

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month period ended 31 March 2025
Together with the
INDEPENDENT AUDITOR'S REVIEW REPORT



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 on review of condensed consolidated interim financial statements

To the Shareholders of Derayah Financial Company (A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2025 condensed consolidated interim financial statements of Derayah Financial Company ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 March 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed consolidated interim financial statements of Derayah Financial Company and its subsidiary are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Hani Hamzah A. Bedairi

License No: 460

Riyadh: 15 May 2025

Corresponding to: 17 Dhul-Qa'dah 1446H



DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

Amount in Saudi Arabian Riyals

	<u>Notes</u>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net	6	98,684,838	99,880,882
Right-of-use assets, net		4,239,279	4,751,275
Intangible assets, net	7	22,645,021	16,840,837
Investment property, net	8	73,074,586	73,396,453
Investment in an associate	9	167,153,600	191,228,200
Investments at amortised cost, net	10	46,309,170	46,196,876
Investments at fair value through profit or loss	11	330,561,055	322,207,781
Investments at fair value through other comprehensive income	12	14,670,559	15,345,664
TOTAL NON-CURRENT ASSETS		757,338,108	769,847,968
CURRENT ASSETS			
Investments at amortised cost, net	10	--	5,007,926
Investments at fair value through profit or loss	11	15,538,682	16,127,945
Margin client receivables, net	13	65,488,964	65,988,156
Prepayments		11,931,471	4,669,399
Other current financial assets, net	14	301,887,946	263,519,143
Due from funds under management, net	15	39,152,653	36,281,707
Cash and cash equivalents, net	16	97,874,025	65,057,236
TOTAL CURRENT ASSETS		531,873,741	456,651,512
TOTAL ASSETS		1,289,211,849	1,226,499,480
LIABILITIES AND EQUITY			
NON-CURRENT LIABILITIES			
Employees' defined benefit obligations		26,052,350	25,177,923
Employee Equity Award Plan ("EEAP")		62,442,810	60,216,465
Unearned revenue		29,382,344	29,382,344
Lease liability – non-current portion		2,081,189	2,269,974
TOTAL NON-CURRENT LIABILITIES		119,958,693	117,046,706
CURRENT LIABILITIES			
Accrued expenses and other payables	17	57,575,387	127,085,436
Zakat payable	18	27,566,954	24,567,036
TOTAL CURRENT LIABILITIES		85,142,341	151,652,472
TOTAL LIABILITIES		205,101,034	268,699,178
EQUITY			
Share capital	19	499,470,390	499,470,390
Statutory reserve		48,687,039	48,687,039
Fair value reserve		(11,583,634)	(10,908,529)
Other reserves		(10,070,535)	(8,338,912)
Shareholders' contribution		14,130,000	14,130,000
Treasury share reserve	20	(12,669,612)	(14,130,000)
Employee Share Ownership Plan ("ESOP") Reserve	21	592,150	--
Retained earnings		555,555,017	428,890,314
TOTAL EQUITY		1,084,110,815	957,800,302
TOTAL LIABILITIES AND EQUITY		1,289,211,849	1,226,499,480

Chairman

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the three-month period ended 31 March 2025 (Unaudited)
Amount in Saudi Arabian Riyals

	<u>Notes</u>	For the three-month period ended 31 March 2025	31 March 2024
OPERATING INCOME			
Revenue from contract with customers	22	167,205,391	169,603,407
Special commission income including on client money accounts	23	42,411,914	42,900,093
(Loss) / gain on financial assets at fair value through profit or loss, net	24	(2,098,466)	9,392,755
Rental income on investment property		1,500,000	--
Dividend income		399,870	--
TOTAL OPERATING INCOME		209,418,709	221,896,255
OPERATING EXPENSES			
Salaries and employee related expenses	25	(41,925,557)	(33,356,043)
Other general and administrative expenses	26	(32,355,011)	(33,170,328)
Marketing expenses		(2,091,533)	(3,119,645)
Finance costs		(1,150,402)	(1,840,763)
(Charge) / reversal for expected credit losses, net		(8,019)	1,320,051
TOTAL OPERATING EXPENSES		(77,530,522)	(70,166,728)
OPERATING PROFIT		131,888,187	151,729,527
Other income, net	27	1,405,602	1,822,346
Share of loss in an associate	9	(24,074,600)	(11,014,000)
PROFIT FOR THE PERIOD BEFORE ZAKAT		109,219,189	142,537,873
Zakat charge for the period	18	(2,999,918)	(6,384,592)
PROFIT FOR THE PERIOD		106,219,271	136,153,281
<i>Other comprehensive (loss) / income not to be reclassified to profit or loss subsequently</i>			
Financial assets at fair value through other comprehensive income – net change in fair value		(675,105)	(2,336,904)
Remeasurement (loss) / gain on employees' defined benefit obligations		(221,280)	755,341
Remeasurement (loss) / gain on employee equity award plan		(1,510,343)	278,314
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(2,406,728)	(1,303,249)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		103,812,543	134,850,032
EARNINGS PER SHARE			
Basic earnings per share (restated)	28	0.438	0.561
Diluted earnings per share (restated)	28	0.437	0.561


Chairman



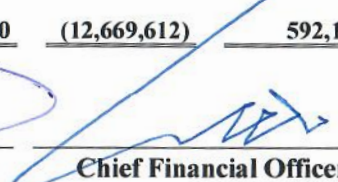

Chief Executive Officer


Chief Financial Officer

The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2025 (Unaudited)
Amount in Saudi Arabian Riyals

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Other reserves</u>	<u>Shareholders' contribution</u>	<u>Treasury share reserve</u>	<u>ESOP reserve</u>	<u>Retained earnings</u>	<u>Total</u>
As at 1 January 2025 (Audited)	499,470,390	48,687,039	(10,908,529)	(8,338,912)	14,130,000	(14,130,000)	--	428,890,314	957,800,302
Profit for the period	--	--	--	--	--	--	--	106,219,271	106,219,271
Other comprehensive loss for the period	--	--	(675,105)	(1,731,623)	--	--	--	--	(2,406,728)
Total comprehensive income for the period	--	--	(675,105)	(1,731,623)	--	--	--	106,219,271	103,812,543
Allocation of treasury shares (note 20 & 21)	--	--	--	--	--	--	22,497,970	--	22,497,970
Issuance of treasury shares (note 20 & 21)	--	--	--	--	--	1,460,388	(21,905,820)	20,445,432	--
As at 31 March 2025	<u>499,470,390</u>	<u>48,687,039</u>	<u>(11,583,634)</u>	<u>(10,070,535)</u>	<u>14,130,000</u>	<u>(12,669,612)</u>	<u>592,150</u>	<u>555,555,017</u>	<u>1,084,110,815</u>
	  								
	<p style="text-align: center;">Chairman Chief Executive Officer Chief Financial Officer</p>								


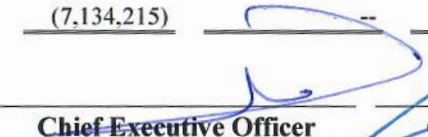
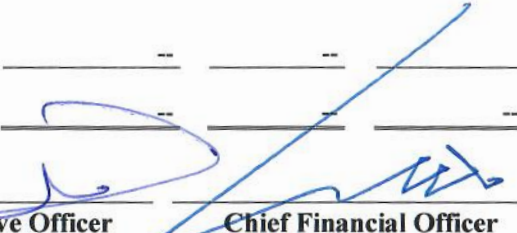
The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025 (Unaudited)

Amount in Saudi Arabian Riyals

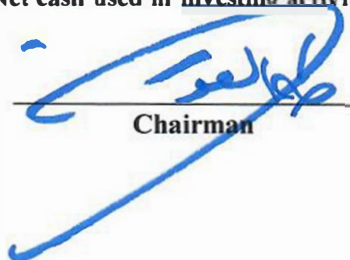
	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Other reserves</u>	<u>Shareholders' contribution</u>	<u>Treasury share reserve</u>	<u>ESOP reserve</u>	<u>Retained earnings</u>	<u>Total</u>
As at 1 January 2024 (Audited)	162,290,130	48,687,039	(4,832,581)	(8,167,870)	--	--	--	613,831,390	811,808,108
Profit for the period	--	--	--	--	--	--	--	136,153,281	136,153,281
Other comprehensive loss for the period	--	--	(2,336,904)	1,033,655	--	--	--	--	(1,303,249)
Total comprehensive income for the period	--	--	(2,336,904)	1,033,655	--	--	--	136,153,281	134,850,032
Dividend distribution	--	--	--	--	--	--	--	(73,030,558)	(73,030,558)
As at 31 March 2024	<u>162,290,130</u>	<u>48,687,039</u>	<u>(7,169,485)</u>	<u>(7,134,215)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>676,954,113</u>	<u>873,627,582</u>
									
	Chairman	Chief Executive Officer			Chief Financial Officer				

The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERA Y AH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2025 (Unaudited)
Amount in Saudi Arabian Riyals

	<i>Notes</i>	31 March <u>2025</u>	31 March <u>2024</u>
OPERATING ACTIVITIES			
Profit for the period before zakat		109,219,189	142,537,873
<i>Non-cash adjustment to reconcile income before zakat to net cash flows:</i>			
Depreciation	26	3,031,561	2,937,655
Amortisation	26	1,637,511	2,454,587
Provisions for employees' defined benefit obligations		953,563	900,531
Employee share ownership plan expense	21	22,497,970	--
Loss / (gain) on financial assets at fair value through profit or loss, net	24	2,098,466	(9,392,755)
Charge / (reversal) for expected credit losses		8,019	(1,320,051)
Amortisation of (discount) / premium on investment at amortised cost		(103,675)	30,210
Finance cost		1,150,402	1,810,553
Share of loss in an associate	9	24,074,600	11,014,000
Special commission income including on client money accounts		(42,411,914)	(42,900,093)
<i>Operating cash flows before working capital changes</i>		<u>122,155,692</u>	<u>108,072,510</u>
Margin client receivables, net		500,000	5,214,459
Other current financial assets, net		(34,351,124)	2,578,929
Prepayments		(7,262,072)	(3,925,724)
Due from funds under management, net		(2,871,050)	6,579,584
Accrued expenses and other payables		(69,528,004)	(26,346,962)
		<u>8,643,442</u>	<u>92,172,796</u>
Special commission income including on client money accounts received		38,389,070	53,410,877
Purchase of financial assets at fair value through profit or loss		(12,078,533)	(75,551,798)
Proceeds from sale of financial assets at fair value through profit or loss		2,216,056	50,344,808
Employees' defined benefit paid		(615,140)	(812,829)
Finance cost paid		(58,057)	(621,251)
Net cash generated from operating activities		<u>36,496,838</u>	<u>118,942,603</u>
INVESTING ACTIVITIES			
Proceeds from maturity of investments at amortised cost		5,000,000	2,500,000
Additions to property and equipment	6	(1,001,654)	(1,038,191)
Additions to intangible assets	7	(7,441,695)	(910,246)
Additions to investment property	8	--	(73,798,955)
Net cash used in investing activities		<u>(3,443,349)</u>	<u>(73,247,392)</u>


Chairman





Chief Executive Officer


Chief Financial Officer

The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2025 (Unaudited)
Amount in Saudi Arabian Riyals

	<i>Notes</i>	31 March 2025	31 March 2024
FINANCING ACTIVITIES			
Lease liability paid		<u>(232,449)</u>	<u>(160,104)</u>
Net cash used in financing activities		<u>(232,449)</u>	<u>(160,104)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		32,821,040	45,535,107
Cash and cash equivalents at the beginning of the period	16	<u>65,066,425</u>	<u>20,891,009</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16	<u>97,887,465</u>	<u>66,426,116</u>
NON-CASH SUPPLEMENTAL INFORMATION			
Issuance of treasury shares	20	<u>1,460,388</u>	---
			
Chairman	Chief Executive Officer	Chief Financial Officer	

The attached notes 1 to 36 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2025 (Unaudited)

1 ACTIVITIES

Derayah Financial Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010266977 dated 04 Jumada I 1430H (corresponding to 29 April 2009).

The principal activities of the Company are to provide custody, advising, arranging, dealing, managing investments and operating funds. The Company commenced its business on 8 Rajab 1430H (corresponding to 1 July 2009) under license number 08109-27 from the Capital Market Authority (“CMA”), dated 12 Jumada II 1429H (corresponding to 16 June 2008). The Company’s registered office is located at the following address:

Third Floor, Prestige Center
Al Takhassousi Street, Al Olaya
P.O. Box 286546, Riyadh 12331
Kingdom of Saudi Arabia

The Company has branches in Dammam and Jeddah operating under commercial registration number 2050101980 dated 23 Shawwal 1435H (corresponding to 19 August 2014) and commercial registration number 4030286122 dated 13 Safar 1437H (corresponding to 25 November 2015), respectively.

The condensed consolidated interim financial statements comprise the financial information of the Company and its subsidiary, Derayah Gulf Real Estate Fund (together referred to as the ‘Group’) (note 2.4).

On 07 July 2024, the shareholders of the Company resolved to initiate an Initial Public Offering (IPO). Subsequently, on 23 January 2025, the Company formally announced its intention to proceed with the IPO through the sale of 49,947,039 existing ordinary shares by its pre-IPO shareholders on a pro-rata basis.

The Company announced the commencement of the institutional book-building period from 2 February 2025 to 9 February 2025, and the retail subscription period from 20 February 2025 to 22 February 2025, with an offer price of SR 30 per share. The allocation of shares to new investors was completed on 27 February 2025, and trading of the Company’s shares on the Saudi Stock Exchange began on 10 March 2025. Subsequently, the Company is seeking regulatory and other approvals for conversion of its legal status from a Closed Joint Stock Company (“CJSC”) to a Saudi Joint Stock Company (“SJSC”).

<i>Shareholders</i>	<i>Pre-Offering</i>			<i>Post-Offering</i>		
	No. of shares	Ownership (%)	Nominal Value	No. of shares	Ownership (%)	Nominal Value
Pre-IPO shareholders	249,735,195	100%	499,470,390	199,788,156	80%	399,576,312
Public	--	--	--	49,947,039	20%	99,894,078
	<u>249,735,195</u>	<u>100%</u>	<u>499,470,390</u>	<u>249,735,195</u>	<u>100%</u>	<u>499,470,390</u>

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements under International Financial Reporting Standards (“IFRS”) as endorsed in Kingdom of Saudi Arabia and should be read in conjunction with the Group’s latest annual consolidated financial statements for the year ended 31 December 2024.

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2025 (Unaudited)

2 BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement and presentation

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the following material items in the condensed consolidated interim statement of financial position:

- Investment at fair value through profit or loss (“FVTPL”) and fair value through other comprehensive income (“FVOCI”) is measured at fair value.
- Employees’ defined benefit obligations and employee equity award plan are recognised at the present value of future obligations using the projected unit credit method.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyal (“SR”); which represents the functional currency of the Company and Derayah Gulf Real Estate Fund. All the financial information has been rounded off to the nearest Saudi Riyal except where otherwise indicated.

2.4 Basis of consolidation

Consolidation of a subsidiary begins when control of the subsidiary is transferred to Derayah Financial Company and ceases when the Group loses such control. The assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim financial statements from the date on which control is transferred to the Company and until the Company ceases to exercise such control.

The Group performs a reassessment to ascertain whether or not it exercises control over the investee when facts and circumstances indicate that there is a change in the elements of control.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those of the Group. All interrelated assets and liabilities, equity, income, expenses and cash flows related to intra-group transactions, are eliminated in full upon consolidation of the financial statements.

The Company has investment amounting to SR 74 million (representing 100% unitholding) in Derayah Gulf Real Estate Fund, a privately placed real estate investment fund managed by the Company. The Fund’s aim to achieve returns on capital for unitholders through the acquisition of an income generating property in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements include information of the Company and its fully owned subsidiary Derayah Gulf Real Estate Fund.

Moreover, the Company has a subsidiary (99.5% shareholding), Derayah Technology Services, in Egypt with a share capital of USD 1 million. Derayah Technology Services has no material impact on the financial statements and has therefore not been consolidated in these condensed consolidated interim financial statements. The nature and purpose of the subsidiary is to provide information technology services to Derayah Financial Company.

3 MATERIAL ACCOUNTING POLICIES

The material accounting and risk management policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2024, except for the newly adopted as following:

3.1 Employee Share Ownership Plan

The Company operates an employee share ownership plan under which stock units are granted to eligible employees as part of the Group’s share-based compensation arrangements. These awards are equity-settled and are accounted for in accordance with IFRS 2 “Share-based Payment”.

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2025 (Unaudited)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Employee Share Ownership Plan (continued)

The cost of the equity-settled share-based payment transactions is recognized over the vesting period, being the period during which the specified service conditions are satisfied, ending on the date the employees become unconditionally entitled to the shares (the "vesting date"). The cumulative expense recognized at each reporting date reflects the extent to which the vesting period has elapsed and the Company's best estimate of the number of equity instruments that are expected to ultimately vest. The expense recognized in the consolidated statement of profit or loss for a reporting period represents the movement in cumulative expense recognized between the beginning and end of that period.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these condensed consolidated interim financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant assumptions made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those used and disclosed in the financial statements for the year ended 31 December 2024.

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements.

New standards, amendments and interpretations adopted in preparation of these condensed consolidated interim financial statements

Standard, interpretation, amendments	Description	Effective Date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment sets out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after January 1, 2025

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2025 (Unaudited)

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

New standards, amendments and interpretations issued but not yet effective and not early adopted

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

The new and amended standards mentioned above are not expected to have a significant impact on the Group's condensed consolidated interim financial statements.

DERAYAH FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6 PROPERTY AND EQUIPMENT, NET

31 March 2025	<u>Land</u>	<u>Leasehold improvements</u>	<u>Computers and office equipment</u>	<u>Furniture, fixtures and fittings</u>	<u>Work in progress</u>	<u>Total</u>
<i>Cost</i>						
As at 1 January 2025	73,251,852	9,773,203	60,313,559	1,394,341	3,635,427	148,368,382
Additions during the period	--	--	990,054	11,600	--	1,001,654
Written off during the period	--	--	(12,637,322)	--	--	(12,637,322)
As at 31 March 2025	73,251,852	9,773,203	48,666,291	1,405,941	3,635,427	136,732,714
<i>Accumulated depreciation</i>						
As at 1 January 2025	--	5,068,447	42,907,713	511,340	--	48,487,500
Charge during the period	--	383,288	1,745,453	68,957	--	2,197,698
Written off during the period	--	--	(12,637,322)	--	--	(12,637,322)
As at 31 March 2025	--	5,451,735	32,015,844	580,297	--	38,047,876
Net book value as at 31 March 2025	73,251,852	4,321,468	16,650,447	825,644	3,635,427	98,684,838
31 December 2024 (Audited)	<u>Land</u>	<u>Leasehold improvements</u>	<u>Computers and office equipment</u>	<u>Furniture, fixtures and fittings</u>	<u>Work in progress</u>	<u>Total</u>
<i>Cost</i>						
As at 1 January 2024	12,299,352	9,773,203	50,587,260	1,394,341	2,826,614	76,880,770
Additions during the year	60,952,500	--	4,967,758	--	5,567,354	71,487,612
Capitalised during the year	--	--	4,758,541	--	(4,758,541)	--
As at 31 December 2024	73,251,852	9,773,203	60,313,559	1,394,341	3,635,427	148,368,382
<i>Accumulated depreciation</i>						
As at 1 January 2024	--	3,489,813	35,058,572	155,744	--	38,704,129
Charge during the year	--	1,578,634	7,849,141	355,596	--	9,783,371
As at 31 December 2024	--	5,068,447	42,907,713	511,340	--	48,487,500
Net book value as at 31 December 2024	73,251,852	4,704,756	17,405,846	883,001	3,635,427	99,880,882

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7 INTANGIBLE ASSETS, NET

Intangible assets comprise of internally developed and externally acquired softwares:

31 March 2025	<u>Work in progress</u>	<u>Softwares</u>	<u>Total</u>
<i>Cost</i>			
As at 1 January 2025	3,432,865	65,585,038	69,017,903
Additions during the period	<u>4,412,320</u>	<u>3,029,375</u>	<u>7,441,695</u>
As at 31 March 2025	<u>7,845,185</u>	<u>68,614,413</u>	<u>76,459,598</u>
<i>Accumulated amortisation</i>			
As at 1 January 2025	--	52,177,066	52,177,066
Charge during the period	<u>--</u>	<u>1,637,511</u>	<u>1,637,511</u>
As at 31 March 2025	<u>--</u>	<u>53,814,577</u>	<u>53,814,577</u>
Net book value as at 31 March 2025	<u>7,845,185</u>	<u>14,799,836</u>	<u>22,645,021</u>
	<u>Work in progress</u>	<u>Softwares</u>	<u>Total</u>
31 December 2024 (Audited)			
<i>Cost</i>			
As at 1 January 2024	2,719,895	57,774,790	60,494,685
Additions during the year	<u>712,970</u>	<u>7,810,248</u>	<u>8,523,218</u>
As at 31 December 2024	<u>3,432,865</u>	<u>65,585,038</u>	<u>69,017,903</u>
<i>Accumulated amortisation</i>			
As at 1 January 2024	--	45,151,081	45,151,081
Charge during the year	<u>--</u>	<u>7,025,985</u>	<u>7,025,985</u>
As at 31 December 2024	<u>--</u>	<u>52,177,066</u>	<u>52,177,066</u>
Net book value as at 31 December 2024	<u>3,432,865</u>	<u>13,407,972</u>	<u>16,840,837</u>

8 INVESTMENT PROPERTY, NET

31 March 2025	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<i>Cost</i>			
As at 1 January 2025	22,914,702	51,629,888	74,544,590
Additions during the period	<u>--</u>	<u>--</u>	<u>--</u>
As at 31 March 2025	<u>22,914,702</u>	<u>51,629,888</u>	<u>74,544,590</u>
<i>Accumulated depreciation</i>			
As at 1 January 2025	--	1,148,137	1,148,137
Charge during the period	<u>--</u>	<u>321,867</u>	<u>321,867</u>
As at 31 March 2025	<u>--</u>	<u>1,470,004</u>	<u>1,470,004</u>
Net book value as at 31 March 2025	<u>22,914,702</u>	<u>50,159,884</u>	<u>73,074,586</u>

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8 INVESTMENT PROPERTY, NET (CONTINUED)

31 December 2024 (Audited)	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<i>Cost</i>			
As at 1 January 2024	--	--	--
Additions during the period	22,914,702	51,629,888	74,544,590
As at 31 December 2024	22,914,702	51,629,888	74,544,590
<i>Accumulated depreciation</i>			
As at 1 January 2024	--	--	--
Charge during the period	--	1,148,137	1,148,137
As at 31 December 2024	--	1,148,137	1,148,137
Net book value as at 31 December 2024	22,914,702	50,481,751	73,396,453

The Group's investment property comprises residential villas located in Al Azizia District, Al Khobar City, Eastern Province. These properties are held through Derayah Gulf Real Estate Fund, a wholly owned subsidiary of the Group. The average fair value of the investment property was determined to be SR 74.35 million based on independent valuations.

9 INVESTMENT IN AN ASSOCIATE

The Group holds 20% equity in D360 Bank. The Group has determined that it has significant influence over D360 and has accounted for the investment using the equity method. Below is the movement in the carrying value of investment in an associate.

	31 March 2025	31 December 2024 (Audited)
Balance at the beginning of the period / year	191,228,200	263,852,000
Share of loss in an associate during the period / year	(24,074,600)	(72,014,400)
Share of other comprehensive loss during the year	--	(609,400)
Balance at the end of the period / year	167,153,600	191,228,200

10 INVESTMENTS AT AMORTISED COST, NET

	31 March 2025	31 December 2024 (Audited)
Investment at amortized cost (note 10.1)	46,315,399	51,211,724
Allowance for expected credit losses	(6,229)	(6,922)
	46,309,170	51,204,802

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10 INVESTMENTS AT AMORTISED COST, NET (CONTINUED)

10.1 The breakup of the investment is as follows:

	<u>Maturity date</u>	31 March 2025	31 December 2024 (Audited)
Kingdom of Saudi Arabia Sukuk	23 March 2025	--	5,008,603
Banque Saudi Fransi Sukuk	Perpetual	2,000,000	2,000,000
Kingdom of Saudi Arabia Sukuk	23 March 2030	8,782,322	8,757,703
Saudi Awwal Bank Sukuk	22 July 2030	5,000,000	5,000,000
Kingdom of Saudi Arabia Sukuk	17 June 2031	8,631,403	8,600,431
Kingdom of Saudi Arabia Sukuk	17 August 2031	3,740,716	3,739,456
Kingdom of Saudi Arabia Sukuk	17 March 2032	8,691,570	8,666,923
Kingdom of Saudi Arabia Sukuk	17 August 2032	1,996,442	1,995,988
Kingdom of Saudi Arabia Sukuk	17 August 2033	3,739,531	3,737,872
Kingdom of Saudi Arabia Sukuk	24 April 2049	3,733,416	3,704,748
		46,315,399	51,211,724

The Sukuk are earning commission income at profit rates ranging from 1.64% to 4.64% (31 December 2024: 1.64% to 4.64%) per annum.

Sukuk with maturity date of less than 12 months	--	5,007,926
Sukuk with maturity date after 12 months	46,309,170	46,196,876
	46,309,170	51,204,802

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at FVTPL consists of investments in local equities, local, regional and international funds and debt securities. The movements are set out below:

	31 March 2025	
	Carrying Value	Fair Value
Equity Securities – Quoted	16,335,484	15,538,682
Total current investments at FVTPL	16,335,484	15,538,682
Equity Funds	74,319,507	73,020,710
Corporate Sukuk (note 11.1)	50,461,832	50,461,832
Money Market Funds	60,709,930	61,165,444
Equity Securities – Unquoted (note 11.2)	122,752,650	122,752,650
Venture Capital and Private Equity Funds	22,731,339	22,364,901
Real Estate Funds	887,777	795,518
Total non-current investments at FVTPL (note 11.3)	331,863,035	330,561,055
Total investments at FVTPL (note 11.4)	348,198,519	346,099,737

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11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	31 December 2024	
	<u>Carrying Value</u>	<u>Fair Value</u>
Equity Securities – Quoted / unquoted	16,214,545	15,421,190
Venture Capital and Private Equity Fund	932,373	706,755
Total current investments at FVTPL	<u>17,146,918</u>	<u>16,127,945</u>
Equity Funds	65,544,115	71,821,625
Corporate Sukuk (note 11.1)	50,186,490	50,461,832
Money Market Funds	58,379,359	60,709,930
Equity Securities – Unquoted (note 11.2)	103,431,419	122,752,649
Venture Capital and Private Equity Funds	13,503,801	15,026,918
Real Estate Funds	1,289,160	1,434,827
Total non-current investments at FVTPL (note 11.3)	<u>292,334,344</u>	<u>322,207,781</u>
Total investments at FVTPL (note 11.4)	<u>309,481,262</u>	<u>338,335,726</u>

- 11.1 The sukuk are earning commission income at profit rates ranging from 4.00% to 7.57% (31 December 2024: 4.00% to 7.57%) per annum.
- 11.2 This includes investment of SR 51.76 million (31 December 2024: SR 51.76 million) held by the Group in BwaTech (a related party).
- 11.3 The investments held in securities for trading and / or investment funds under liquidation have been treated as current investments whereas all other investments are treated as non-current based on the Group's investment model and management's intention to hold the investment for more than one year from the reporting date.
- 11.4 This includes investment of SR 141.85 million (31 December 2024: SR 142.63 million) made by the Group in the Funds managed by the Group.

12 INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>Carrying Value</u>	<u>Unrealised Loss</u>	<u>Fair Value</u>
31 March 2025			
REIT Fund	<u>15,345,664</u>	<u>(675,105)</u>	<u>14,670,559</u>
31 December 2024 (Audited)			
REIT Fund	<u>21,421,612</u>	<u>(6,075,948)</u>	<u>15,345,664</u>

- 12.1 Investments in REIT Fund represent 2,596,559 units (31 December 2024: 2,596,559 units) in the Group's managed listed Derayah REIT Fund (a related party).

13 MARGIN CLIENT RECEIVABLES, NET

	31 March 2025	31 December 2024 (Audited)
Margin client receivables	65,500,000	66,000,000
Allowance for expected credit losses (note 13.1)	<u>(11,036)</u>	<u>(11,844)</u>
	<u>65,488,964</u>	<u>65,988,156</u>

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14 OTHER CURRENT FINANCIAL ASSETS, NET

	31 March 2025	31 December 2024 (Audited)
Muqassa deposit	195,416,704	189,319,004
Accrued brokerage fees	70,062,809	34,883,278
Other receivables	23,469,170	25,061,986
Accrued asset management fees	7,439,107	9,741,371
Employees loans and advances	5,540,765	4,548,948
Allowance for expected credit losses	(40,609)	(35,444)
	<u>301,887,946</u>	<u>263,519,143</u>

15 DUE FROM FUNDS UNDER MANAGEMENT, NET

Balances resulting from transactions with related parties are as follow:

	31 March 2025	31 December 2024 (Audited)
<i>Due from related parties, net</i>		
Due from funds under management	39,157,638	36,286,588
Allowance for expected credit losses	(4,985)	(4,881)
	<u>39,152,653</u>	<u>36,281,707</u>

Breakup for the due from funds under management is as follows:

	31 March 2025	31 December 2024 (Audited)
Management fees receivable	34,108,375	33,024,583
Other fees receivable	3,890,112	2,956,760
Receivable against payment made on behalf of the funds	1,154,166	738,166
	<u>39,152,653</u>	<u>36,286,588</u>

15.1 The transactions with the funds under management during the year are as follows:

	31 March 2025	31 March 2024
<i><u>Nature of transaction</u></i>		
Dividend income	399,870	--
Management fees	19,467,316	14,068,370
Transaction fees and brokerage commission	9,952,023	34,857,472
Payments made on behalf of the funds	416,000	769,630
Acquisition of investments at FVTPL	2,500,000	75,000,000
Disposal of investments at FVTPL	2,213,623	49,888,083
(Loss) / gain on investments at fair value through profit or loss, net	(1,070,051)	9,362,902

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16 CASH AND CASH EQUIVALENTS, NET

	31 March 2025	31 December 2024 (Audited)
Cash at banks current accounts, gross	97,887,465	65,066,425
Allowance for expected credit losses	(13,440)	(9,189)
Cash at banks current accounts, net	<u>97,874,025</u>	<u>65,057,236</u>

17 ACCRUED EXPENSES AND OTHER PAYABLES

	31 March 2025	31 December 2024 (Audited)
Accounts and other payables	31,790,091	33,060,928
Value added tax payable	7,439,658	16,692,257
Commission payable	7,104,049	13,549,248
Bonus payable	4,178,348	57,000,000
Accrued salaries and employee benefits	3,794,253	3,584,934
Lease liability – current portion	2,382,760	2,364,805
GOSI Payable	886,228	833,264
	<u>57,575,387</u>	<u>127,085,436</u>

18 ZAKAT PAYABLE

	31 March 2025	31 December 2024 (Audited)
At the beginning of the period / year	24,567,036	24,143,322
Zakat charge for the period / year	2,999,918	11,778,185
Paid during the period / year	--	(11,354,471)
	<u>27,566,954</u>	<u>24,567,036</u>

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Custom Authority (“ZATCA”). Zakat declaration for all the years up to 2023 have been filed with the ZATCA and acknowledgement certificates have been obtained.

During the period ended 31 March 2025, there has been no change in the status of the Group’s zakat assessments from the status disclosed in the consolidated financial statements of the Group for the year ended 31 December 2024.

19 SHARE CAPITAL

	31 March 2025	31 December 2024 (Audited)
Ordinary share capital	<u>499,470,390</u>	<u>499,470,390</u>

Share capital of SR 499 million (31 December 2024: SR 499 million) is divided into 249,735,195 shares (31 December 2024: 249,735,195 shares) of SR 2 each (31 December 2024: SR 2 each), which is wholly paid.

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20 TREASURY SHARE RESERVE

The reserve for treasury shares represents the cost of the Company's own equity instruments that have been allotted by its shareholders and are held by the Group. The treasury shares were allotted to support the Company's employee share ownership plan (ESOP). These shares are recorded as a deduction from equity in accordance with IAS 32 "Financial Instruments: Presentation" and are not entitled to dividends or voting rights while held in treasury.

As at 31 March 2025, the Group held 6,334,806 of the Company's own shares (31 December 2024: 7,065,000 shares) with a par value of SR 2 each. During the period ended 31 March 2025, the Company transferred 730,194 treasury shares to eligible employees under the approved ESOP.

The carrying value of treasury shares held as at 31 March 2025 is presented as a separate component of equity in the consolidated statement of financial position.

21 ESOP RESERVE

The ESOP reserve represents the cumulative value of equity-settled share-based payments recognized under the Company's Employee Share Ownership Plan, in accordance with IFRS 2 "Share-based Payment". The reserve reflects the fair value of equity instruments granted to employees, recognized over the vesting period, and is presented as a separate component of equity.

During the period, the Company granted a total of 3,098,037 shares to eligible employees under the approved Employee Share Ownership Plan at a zero exercise price. The fair value of these shares, determined at the grant date to be SR 30 per share, is recognized as an expense over the vesting period, with a corresponding credit to the ESOP reserve. Upon issuance of the shares, the ESOP reserve is debited, and the par value of the shares is credited to treasury shares, with any excess over par value being credited to retained earnings.

As at 31 March 2025, the ESOP reserve reflects the net impact of share-based payment expense recognized during the period and the subsequent reclassification to retained earnings upon settlement of vested awards.

The movement in the ESOP reserve during the period is as follows:

	31 March 2025
Employee share ownership plan expense (note 25)	22,497,970
Transfer to retained earnings upon settlement	(21,905,820)
Balance at 31 March 2025	592,150

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22 REVENUE FROM CONTRACTS WITH CUSTOMERS**22.1 Disaggregated revenue information**

	For the three-month period ended 31 March 2025		
	Brokerage Fees	Asset Management	Total
Timing of revenue recognition			
Services rendered at a point in time	134,284,632	4,653,567	138,938,199
Services rendered over a period of time	--	28,267,192	28,267,192
Total revenue from contracts with customers	134,284,632	32,920,759	167,205,391

	For the three-month period ended 31 March 2024		
	Brokerage Fees	Asset Management	Total
Timing of revenue recognition			
Services rendered at a point in time	127,223,634	6,274,825	133,498,459
Services rendered over a period of time	--	36,104,948	36,104,948
Total revenue from contracts with customers	127,223,634	42,379,773	169,603,407

Geographical distribution

The Group generates all its revenue from the Kingdom of Saudi Arabia.

23 SPECIAL COMMISSION INCOME INCLUDING ON CLIENT MONEY ACCOUNTS

	For the three-month period ended	
	31 March 2025	31 March 2024
Special commission income earned from:		
- Financial institutions	40,138,261	41,168,481
- Investments	1,332,525	610,167
- Muqassa	941,128	1,121,445
	42,411,914	42,900,093

24 (LOSS) / GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	For the three-month period ended	
	31 March 2025	31 March 2024
Unrealised (loss) / gain on investments at fair value through profit or loss, net	(2,098,782)	7,365,235
Realised gain on investments at fair value through profit or loss, net	316	2,027,520
	(2,098,466)	9,392,755

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25 SALARIES AND EMPLOYEE RELATED EXPENSES

	For the three-month period ended	
	31 March	31 March
	<u>2025</u>	<u>2024</u>
Salaries and employee related expenses	39,593,913	31,346,511
GOSI expense	1,378,081	1,109,001
End of service benefit	953,563	900,531
	<u>41,925,557</u>	<u>33,356,043</u>

26 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended	
	31 March	31 March
	<u>2025</u>	<u>2024</u>
Professional expenses	10,097,667	13,343,561
IT expenses	8,368,498	4,691,460
Commission expenses	3,500,000	7,000,000
Tax and other expenses	3,115,710	719,852
Depreciation	3,031,561	2,937,655
Amortisation	1,637,511	2,454,587
Utilities	1,467,409	986,305
Office expenses	717,733	540,891
Office maintenance	418,922	496,017
	<u>32,355,011</u>	<u>33,170,328</u>

27 OTHER INCOME, NET

	For the three-month period ended	
	31 March	31 March
	<u>2025</u>	<u>2024</u>
Foreign exchange gains, net	1,106,484	1,598,374
Price streamer fees & advisory fees	299,118	223,972
	<u>1,405,602</u>	<u>1,822,346</u>

28 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

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28 EARNINGS PER SHARE (CONTINUED)

	<u>For the three-month period ended</u>	
	31 March 2025	31 March 2024 (Restated)
Profit for the period	106,219,271	136,153,281
Weighted average number of ordinary shares – Basic	242,755,264	242,670,195
Effect of dilutive share-based awards	453,627	--
Weighted average number of ordinary shares – Diluted	243,208,891	242,670,195
Basic earnings per share	0.438	0.561
Diluted earnings per share	0.437	0.561

At 31 March 2025, 1,914,216 shares (31 March 2024: Nil) were excluded from the calculation of the diluted weighted average number of ordinary shares, as their inclusion would have been anti-dilutive. The dilutive effect of share options is calculated based on the average market value of the Company's shares, determined from quoted market prices during the period the options were outstanding. The Company applies the treasury stock method to assess the dilutive impact of share-based payments on earnings per share.

29 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets, held by the Group as at 31 March 2025 and 31 December 2024.

	31 March 2025	31 December 2024 (Audited)
Financial assets at amortised cost		
Cash and cash equivalents, net	97,874,025	65,057,236
Investment at amortised cost, net	46,309,170	51,204,802
Due from funds under management, net	39,152,653	36,281,707
Margin client receivables, net	65,488,964	65,988,156
Other current financial assets, net	301,887,946	263,519,143
Financial assets at fair value through other comprehensive income		
REIT Fund	14,670,559	15,345,664
Financial assets at fair value through profit or loss		
Real Estate Funds	795,518	1,434,828
Venture Capital and Private Equity Funds	22,364,901	15,733,672
Equity Securities – Quoted and unquoted	138,291,332	138,173,839
Equity Funds	73,020,710	71,821,625
Corporate Sukuk	50,461,832	50,461,832
Money Market Funds	61,165,444	60,709,930
Total financial assets	911,483,054	835,732,434
Total current assets	519,942,270	451,982,113
Total non-current assets	391,540,784	383,750,321

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29 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Set out below is an overview of financial liabilities held by the Group as at 31 March 2025 and 31 December 2024.

	31 March 2025	31 December 2024 (Audited)
Financial liabilities at amortised cost		
Accrued expenses and other payables	46,866,741	107,195,111
Lease liability	4,463,949	4,634,779
Total financial liabilities	51,330,690	111,829,890
Total current liabilities	49,249,501	109,559,916
Total non-current liabilities	2,081,189	2,269,974

30 FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as follows:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 31 March 2025 and 31 December 2024. There are no financial liabilities measured at fair value.

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
31 March 2025				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL				
Equity Securities – Quoted	15,538,682	15,538,682	--	--
Equity Securities – Unquoted	122,752,650	--	--	122,752,650
Corporate Sukuk	50,461,832	4,465,461	45,996,371	--
Equity Funds	73,020,710	--	73,020,710	--
Money Market Funds	61,165,444	--	61,165,444	--
Venture Capital and Private Equity Funds	22,364,901	--	--	22,364,901
Real Estate Funds	795,518	--	--	795,518
	346,099,737	20,004,143	180,182,525	145,913,069
Investments at FVOCI				
REIT Fund	14,670,559	14,670,559	--	--

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30 FAIR VALUE HIERARCHY (CONTINUED)

	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
31 December 2024				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL				
Equity Securities – Quoted	15,421,190	15,421,190	--	--
Equity Securities – Unquoted	122,752,649	--	--	122,752,649
Corporate Sukuk	50,461,832	4,465,461	45,996,371	--
Equity Funds	71,821,625	--	71,821,625	--
Money Market Funds	60,709,930	--	60,709,930	--
Venture Capital and Private Equity Funds	15,733,673	--	--	15,733,673
Real Estate Funds	1,434,827	--	--	1,434,827
	<u>338,335,726</u>	<u>19,886,651</u>	<u>178,527,926</u>	<u>139,921,149</u>
Investments at FVOCI				
REIT Fund	15,345,664	15,345,664	--	--

There were no transfers between levels during the period / year ended 31 March 2025 and 31 December 2024.

As at the reporting date, the carrying values of the financial assets not measured at fair value including investment at amortised cost, due from funds under management and receivable against margin lending and other current financial assets approximate their fair values, since the market commission rates for similar instruments are not significantly different from contracted rates, and / or due to short duration of financial instruments.

Financial assets at fair value through profit or loss classified as Level 1 include securities that are traded on stock exchange at their last reported prices to the extent that securities are actively traded and valuation adjustments are not applied.

Financial assets at fair value through profit or loss classified as Level 2 include investments in equity funds, money market funds and Corporate Sukuk. The fair value of equity funds and money market funds is determined using unadjusted net assets value ("NAV"). The unadjusted net assets value is used when the units in a fund are redeemable at the reportable net assets value at, or approximately at, the reporting date. The fair value of Corporate Sukuk is determined using the discounted cash flow technique considering the discount rate at market terms.

Financial assets at fair value through profit or loss classified as Level 3 include investment in venture capital and private equity funds, real estate funds and unquoted equity securities. The fair value of venture capital and private equity funds and real estate funds is determined through utilisation of the fund manager reports (and appropriate discounts or haircuts where required) for the determination of fair values of these funds. The fund manager deploys various techniques (such as discounted cash flow models and multiples method) for the valuation of underlying financial instruments classified under Level 3 of the respective fund's fair value hierarchy. Significant unobservable inputs embedded in the valuation techniques used by the fund manager include risk adjusted discount rates, and lack of marketability and control discounts.

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30 FAIR VALUE HIERARCHY (CONTINUED)

The fair value of unquoted equity securities is determined through valuation technique and significant unobservable input as stated below:

Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Market-method (Revenue multiple): A valuation technique that uses revenue-multiples and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.	<ul style="list-style-type: none"> Expected compounded annual growth rate of revenue 0.7x – 1.8x Risk adjusted discount rates 15% – 17% 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> expected compounded annual growth rate of revenue higher (lower); the risk-adjusted discount rates were lower (higher)

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

Balance as at 01 January 2024	67,681,202
Purchases	78,605,693
Sales	(25,757,891)
Unrealised gain on investments	19,875,536
Realised gain on investments	(483,391)
Balance as at 31 December 2024	139,921,149
Purchases	8,664,240
Sales	(2,213,623)
Unrealised loss on investments	(458,697)
Balance as at 31 March 2025	145,913,069

31 SEGMENT REPORTING

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

For management purposes, the Group is organised into the following operating segments:

Brokerage

The brokerage division provides brokerage and margin trading services and facilitates in trading in local and international, and regional equities, options, indices and Islamic certificates.

Asset Management

The asset management division is engaged in the management of clients' assets and in the development and placement of asset management products and services.

Investment

The investment division is engaged in managing the proprietary investments of the Group, mainly represents investment in funds managed by the Company.

Investment property

Investment property is held by the Group and provides real estate services, aligning with its strategic objective of maximising returns from real estate assets while maintaining sustainable growth in the property sector.

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31 SEGMENT REPORTING (CONTINUED)

The Group's total assets and liabilities, operating income and expenses, and net income, by business segments, are as follows:

31 March 2025	<u>Brokerage</u>	<u>Asset management</u>	<u>Investment</u>	<u>Investment property</u>	<u>Total</u>
Total assets	541,320,654	86,086,481	585,381,198	76,423,516	1,289,211,849
Total liabilities	51,553,330	8,198,550	147,574,642	(2,225,488)	205,101,034
Total operating income	175,364,021	32,920,759	(366,071)	1,500,000	209,418,709
Total operating expenses	(65,099,315)	(12,220,972)	(135,894)	(74,341)	(77,530,522)
Other income	1,183,437	222,165	--	--	1,405,602
Share of loss in an associate	--	--	(24,074,600)	--	(24,074,600)
Income before zakat	111,448,143	20,921,952	(24,576,565)	1,425,659	109,219,189
 31 December 2024 (Audited)	 <u>Brokerage</u>	 <u>Asset management</u>	 <u>Investment</u>	 <u>Investment property</u>	 <u>Total</u>
Total assets	457,610,186	81,149,302	613,936,530	73,803,462	1,226,499,480
Total liabilities	71,101,272	12,608,589	184,989,317	--	268,699,178
 31 March 2024	 <u>Brokerage</u>	 <u>Asset management</u>	 <u>Investment</u>	 <u>Investment property</u>	 <u>Total</u>
Total operating income	169,513,560	42,379,773	10,002,922	--	221,896,255
Total operating expenses	(53,602,581)	(13,401,082)	(3,163,065)	--	(70,166,728)
Other income	1,457,867	364,479	--	--	1,822,346
Share of loss in an associate	--	--	(11,014,000)	--	(11,014,000)
Income before zakat	117,368,846	29,343,170	(4,174,143)	--	142,537,873

Reconciliation of total operating income to revenue from contract with customers:

	<u>31 March 2025</u>	<u>31 March 2024</u>
Total operating income	209,418,709	221,896,255
Adjustment for:		
- Special commission income including on client money accounts	(42,411,914)	(42,900,093)
- Loss / (gain) on financial assets at fair value through profit or loss, net	2,098,466	(9,392,755)
- Dividend income	(399,870)	--
- Rental income on investment property	(1,500,000)	--
Revenue from contract with customers	<u>167,205,391</u>	<u>169,603,407</u>

32 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Group includes shareholders and key management personnel. The Group and its related parties transact with each other in the ordinary course of business.

Significant transactions and balances arising from transactions with related parties, other than those disclosed elsewhere in the consolidated financial statements, are as follows:

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32 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The summary of compensation to key management personnel for the years:

	For the three-month period ended	
	31 March 2025	31 March 2024
Salaries and employee related benefits:		
- Short-term employee benefits	2,058,105	2,126,036
- Long-term employee benefits	13,913,040	--
- Post-employment benefits	171,509	177,170

33 CAPITAL REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY MODEL

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012), thereafter, amended on 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 Group has calculated its risk weighted asset and surplus in the capital as follows:

	31 March 2025	31 December 2024 (Audited)
	SR (000)	SR (000)
Capital base:		
Tier 1 Capital	941,117	927,670
Tier 2 Capital	--	--
Total Capital base	941,117	927,670
Risk weighted asset:		
Credit risk	2,223,048	2,216,472
Market risk	17,788	22,517
Operational risk	1,341,042	1,341,042
Concentration risk	--	--
Total risk weighted asset	3,581,878	3,580,031
Surplus in the capital	654,566	641,267
Total capital ratio	26.27%	25.91%

34 CAPITAL COMMITMENTS AND CONTINGENCIES

The contingent liabilities against letter of guarantees as at 31 March 2025 amount to SR 29.38 million (31 December 2024: SR 29.38 million).

35 SUBSEQUENT EVENTS

There have been no significant subsequent events that would have a material impact on the financial position or financial performance of the Group as reflected in these condensed consolidated interim financial statements.

36 APPROVAL OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the Board of Directors on 15 Dhul-Qa'dah 1446H (corresponding to 13 May 2025).