EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
for the year ended 31 December 2024
together with the
INDEPENDENT AUDITOR'S REPORT

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
Financial Statements
For the year ended 31 December 2024

INDEX

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of EFG-Hermes KSA

Opinion

We have audited the financial statements of EFG-Hermes KSA (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

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

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 Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulation for Companies, Company's By-Law and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Report

To the Shareholder of EFG-Hermes KSA (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG Professional Services Company

Saleh Mohammed S Mostafa
License No: 524

Al Riyadh on: 19 March 2025
Corresponding to: 19 Ramadan 1446H

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Saudi Riyals)

	Notes	**31 December 2024**	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	**137,287,145**	92,266,635
Deposit with general clearing member	6	**19,647,567**	38,935,190
Income tax	21	**762,408**	517,074
Margin receivable	8	**68,632,595**	1,958,396
Trade and other receivables	7	**7,314,086**	8,742,596
Total current assets		**233,643,801**	142,419,891
Non-current assets			
Property and equipment	9	**1,156,472**	1,597,375
Intangible assets	10	**415,597**	530,371
Total non-current assets		**1,572,069**	2,127,746
Total assets		**235,215,870**	144,547,637
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdraft	12	**69,600,000**	--
Trade and other payables	11	**22,711,010**	10,008,685
Total current liabilities		**92,311,010**	10,008,685
Non-current liabilities			
Employees' benefits obligations	14	**6,617,071**	8,335,082
Total non-current liabilities		**6,617,071**	8,335,082
Total liabilities		**98,928,081**	18,373,767
Equity			
Share capital	15	**86,529,540**	86,529,540
Statutory reserve		**2,646,915**	2,646,915
Share-based payment reserve	16	**577,594**	268,823
Retained Earnings		**46,533,740**	36,758,592
Total equity		**136,287,789**	126,203,870
Total Liabilities and Equity		**235,215,870**	144,547,637

Saud Mansour Altassan
Chief Executive Officer

Mohamed Hussein Amer
Chief Financial Officer

The accompanying notes from 1 to 28 form an integral part of these financial statement

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS
For the financial year ended 31 December 2024
(Saudi Riyals)

	Notes	**31 December 2024**	31 December 2023
REVENUES			
Brokerage commission fees, net		**49,120,035**	37,480,156
Margin lending income		**2,973,337**	711,993
Investment advisory income		**23,082,234**	18,040,808
		75,175,606	56,232,957
COST OF REVENUE			
Brokerage commission expenses	17	**(37,544,476)**	(22,216,439)
Investment advisory expenses	18	**(14,101,898)**	(4,263,139)
		(51,646,374)	(26,479,578)
Gross Profit		**23,529,232**	29,753,379
General and administrative expenses	19	**(11,728,050)**	(10,969,486)
Selling and marketing expenses		**(611,660)**	(412,220)
Operating profit		**11,189,522**	18,371,673
Finance costs	20	**(2,962,590)**	(1,477,427)
Finance income		**2,954,280**	1,406,484
Foreign currency gain		**427,015**	477,663
Other income		**--**	88,600
Net profit for the year before income tax		**11,608,227**	18,866,993
Income tax	21	**(2,010,219)**	(3,054,304)
Net profit for the year after income tax		**9,598,008**	15,812,689

Saud Mansour Altassan
Chief Executive Officer

Mohamed Hussein Amer
Chief Financial Officer

The accompanying notes from 1 to 28 form an integral part of these financial statements

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2024
(Saudi Riyals)

	Note	**31 December 2024**	31 December 2023
Net profit for the year		**9,598,008**	15,812,689
Other comprehensive income items			
Items that will not be reclassified to statement of profit or loss in subsequent years			
Actuarial gain on re-measurement of employees' benefits obligations	14	**177,140**	427,558
Total other comprehensive income for the year		**177,140**	427,558
Total comprehensive income for the year		**9,775,148**	16,240,247

Saud Mansour Altassan
Chief Executive Officer

Mohamed Hussein Amer
Chief Financial Officer

The accompanying notes from 1 to 28 form an integral part of these financial statements

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2024
(Saudi Riyals)

	Share capital	Statutory reserve	Share-based payment reserve	Retained Earnings	Total equity
Balance as at 1 January 2023	86,529,540	2,646,915	209,702	20,518,345	109,904,502
Net profit for the year	--	--	--	15,812,689	15,812,689
Total other comprehensive income	--	--	--	427,558	427,558
Total comprehensive income	--	--	--	16,240,247	16,240,247
Share-based payment (Note 16)	--	--	59,121	--	59,121
Balance as at 31 December 2023	86,529,540	2,646,915	268,823	36,758,592	126,203,870
Balance as at 1 January 2024	**86,529,540**	**2,646,915**	**268,823**	**36,758,592**	**126,203,870**
Net profit for the year	**--**	**--**	**--**	**9,598,008**	**9,598,008**
Total other comprehensive income	**--**	**--**	**--**	**177,140**	**177,140**
Total comprehensive income	**--**	**--**	**--**	**9,775,148**	**9,775,148**
Share-based payment (Note 16)	**--**	**--**	**308,771**	**--**	**308,771**
Balance as at 31 December 2024	**86,529,540**	**2,646,915**	**577,594**	**46,533,740**	**136,287,789**

Saud MansourAltassan
Chief Executive Officer

Mohamed Hussein Amer
Finance Manager

The accompanying notes from 1 to 28 form an integral part of these financial statements

EFG-HERMES KSA
(A Single shareholder Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2024
(Saudi Riyals)

	Notes	31 December 2024	31 December 2023
Cash flows from operating activities			
Net profit for the year before income tax		**11,608,227**	18,866,993
Adjustments for:			
Depreciation of property and equipment	9	**646,140**	727,798
Amortization of intangibles assets	10	**332,550**	449,031
Employees' benefits	14	**1,271,278**	1,254,210
Interests on short-term deposits		**(2,954,280)**	(1,406,484)
Finance costs	20	**2,563,888**	1,077,383
Share-based payment expense	16	**308,771**	59,121
Gain on sale of asset		**--**	(88,600)
Changes in			
Trade and other receivables		**(65,245,689)**	32,913,777
Deposit with General Clearing Member		**19,287,623**	(14,975,169)
Trade and other payables		**12,702,324**	2,675,041
Cash generated from operating activities		**(19,479,168)**	41,553,101
Employees' benefits obligations paid	14	**(2,812,149)**	(233,333)
Income tax paid	21	**(2,255,553)**	(8,454,780)
Net cash flows (used in) / generated from operating activities		**(24,546,870)**	32,864,988
Cash flows from investing activities			
Purchase of property and equipment	9	**(205,237)**	(1,130,631)
Proceed from disposal of property and equipment		**--**	88,600
Additions to intangible assets	10	**(217,775)**	--
Proceeds from interests on short-term deposits		**2,954,280**	1,406,484
Net cash flows from investing activities		**2,531,268**	364,453
Cash flows from financing activities			
Proceeds from bank facilities		**166,355,306**	257,078,905
Payments of bank facilities		**(96,755,306)**	(257,078,905)
Finance costs paid	20	**(2,563,888)**	(1,077,383)
Net cash flows from / (used in) financing activities		**67,036,112**	(1,077,383)
Net increase in cash and cash equivalent		**45,020,510**	32,152,058
Cash and cash equivalents at beginning of year		**92,266,635**	60,114,577
Cash and cash equivalents at the end of the year	5	**137,287,145**	92,266,635
Non-Cash Transactions:			
Actuarial gain on re-measurement of employees' benefits obligations		**177,140**	427,558

Saud Mansour Altassan
Chief Executive Officer

Mohamed Hussein Amer
Chief Financial Officer

The accompanying notes from 1 to 28 form an integral part of these financial statements

1. GENERAL INFORMATION

EFG-Hermes Saudi Arabia Company ("the Company"), a single shareholder saudi closed joint stock company, is established under the applicable laws in Saudi Arabia and as per the Saudi Arabian Regulations for Companies issued under Royal Decree No. M/6 dated 22/3/1385H (corresponding to 21/7/1965).

According to the Ministerial Decree No. 2875 dated 15/10/1427H (corresponding to 7/11/2006) relating to the approval of the Company's establishment license and constituent assembly held on 24/10/1427H (corresponding to 16/11/2006), as well as the Ministerial Decree number 3383 dated 11/11/1427H (corresponding to 2/12/2006) relating to the approval on the announcement of the Company's establishment, the Company was registered in the Commercial Registration of Riyadh under number 1010226534 on 3/12/1427 H (corresponding to 23/12/2006). By virtue of the Capital Market Authority's approval dated 17/4/1427H (corresponding to 16/5/2006) registered under number 37-06016, the Company is authorized to practice the licensed activities as from 3/2/1428H (corresponding to 21/2/2007).

The principal activities of the Company is to act in the capacity of principal or agent, underwriter, arranging, advising and custody of securities.

On 5 August 2024, all the shares of the Company has been transferred from EFG Holding Company (previously known as EFG Hermes Holding Company) to EFG Hermes Brokerage Holding LLC. All the formalities with respect to such transfer has been completed and appropriately reflected in the SAGIA license.

EFG Hermes Brokerage Holding LLC (“the Parent Company”) is the only shareholder of the Company and the ultimate parent of the Company is EFG Holding Company (previously known as EFG Hermes Holding Company). The Parent Company is domiciled in the United Arab Emirates and its securities are not listed, whereas the Ultimate Parent Company is domiciled in Egypt and its securities are listed on the Egyptian Exchange and London stock exchanges.

The registered address of the Company is as follows:
Kingdom of Saudi Arabia, Riyadh 11372, P.O Box 300189

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual accounting principle and the going concern concept, except for employee end of services benefits which are measured at present value of the defined benefit obligation.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (“SR”) which is the functional and presentation currency of the Company.

2.4 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Current versus non-current classification (continued)

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:
- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are as follows:

3.1 New Standards and amendments issued

Following new standards, amendments and revisions to existing standards and interpretations which were issued by IASB have been effective for annual reporting periods commencing on or after 1 January 2024 and accordingly adopted by the Company, as applicable:

- Amendments to IAS 1: Non-current liabilities with covenants;
- Amendments to IAS 1: Classification of liabilities as current or non-current; and
- Amendments to IFRS 16: Lease liability in a sale and leaseback; and
- Amendments to IAS 7 and IFRS7: Supplier finance arrangements

The management of the Company has assessed that the adoption of these new or amended standards and interpretations did not have any significant impact on these financial statements.

3.2 Standards and interpretations not issued and not yet effective

A number of new standards, amendments and revisions to existing standards are effective for annual reporting periods beginning on or after 1 January 2025 are listed below which are not early adopted by the management of the Company in the preparation of these financial statements:

Effective date	New standards, amendments or interpretations
1 January 2025	• Amendment to IAS 27 - Lack of Exchangeability
1 January 2026	• Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments • Annual improvements to IFRS Accounting Standards
1 January 2027 1 January 2027	• IFRS 18 Presentation and Disclosures in Financial Statements • IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption /effective date deferred indefinitely	• Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue recognition

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

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

Identify the contracts with customers

The Company carefully evaluates the terms and conditions of the contracts with its customers because revenue is recognized only when performance obligations in contracts with customers are satisfied. A change in the scope or price (or both) of a contract is considered as a contract modification and the Company determines whether this creates a new contract or whether it will be accounted for as part of the existing contract.

Identify the performance obligations under the contract

Once the Company has identified the contract with a customer, it evaluates the contractual terms and its customary business practices to identify all the promised services within the contract and determine which of those promised services (or bundles of promised services) will be treated as separate performance obligations.

The Company assess the services promised in a contract with a customer and identifies as a performance obligation either:

a) service that is distinct; or
b) series of distinct services that are substantially the same and that have the same pattern of transfer to the customer (i.e. each distinct service is satisfied over the time and the same method is used to measure progress).

A service (or bundle of services) is distinct if the customer can benefit from the service on its own or together with other readily available resources (i.e., the service is capable of being distinct) and the service is separately identifiable from other promises in the contract (i.e., the service is distinct within the context of the contract).

The Company provides management services to its customers which are generally provided continuously over the contract period. Accordingly, the services in these contracts generally represent a single performance obligation. Fees charged for managing mutual funds are recognized as revenue ratably as the services are provided.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue recognition (continued)

Determine the transaction price

The Company determines transaction price as the amount which it expects to be entitled. It includes an estimate of any variable consideration, the effect of a significant financing component (i.e., the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or payable to a customer (if any).

Variable considerations are limited to the amount for which it is highly probable that a significant reversal will not occur when the uncertainties related to the variability are resolved.

Management determines transaction prices for its following revenue streams as mentioned below:

- Rendering of brokerage services, where the Company acts as a principal or agent.
- Transaction price is the commission received by the Company, which is considered fixed for each transaction value less market expenses.
- Other advisory fee, which are generally fixed in nature based on agreement with customers to which the Company provides advisory services

Allocation of transaction price

Once the performance obligations have been identified and the transaction price has been determined, transaction price is allocated to the performance obligations, generally in proportion to their stand-alone selling prices (i.e., on a relative stand-alone selling price basis). When determining stand-alone selling prices, the Company is required to use observable information, if available. If stand-alone selling prices are not directly observable, the Company makes estimates based on information that is reasonably available.

Revenue is recognized only when the Company satisfies a performance obligation by transferring control of a promised service to the customer. Control may be transferred over time or at a point in time. Where a performance obligation is satisfied overtime, the Company identifies the progress under the contract based on either of an input or output method which best measures the performance completed to date. The method selected is applied consistently to similar performance obligations and in similar circumstances.

The Company believes that it fulfills its performance obligations in its contracts with customers at a point in time, and hence it recognizes revenue as and when it fulfills its obligations under contracts with customers.

The Company generates following revenue streams that are covered under IFRS 15 ‘Revenue from Contracts with Customers’.

a) Brokerage commission fee

The performance obligation is satisfied at a point in time at which trade transaction (buy or sell order) is settled. Hence, the Company recognizes commission fee as and when a trade transaction is settled. Further, Brokerage commission fee is reflected net of discount allowed in the statement of profit or loss.

b) Investment advisory income

This relates to income generated from offering miscellaneous financial services to customers. Revenue is recognized once performance obligation is satisfied based on the agreement between the Company and the counterparty. This also includes revenue generated from providing corporate advisory fee by the Company to the customers.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks in current accounts and deposits with original maturities of less than three months from the date of acquisition. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5 Expenses

Selling and marketing expenses and general and administrative expenses include direct and indirect costs not specifically part of cost of revenue as required under IFRS. Allocations between cost of revenue, selling and marketing expenses and general and administrative expenses, when required, are made on a consistent basis.

3.6 Provisions

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

3.7 Foreign currency transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in the statement of profit or loss currently.

3.8 Tax

The Company is subject to tax in accordance with the regulations of Zakat, Tax and Customs Authority (“ZATCA”). Provision for tax for the Company is charged to the statement of profit or loss. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

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

3.9 Employees' benefits

The Company operates a defined benefit plan for employees in accordance with Saudi Labor Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of assessing benefits is determined under the defined benefit plan using the projected credit unit method.

Re-measurements for actuarial gains and losses are recognized in the statement of financial position with a corresponding credit to retained earnings through statement of other comprehensive income in the year in which they occur.

Re-measurements are not classified to the statement of profit or loss in subsequent periods. Costs are expenses related to defined benefit obligations that are recognized in statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Share-Based Payment

EFG Holding Company (Ultimate Parent Company) operates equity-settled share-based payment arrangements, under which services are received from eligible employees.

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

3.11 Settlement date of accounting

Regular sale and purchase of financial assets are recognized based on the settlement date. Regular sales and purchases are sales or purchases of financial assets that require delivery of assets within a specified period of time that is generally performed through a market regulation or agreement.

3.12 Segment reporting

An operating segment is a part of the Company's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components of the Company. All operational results of the operating segment are reviewed by the Company's operating decision maker to make decision about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

3.13 Statutory Reserve

As required by Saudi Arabian Regulations for Companies (which has been replaced by the New Law) and the Company's Article of Association (prior to being updated in accordance with the New Law), 10% of the income for the year (after zakat and after deducting losses brought forward) was required be transferred to the statutory reserve until such reserves equals to 30% of the share capital. In the New Law and updated Article of Association (in accordance with the New Law), there is no specific requirement to maintain statutory reserve. During the year ended 31 December 2024 there are no transfers to the statutory reserves.

(Saudi Riyals)

4. ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below: The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. These changes are reflected in the assumptions when they occur.

4.1 Defined benefit plans

The cost of end of service defined benefit and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprise of cash at banks and cash on hand:

	As at 31 December 2024	As at 31 December 2023
Cash at bank – Current accounts (a)	**137,272,906**	92,237,664
Cash in hand	**14,239**	28,971
Cash and cash equivalents	**137,287,145**	92,266,635

(a) Cash at bank includes SAR 71.4 million (2023 : SR 66.2 million) held with the general clearing member as part of the cash market clearing process.

6. DEPOSIT WITH CLEARING MEMBER

This represents margin deposited with the General Clearing Member (GCM) as required by the clearing house (Muqassa). Muqassa is a securities clearing center company (wholly owned by the Saudi Tadawul Group) that acts as an intermediary between two parties to a securities trade, by becoming the buyer to each seller and the seller to each buyer.

(Saudi Riyals)

7. TRADE AND OTHER RECEIVABLES

	As at 31 December 2024	As at 31 December 2023
Trade receivables – Financial companies and institutions*	**1,662,601**	146,104
Pre-paid expenses	**1,425,891**	1,350,667
Employees' advances and loans	**1,040,017**	1,283,683
Other receivables	**3,185,577**	5,962,142
	7,314,086	8,742,596

*****The management has assessed that the ECL on these financial assets are not material based on the fact that these are short term in nature and are received within the settlement date (i.e. T+2 days).

8. MARGIN RECEIVABLES

	As at 31 December 2024	As at 31 December 2023
Margin trade receivable	**68,632,595**	1,958,396
	68,632,595	1,958,396

8.1 The Company has collaterals for all balances due from margin trade receivable represented in equity shares. The fair value of these collaterals as at 31 December 2024 is SAR 431,334,446 (31 December 2023 : SAR 5,102,341).

8.2 The management has assessed that the ECL on these financial assets are not material based on the fact that the margin trade receivables are entirely collateralized against the listed securities.

(Saudi Riyals)

9. PROPERTY AND EQUIPMENT

	Furniture & fixtures	Computers	Telecom equipment	Electric devices	Motor vehicles	Total
Useful life (years)	**3.3 – 8**	**3.3**	**3.3**	**3.3**	**4**	
Cost						
As at 1 January 2023	789,758	5,332,113	1,237,418	1,021,630	427,200	8,808,119
Additions	--	235,183	1,200	--	894,248	1,130,631
Disposals	--	--	--	--	(427,200)	(427,200)
As at 31 December 2023	789,758	5,567,296	1,238,618	1,021,630	894,248	9,511,550
Additions	--	**205,237**	--	--	--	**205,237**
As at 31 December 2024	**789,758**	**5,772,533**	**1,238,618**	**1,021,630**	**894,248**	**9,716,787**
Accumulated depreciation						
As at 1 January 2023	787,517	4,416,944	1,227,160	754,756	427,200	7,613,577
Depreciation*	960	427,509	8,717	107,224	183,388	727,798
Disposal	--	--	--	--	(427,200)	(427,200)
As at 31 December 2023	788,477	4,844,453	1,235,877	861,980	183,388	7,914,175
Depreciation*	**960**	**332,016**	**2,479**	**87,124**	**223,561**	**646,140**
As at 31 December 2024	**789,437**	**5,176,469**	**1,238,356**	**949,104**	**406,949**	**8,560,315**
Net book value						
As at 31 December 2024	**321**	**596,064**	**262**	**72,526**	**487,299**	**1,156,472**
As at 31 December 2023	1,281	722,843	2,741	159,650	710,860	1,597,375

Property and equipment fully depreciated:
As at 31 December 2024, the balance of property and equipment fully depreciated amounted to SR 7,217,690 (2023 : SR 6,716,812).

*The allocation of depreciation expense between Cost of revenue and general and administrative expense amounts to SAR 516,911 (2023 : SAR 528,238) and SAR 129,229 (2024 : SAR 145,560), respectively.

(Saudi Riyals)

10. INTANGIBLE ASSETS

	As at 31 December 2024	As at 31 December 2023
Cost		
As at 1 January	**5,505,298**	5,505,298
Additions	**217,775**	--
As at 31 December	**5,723,073**	5,505,298
Accumulated amortization		
As at 1 January	**4,974,926**	4,525,896
Charge for year*	**332,550**	449,031
As at 31 December	**5,307,476**	4,974,927
Net book value	**415,597**	530,371

*The allocation of amortization expenses between cost of revenue and general and administrative expenses amounts to SAR 266,040 (2023 : SAR 359,225) and SAR 66,510 (2023 : SAR 89,806), respectively.

10.1 The intangible assets are amortized on straight line basis over a period 3 years.

11. TRADE AND OTHER PAYABLES

	As at 31 December 2024	As at 31 December 2023
Accrued expenses	**20,989,777**	8,116,804
Other payables	**1,302,037**	956,555
Value added tax	**75,112**	717,488
Due to related parties (Note 13.1)	**344,084**	217,838
	22,711,010	10,008,685

12. BANK OVERDRAFT

As at 31 December 2024, the Company has utilized SR 69,600,000 (31 December 2023: Nil) from the overdraft bank facility. The Company is required to repay the entire outstanding amounts under the Overdraft facility every 12 months. The interest rate over the facility is 3mn SIBOR+1%.

(Saudi Riyals)

13. RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties in its ordinary course of business. Related parties include the Company's Shareholder (Parent Company), subsidiaries and associates of the Company's Shareholder and key management personnel These transactions are carried out at mutually agreed terms and are approved by Company's management. The transactions and volume of balances at the end of the year were as follows:

13.1 Due to related parties

Related parties' name	Nature of relationship	Amount of transactions 2024	Amount of transactions 2023	Balance as at 31 December 2024	Balance as at 31 December 2023
EFG Holding Company (1)	The Holding Company "Ultimate Parent Company"	**4,626,274**	1,820,361	**344,084**	217,838
EFG Hermes MENA Securities (2)	Subsidiary of the Holding Company	**1,742,870**	1,858,555	--	--
				344,084	217,838

1. The nature of transaction with the Holding company is represented in repayment of expenses borne by the Holding Company on behalf of the Company and providing financial support to the Company when necessary. Such expenses include insurance expense and technical supports and license for computer program.

2. The nature of transactions made with the EFG Hermes MENA Securities as per the Capital Market Authority's resolution No. 2-28-2008 dated 17 Shaban 1429 H (corresponding to 18 August 2008) including the approval given to the authorized persons to conclude swap agreements with non-resident foreign persons whether they are financial institutions or individuals, in order to transfer the economic benefits of shares related to Saudi companies listed in the Saudi Stock Exchange (Tadawul) in favor of these persons. The authorized persons shall maintain the legal ownership of the shares according to the provisions and terms of the said resolution. Accordingly, the Company concluded the SWAP agreement with EFG Hermes MENA Securities. As per these agreements and in accordance with the provisions and terms of the said resolution, the Company purchases the shares of the Saudi companies listed on the Saudi Stock Exchange (Tadawul) in favor of the mentioned company. The market value of these share held under the custody of the Company amounted to SR 468,068,867 as of 31 December 2024 (SR 952,241,237 as of 31 December 2023). The total brokerage commission revenue resulted from this transaction amounted to SR 1,069,664 for the year ended 31 December 2024 (2023 : SR 1,221,012).

13.2 Compensation of Key Management Personal

	For the year ended 31 December 2024	For the year ended 31 December 2023
Salaries and other benefit	**7,408,847**	6,034,501
Post-employment benefit	**218,755**	207,910
Share-based payment	**59,121**	59,121
Total	**7,686,723**	6,301,532

(Saudi Riyals)

13. RELATED PARTY TRANSACTIONS (CONTINUED)

13.3 Board of directors' remuneration

	31 December 2024	31 December 2023
Board remunerations	**40,000**	40,000

14. EMPLOYEES' BENEFITS OBLIGATIONS

a) Movements in the net liabilities recognized in the statement of financial position and their components are as follows:

	2024	2023
Balance as at the beginning of the year	**8,335,082**	7,741,763
Charge for the year (Note 14b)	**1,271,278**	1,254,210
Actuarial gain on re-measurement of employees' benefit obligations	**(177,140)**	(427,558)
Paid during the year	**(2,812,149)**	(233,333)
Balance as at end of the year	**6,617,071**	8,335,082

b) Amounts recognized included in statement of profit or loss:

	For the year ended	
	31 December 2024	31 December 2023
Current service cost	**872,577**	854,166
Interest on defined benefit obligation	**398,701**	400,044
	1,271,278	1,254,210

c) The significant assumptions used in determining end-of-service benefit obligations for the Company's plans are shown below:

	As at 31 December 2024	As at 31 December 2023
Discount rate	**6.25%**	5.75%
Future salary increase rate	**5.00%**	5.00%

(d) A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	As at 31 December 2024		As at 31 December 2023	
	Increase (1%)	**Decrease (1%)**	Increase (1%)	Decrease (1%)
Discount rate	**6,063,755**	**7,303,104**	7,614,155	9,167,176
Future Salary Increase rate	**7,282,783**	**6,070,949**	9,165,067	7,602,869

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined employees' benefits obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

(Saudi Riyals)

15. SHARE CAPITAL

The Company's share capital of SR 86,529,540 (2023 : SR 86,529,540) divided into 8,652,954 shares (2023 : 8,652,954 shares) at SR 10 each. All shares are owned by the Parent Company.

As at 31 December 2024 and 2023, the Company's share capital are as follows:

			31 December 2024	
Shareholder's name	**Share-holdings %**	**Nominal value**	**No. of shares**	**Value**
EFG Hermes Brokerage Holding LLC -(*Note 1)*	100	10	**8,652,954**	**86,529,540**
	100		**8,652,954**	**86,529,540**

			31 December 2023	
Shareholder's name	Share-holdings %	Nominal value	No. of shares	Value
EFG Hermes Holding Company-(*Note 1)*	100	10	8,652,954	86,529,540
	100		8,652,954	86,529,540

16. SHARE-BASED PAYMENT EQUITY RESERVE

The Company operates equity-settled share-based payment arrangements, under which services are received from management, board members and eligible employees. The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment awards made, including the impact of any non-vesting conditions and market conditions. Service conditions and non-market performance conditions are taken into account in the number of awards expected to vest. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of awards that will eventually vest, with a corresponding credit to equity. At each reporting date, the Company revises its estimates of the number of awards that are expected to vest. The impact of the revision of original estimates, if any, is recognized in the statement of profit or loss for the period.

The Company has implemented and made awards to selected eligible employees under the following equity-settled share-based payment plan:

EMPLOYEE STOCK OWNERSHIP PLAN

The plan was implemented during the year ended 31 December 2021. Grants were awarded to eligible employees on 1 January 2021.

There were 157,248 number of shares granted on this basis on 1 Jan 2021.

The weighted-average fair value of the shares granted is SAR 2.72 (11.39 EGP).

Performance shares are awarded on an annual basis and vest on each anniversary of the grant date for four years in each 1/4 of the total grant subject to the participant remaining in continued employment during the vesting period. Participants are not entitled to receive dividends during the vesting period.

During the current year few employees were transferred from Ultimate Parent Company to the Company which were previously awarded performance shares under the abovementioned scheme.

The equity-settled share-based payment expenses recognized during the year with a corresponding entry directly in equity, and in total is SR 308,771 (31 December 2023 : 59,121)

(Saudi Riyals)

17. BROKERAGE COMMISSION EXPENSE

	For the year ended 31 December	
	2024	2023
Salaries and other employee benefits	**28,086,318**	14,208,812
Technical support and licenses for computer programs	**2,291,972**	2,189,220
Operational errors	**2,394,762**	1,696,774
Telephone and communication line expense	**2,046,022**	1,380,629
Rent and utilities	**1,343,072**	1,262,907
Depreciation and amortization	**782,951**	941,463
CMA and Tadawul fees	**536,696**	493,221
Others	**62,683**	43,413
	37,544,476	22,216,439

These expenses are directly attributable to earning brokerage commission fee and margin lending income.

18. INVESTMENT ADVISORY EXPENSE

	For the year ended 31 December	
	2024	2023
Salaries and other employee benefits	**13,991,514**	4,154,593
CMA and Tadawul fees	**40,000**	40,000
Rent and utilities	**70,384**	68,546
	14,101,898	4,263,139

These expenses are directly attributable to earning investment advisory revenue.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2024	2023
Salaries and other employee benefits	**5,253,472**	7,165,065
Consultancy fees	**4,710,717**	2,399,070
Travel expenses	**390,346**	243,878
Maintenance and security expenses	**342,040**	377,499
Depreciation and amortization	**195,738**	235,366
Others	**835,737**	548,608
	11,728,050	10,969,486

20. FINANCE COSTS

	For the year ended 31 December	
	2024	2023
Finance costs *	**2,563,888**	1,077,383
Interest on defined benefit obligation (Note 12)	**398,701**	400,044
	2,962,590	1,477,427

* These finance cost pertains to the short-term bank overdraft facilities utilized by the Company during the year. As at 31 December 2024 SR 69,600,000 (31 December 2023: SR Nil) are outstanding facilities.

(Saudi Riyals)

21. INCOME TAX

(a) Tax status

Tax returns are submitted to the Zakat, Tax and Customs Authority ("ZATCA") on a regular basis. Tax returns have been filed up to and including the year 2023.

The components of income tax base for the year are as follows:

	As at 31 December 2024	As at 31 December 2023
Total revenue	**78,556,902**	58,205,705
Total expenses	**(66,948,674)**	(39,388,712)
Income for the year	**11,608,228**	18,866,993
Add:		
Employees' benefits obligations	**1,271,278**	1,254,211
Others	**356,765**	314,295
Less:		
Difference between accounting depreciation and amortization and tax depreciation and amortization	**(155,096)**	(73,467)
Utilized brought forward losses	**(3,350,365)**	(5,090,508)
Tax base – income	**10,051,095**	15,271,524
Income tax	**2,010,219**	3,054,304

Movement in income tax is as follows:

	As at 31 December 2024	As at 31 December 2023
Balance at the beginning of the year	**(517,074)**	4,883,402
Charge during the year	**2,010,219**	3,054,304
Payment during the year	**(2,255,553)**	(8,454,780)
Income tax (receivable)	**(762,408)**	(517,074)

The Company files tax declarations on a regular basis in accordance with the regulations of the ZATCA.

For the years 2014 up to and including the year 2017, ZATCA has reviewed tax declarations for these years and has not notified the Company for any tax differences, despite that the Company's declarations realize losses.

For the years from 2018 to 2023 no assessment of income tax has been reviewed by ZATCA.

The Company has been notified of withholding tax differences for years 2014 up to and including the year 2016 and have been fully paid. No such withholding tax difference has been notified to the Company for the years from 2017 to 2023.

(Saudi Riyals)

21. INCOME TAX (continued)

(b) Unrecognized Deferred Tax Assets

As at 31 December 2024, the Company unrecognized deferred tax assets amounted to SR 19,267,979 (31 December 2023: 20,309,914). The Company has not recognized any deferred tax assets as the Company does not expect to utilize tax benefits within a reasonable predictable time period. The unrecognized deferred tax arises on the following:

	31 December 2024		31 December 2023	
	Temporary Difference	**Tax effect**	Temporary Difference	Tax effect
Employees' benefits obligations	6,617,071	1,323,414	8,335,082	1,667,016
Property, equipment and intangible assets	3,304,749	660,950	3,446,051	689,210
Accumulated tax losses	86,418,074	17,283,615	89,768,439	17,953,688
		19,267,979		20,309,914

22. SEGMENT REPORTS

The segments of the Company are mainly brokerage, which specializes in activities acting in the capacity of principal or agent in domestic and international securities and finance for the purpose of purchasing securities and custody and investment sector which involves the activities of arranging underwriter and advisory.

The following are the basic financial performance for each sector:
Selected financial information as of 31 December and for the year then ended summarized by the above business segments, is as follows:

	Brokerage segment*	**Investment segment**	**Total**
For the year ended 31 December 2024			
Operating revenue	**52,093,372**	**23,082,234**	**75,175,606**
Cost of revenue	**37,544,476**	**14,101,898**	**51,646,374**
Gross profit	**14,548,896**	**8,980,336**	**23,529,232**
For the year ended 31 December 2023			
Operating revenue	38,192,149	18,040,808	56,232,957
Cost of revenue	(22,216,439)	(4,263,139)	(26,479,578)
Gross profit	15,975,710	13,777,669	29,753,379

* This includes commission income amounting to SR 2,973,337 with respect to margin trade receivable (2023 : SR 711,993).

Due to the nature of Company's activity and management style, it is not practical to allocate Company's assets and liabilities according to different segments.

The Company's revenue generated from the brokerage sector outside the Kingdom through a related party (Note 13) amounted to SAR 1,069,664 representing 2.05% of total brokerage revenues for the year ended 31 December 2024 (31 December 2023 : SAR 1,221,012 representing 3.2%).

23. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

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

The Company is exposed to market risk, credit risk, liquidity risk and operational risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Management reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of four types of risk: interest rate risk, currency risk, profit rate risk and price risk such as equity price risk.

- ***Interest rate risk***

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. Management monitors the changes in interest rates risks and believes that interest rate risks to the Company are not significant, and all companies facilities on short term basis, and no balances utilize as the date of the reporting.

- ***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 exposed to currency risk on purchases and financing arrangements that are denominated in a currency other than the respective functional currency of the Company. The majority of the Company's transactions are denominated in Saudi Riyals and US Dollars which have a fixed exchange rate to the functional currency. Therefore, they are not considered to represent a significant risk to the Company. Further, the Company recognises share-based payment expense by apply EGP rate, however, the impact of currency risk is immaterial over such transaction.

- ***Profit rate risk***

The Company's financial assets and liabilities subject to profit rate risk are not considered to represent a significant risk to the Company.

- ***Equity price risk***

Equity price risk is the risk that the fair values of equities may decrease as a result of changes on a reasonable probabilities basis in the levels of equity indices and the value of individual stocks.

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23. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The company is not exposed to credit risk from its operating activities (primarily for trade receivables). The Company has no significant concentration of credit risk. Cash is placed with banks having sound credit ratings of A+ to BBB+ as rated by Fitch Ratings.

Margin trade receivable are generally for terms not exceeding twelve months. Margin accounts are with counter parties that are evaluated to be credit worthy based on risk assessment procedures performed, Know Your Customer (KYC) and compliance procedures conducted prior to accepting a customer. Marginal accounts are fully collateralized, and the credit risk is monitored on a daily basis for adequacy of collateral coverage in accordance with the applicable risk management policy and if required, additional margin calls are issued to customers to pledge additional assets and customer portfolios are fully / partly liquidated to ensure compliance with the applicable risk management policy.

As at 31 December 2024 and 31 December 2023 trade receivables, deposit with general clearing member and other receivable were neither past due nor impaired and accordingly no expected credit losses have been recognized. The ageing analysis is as follow:

As at 31 December 2024	**1 – 30 days**	**More than 30 days**
Trade receivable and other receivables*	**73,480,773**	--
Deposit with general clearing member**	**19,647,567**	--
	93,128,340	--

As at 31 December 2023	1 – 30 days	More than 30 days
Trade receivable and other receivables*	8,066,642	--
Deposit with general clearing member**	38,935,190	--
	47,001,832	--

* These does not include prepaid expenses and employee loans and advances as these are not considered to be financial assets.
** Deposit with general clearing member are made with bank having a credit rating of BBB+.

c) Liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities and the Company's shareholders to meet the Company's commitments and obligations as they become due.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has utilized short-term bank facilities from banks. As at 31 December 2024, bank overdraft amounts to SR 69,600,000 (31 December 2023: SR Nil) . The maximum limit of this credit facility as at 31 December 2024 amounted to SR 600,475,000 (2023 : SR 1,576,250,000).

(Saudi Riyals)

23. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

c) Liquidity risk (continued)

The following, analysis the Company's financial liabilities into relevant maturity dates based on the remaining year at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

The ageing analysis of these trade payables is as follows:

	Carrying value	Less than one year	More than 1 years to 3 years	More than 3 years to 5 years	Over 5 years
31 December 2024					
Trade and other payables	**22,245,223**	**22,245,223**	--	--	--
31 December 2023					
Trade and other payables	8,900,522	8,900,522	--	--	--
	8,900,522	8,900,522	--	--	--

24. CAPITAL MANAGEMENT

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA, to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base.

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated 04 Jumada II 1444H (Corresponding to 28 December 2022). 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. Current year figures are presented based on amended regulations issued by CMA effective from April 1, 2023, and applied prospectively. The prior year's figures are not restated but are presented based on previous Rules and guidance. Capital adequacy ratio are as follows:

Description	**As at 31 December 2024**	As at 31 December 2023
Capital base:		
Tier-1 Capital (a)	**135,872,192**	125,673,497
Tier-2 Capital (a)	--	--
	135,872,192	125,673,497
Minimum Capital Requirement		
Credit risk	**10,397,648**	2,596,028
Operational risk	**16,737,169**	9,834,678
Market risk	**28,119**	14,542
Total minimum capital required(b)	**27,162,936**	12,445,249
Surplus in capital	**108,709,256**	113,228,248
Total capital ratio (percentage / ratio)	**40.02%**	80.78%

(Saudi Riyals)

24. CAPITAL MANAGEMENT (CONTINUED)

a) Capital base of the Company comprise of
   - Tier-1 capital consists of paid-up share capital, statutory reserve and retained earnings.
   - Tier-2 capital consists of unrealized gain of investments at fair value through statement of comprehensive income.

b) The minimum capital requirements for credit and operational risk are calculated as per the requirements specified in the Rules. The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.

c) The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital basis.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2024 and 2023, the fair values of financial instruments approximate their carrying values due to relatively short-term nature of these financial instruments and not significantly exposed to any financial risk.

26. ASSETS UNDER MANAGEMENT AND CUSTODIAL ASSETS

According to CMA's Authorized Persons Regulations which require separating clients’ funds from company balances, the company keeps clients' funds in an omnibus account with a local bank to carry out its operations and manage its activities as on 31 December 2024. The clients' cash accounts held in a local bank amounted to SR 150.83 million (2023 : SR 141.14 million) and therefore these balances are not included in the financial statements.

In addition to the above, the Company in accordance with the CMA resolution No. 2-28-2008 holds the shares of the Saudi companies listed on the Saudi Stock Exchange (Tadawul) on behalf of another companies (refer note 11). The market value of these share held under the custody of the Company amounted to SR 468.07 million as of 31 December 2024 (SR 952.24 million as of 31 December 2023).

27. COMPARATIVE FIGURES

Certain reclassifications were made in the current year for certain line items which are as following:

a. Margin lending income relating to prior year has been reclassified as a separate line item in the statement of profit or loss. There is no impact of this reclassification on the statement of financial position, statement of other comprehensive income and statement of changes in equity. The impact of this reclassification on the statement of profit or loss is disclosed below:

Statement of profit or loss

31 December 2023	As originally reported	Reclassification	Amounts reported after reclassification
Brokerage commission income net	38,192,149	(711,993)	37,480,156
Margin lending income	--	711,993	711,993

(Saudi Riyals)

27. COMPARATIVE FIGURES (CONTINUED)

b. Margin receivable relating to prior year has been reclassified as a separate line item in the statement of financial position. There is no impact of this reclassification on the statement of profit or loss, statement of other comprehensive income and statement of changes in equity. The impact of this reclassification on the statement of profit or loss is disclosed below:

Statement of financial position

31 December 2023	As originally reported	Reclassification	Amounts reported after reclassification
Trade and other receivables	10,700,992	(1,958,396)	8,742,596
Margin lending income	--	1,958,396	1,958,396

28. DATE OF AUTHORIZATION

These financial statements were approved by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025).