asset and financial liabilities. Financial assets consist of bank balances, other receivables. Financial liabilities consist of accounts payable and accruals and amounts due to a related party.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Assets

31 December 2024

	Financial assets classification		Fair Value hierarchy
	Amortised cost	FVTPL	Level 3
Investments carried at fair value through profit or loss ("FVTPL")	-	5,226,381	5,226,381
Total	-	5,226,381	5,226,381

Assets

31 December 2023

	Financial assets classification		Fair Value hierarchy
	Amortised cost	FVTPL	Level 3
Investments carried at fair value through profit or loss ("FVTPL")	-	-	-
Total	-	-	-

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20 FINANCIAL INSTRUMENTS AND FAIR VALUE (Continued...)

All other financial assets and financial liabilities as at 31 December 2024 and 31 December 2023, were classified as financial assets and financial liabilities carried at amortized cost.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year, there were no transfers between the levels.

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

The Company's management determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement, such as assets held for distribution in a discontinued operation.

Due to the short-term nature of the financial assets and liabilities; the fair values of the financial assets and liabilities are not materially different from their carrying values.

Reconciliation of Level 3 instruments

A reconciliation of the opening and closing amounts of Level 3 investments carried at FVTPL is given below:

31 December 2024 - in SAR				
	At beginning	New acquisitions	Fair value movement	At end
Investments carried at FVTPL	-	5,000,000	226,381	5,226,381

31 December 2023 - in SAR				
	At beginning	New acquisitions	Fair value movement	At end
Investments carried at FVTPL	-	-	-	-

Valuation techniques

When the fair values of items recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For financial assets at fair value through profit or loss classified as Level 3 include investment in an unquoted fund, the fair value of which is determined based on net assets value (NAV) obtained from the latest available financial statements of the unquoted fund.

Fair value transfers

There have been no transfers to and from Level 3 during the year (2023: none).

21 REGULATORY REQUIREMENTS FOR CAPITAL AND CAPITAL ADEQUACY

In accordance with the Prudential Rules issued by the Capital Market Authority ("CMA") (the Rules), given below are the capital base, minimum capital requirement and total capital ratio as at 31 December 2024 and 31 December 2023.

	For the year ended 31 December 2024	For the period from 1 March 2023 to 31 December 2023
	SAR	SAR
Capital base		
Tier-I Capital	9,843,824	9,352,175
Tier-II Capital	-	-
Total capital base	9,843,824	9,352,175

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21 REGULATORY REQUIREMENTS FOR CAPITAL AND CAPITAL ADEQUACY (Continued...)

Minimum capital requirement

Market Risk	235,271	-
Credit Risk	33,778,590	16,023,988
Operational Risk	51,050,711	37,036,875
Concentration Risk	17,735,000	-

Risk weighted asset	102,799,572	53,060,863
Total minimum capital requirement	8,223,966	4,244,869

Capital Adequacy Ratio

Tier 1 capital ratio	9.58%	17.63%
Total capital ratio	9.58%	17.63%
Surplus in capital	1,619,858	5,107,306

(a) The above information has been extracted from the Company's Capital Adequacy Model for the year ended 31 December 2024 to be submitted to CMA.

(b) The Capital Base consists of Tier 1 Capital and Tier 2 Capital calculated as per Article 4 and 5 of the Rules respectively. The Minimum Capital Requirements for Market, Credit and Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.

(c) The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio for Tier 1 shall not be less than 6% and total Tier 1 and Tier 2 Capital shall not be less than 8%.

22 ASSETS UNDER MANAGEMENT

The Company manages investment funds on behalf of its customers, which amounts to SAR 50 million as at 31 December 2024 (31 December 2023: nil). Consistent with its accounting policy, such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity.

23 EVENTS AFTER THE REPORTING PERIOD

On 12 February 2025, the Company obtained the approval from the Capital Market Authority to amend the list of shareholders of Ejada Financial Company (the "Company") to be 100% owned solely by Alteia African Assets Ltd (previously known as Barak African Assets Ltd) and it was approved to increase its paid-up share capital from SAR 23,000,000 to SAR 36,333,333. Currently, the Company is in the process of formally increasing its share capital, the legal formalities in respect to the capital increase are in progress.

24 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments exist at reporting date.

25 BOARD OF DIRECTORS' APPROVAL

These financial statements were approved by the Board of Directors on 24 March 2025.