

**LENDO SAUDI FOR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**



**LENDO SAUDI FOR FINANCING COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**

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## **INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS**

### **To The Shareholders**

**Lendo Saudi for Financing Company**  
(A Saudi Closed Joint Stock Company)

### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Lendo Saudi for Financing Company, (A Saudi Closed Joint Stock Company) (the “Company”) as at September 30, 2023 and the related interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three and nine month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34), “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (2410), "Review of interim condensed financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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, as 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 interim condensed financial statements are not prepared in all material respects, in accordance with International Accounting Standard (34) “Interim Financial Reporting”, as endorsed in the Kingdom of Saudi Arabia.

**RSM Allied Accountants Professional Services Co.**

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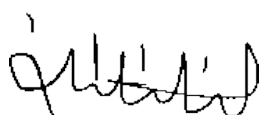
Abdul Hamid Mohiuddin Nazer  
License No 376  
Jeddah – Saudi Arabia  
October 24, 2023 (Rabi II 9, 1445 H)



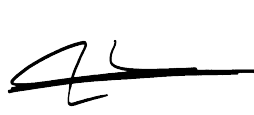
**LENDO SAUDI FOR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS At SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	Notes	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Assets</b>			
<b>Non-Current assets</b>			
Property and equipment, net		283,977	267,825
Intangible, net	5	2,404,807	1,910,510
<b>Total non-current assets</b>		<b>2,688,784</b>	<b>2,178,335</b>
<b>Current assets</b>			
Prepayments and other current assets	6	613,626	141,664
Cash and cash equivalents	7	9,823,535	10,761,968
<b>Total current assets</b>		<b>10,437,161</b>	<b>10,903,632</b>
<b>Total assets</b>		<b>13,125,945</b>	<b>13,081,967</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Capital	8	20,000,000	20,000,000
Accumulated losses	17	(9,366,812)	(8,315,468)
<b>Total shareholders' equity</b>		<b>10,633,188</b>	<b>11,684,532</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Employees' benefits obligations	9	630,469	461,615
<b>Total non-current liabilities</b>		<b>630,469</b>	<b>461,615</b>
<b>Current liabilities</b>			
Trade payables		926,457	575,880
Accrued expenses and other liabilities	10	935,831	306,175
Zakat and income tax provision	11	-	53,765
<b>Total current liabilities</b>		<b>1,862,288</b>	<b>935,820</b>
<b>Total liabilities</b>		<b>2,492,757</b>	<b>1,397,435</b>
<b>Total shareholders' equity and liabilities</b>		<b>13,125,945</b>	<b>13,081,967</b>

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

**LENDO SAUDI FOR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

		<u>For the three-month period ended September 30,</u>		<u>For the nine-month period ended September 30,</u>	
	Note	2023	2022	2023	2022
Revenue		<b>5,549,669</b>	1,893,848	<b>12,348,659</b>	4,588,126
Cost of revenue	12	<b>(610,685)</b>	(225,585)	<b>(1,147,858)</b>	(754,744)
<b>Gross profit</b>		<b>4,938,984</b>	1,668,263	<b>11,200,801</b>	3,833,382
General and administrative expenses	13	<b>(4,350,401)</b>	(2,701,359)	<b>(12,305,910)</b>	(7,647,022)
<b>Net profit/ (loss) for the period before zakat and income tax</b>		<b>588,583</b>	(1,033,096)	<b>(1,105,109)</b>	(3,813,640)
Zakat and income tax	11	-	-	<b>53,765</b>	-
<b>Net profit/ (loss) for the period</b>		<b>588,583</b>	(1,033,096)	<b>(1,051,344)</b>	(3,813,640)
<b><u>Other comprehensive income</u></b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurement of employees' benefits	9	-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>588,583</b>	(1,033,096)	<b>(1,051,344)</b>	(3,813,640)
<b><u>Earning per share</u></b>					
Basic and diluted earning/ (loss) per share from net loss for the period	14	<b>0.29</b>	(2.07)	<b>(0.53)</b>	(7.63)

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



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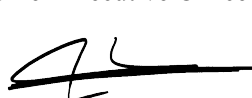
**LENDO SAUDI FOR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	<b>Capital</b>		<b>Accumulated losses</b>		<b>Total</b>		<b>Total</b>
	<b>Saudi</b>	<b>Non-Saudi</b>	<b>Saudi</b>	<b>Non-Saudi</b>	<b>Saudi</b>	<b>Non-Saudi</b>	
Balance as at January 1, 2022 (Audited)	5,000,000	-	(2,987,016)	-	2,012,984	-	2,012,984
Net loss for the period	-	-	(3,813,640)	-	(3,813,640)	-	(3,813,640)
Other comprehensive losses	-	-	-	-	-	-	-
Total comprehensive losses	-	-	(3,813,640)	-	(3,813,640)	-	(3,813,640)
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>5,000,000</b>	<b>-</b>	<b>(6,800,656)</b>	<b>-</b>	<b>(1,800,656)</b>	<b>-</b>	<b>(1,800,656)</b>
Balance as at January 1, 2023 (Audited)	<b>8,000,000</b>	<b>12,000,000</b>	<b>(8,210,070)</b>	<b>(105,398)</b>	<b>(210,070)</b>	<b>11,894,602</b>	<b>11,684,532</b>
Net loss for the period	-	-	<b>(420,538)</b>	<b>(630,806)</b>	<b>(420,538)</b>	<b>(630,806)</b>	<b>(1,051,344)</b>
Other comprehensive losses	-	-	-	-	-	-	-
Total comprehensive losses	-	-	<b>(420,538)</b>	<b>(630,806)</b>	<b>(420,538)</b>	<b>(630,806)</b>	<b>(1,051,344)</b>
<b>Balance as at September 30, 2023 (Unaudited)</b>	<b>8,000,000</b>	<b>12,000,000</b>	<b>(8,630,608)</b>	<b>(736,204)</b>	<b>(630,608)</b>	<b>11,263,796</b>	<b>10,633,188</b>

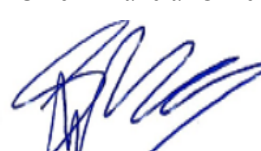
Chairman of the Board



Chief Executive Officer



Chief Financial Officer

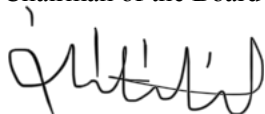


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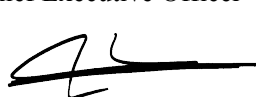
**LENDO SAUDI FOR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Net loss for the year before zakat and income tax	(1,105,109)	(3,813,640)
Adjustments:		
Depreciation of property and equipment	114,388	63,276
Amortization of intangible	443,069	343,406
Employees' benefits obligations	312,328	111,575
	<u>(235,324)</u>	<u>(3,295,383)</u>
<b>Changes in operating assets and liabilities</b>		
Prepayments and other current assets	(471,962)	(47,819)
Trade payables	350,577	444,628
Accrued expenses and other liabilities	629,656	(22,052)
Employees' benefits paid	(143,474)	-
<b>Net cash generated from/ (used in) operating activities</b>	<u>129,473</u>	<u>(2,920,626)</u>
<b>Cash flows from investing activities</b>		
Additions in property and equipment	(130,540)	(158,540)
Additions in intangibles assets	(937,366)	(452,532)
<b>Net cash used in investing activities</b>	<u>(1,067,906)</u>	<u>(611,072)</u>
<b>Cash flows from financing activities</b>		
Due to a related party	-	2,330,530
<b>Net cash generated from financing activities</b>	<u>-</u>	<u>2,330,530</u>
<b>Net change in cash and cash equivalents</b>	<u>(938,433)</u>	<u>(1,201,168)</u>
Cash and cash equivalents at the beginning of the year	<u>10,761,968</u>	<u>4,599,233</u>
<b>Cash and cash equivalents at the ending of the year</b>	<u><u>9,823,535</u></u>	<u><u>3,398,065</u></u>


Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

**LENDO SAUDI FOR FINANCING COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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**1 - ORGANIZATION AND ACTIVITIES**

Lendo Saudi for Financing Company (“the Company”) is a Saudi Closed Joint Stock Company, operating under Commercial Registration No 1010499636 issued in Riyadh on Rabi Al-Thani 11 1440 (H).

The principal activities of the Company comprise providing services related to system analysis, designing and Programming of special software, software maintenance and fintech. On August 24, 2021, the Extraordinary Assembly Meeting resolved to change the business activities of the Company into debt crowd funding. On September 21, 2021, the Company amended its bylaw and completed all formalities related to this change. On March 15, 2022 corresponding to (Shaaban 11, 1443) the Company with its unified number 7005485003 obtained the license No. 61/AC/202203 from The Saudi Central Bank to operate in crowdfunding following to its successful trial ran through the Sandbox for its platform and its business.

The Company's registered office is in Riyadh, Kingdom of Saudi Arabia.

**2 - BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the International Accounting Standard “Interim Financial Reporting” IAS 34 as endorsed in the Kingdom of Saudi Arabia and other relevant pronouncements endorsed by the Saudi Organization for Chartered Professional Accountants (“SOCPA”) and the requirements of the laws and regulations in the Kingdom of Saudi Arabia. The interim condensed financial statements have been prepared on a historical cost convention, the use of accrual principle and going concern basis.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2022. The interim results for the three and nine- month period ended September 30, 2023 are not necessarily indicative of the annual results of the Company.

**3 - FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Saudi Riyal currency, which is the functional and presentation currency of the Company.

**4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of interim condensed financial information of the Company are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended December 31, 2022.



**LENDO SAUDI FOR FINANCING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**5 - INTANGIBLE, NET**

<b>Description</b>	<b>Platform</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book value</b>
Balance as at January 1, 2022	2,188,813	(255,362)	1,933,451
Additions	452,533	(475,474)	(22,941)
Balance as at December 31, 2022 (audited)	2,641,346	(730,836)	1,910,510
Balance as at January 1, 2023 (audited)	<b>2,641,346</b>	<b>(730,836)</b>	<b>1,910,510</b>
Additions	<b>937,366</b>	<b>(443,069)</b>	<b>494,297</b>
Balance at September 30, 2023 (unaudited)	<b>3,578,712</b>	<b>(1,173,905)</b>	<b>2,404,807</b>

**6 - PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Prepaid to vendors	565,123	74,111
Prepaid insurance	38,376	67,553
Advances to staff	10,127	-
	<b>613,626</b>	<b>141,664</b>

**7 - CASH AND CASH EQUIVALENTS**

	<b>September 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Cash at banks	<b>9,823,535</b>	<b>10,761,968</b>

**LENDO SAUDI FOR FINANCING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**8 - CAPITAL**

The share capital of the Company was amounting to SR 500,000 divided into 50,000 shares of SR 10 each.(2019: SR 10,000 divided into 10,000 shares of SR 1 each). The share capital of the Company as of December 31, 2020 was as follow:

<b>Name of Shareholders</b>	<b>Nationality</b>	<b>Percentage</b>	<b>Number of shares</b>	<b>Total</b>
Faris Bin Ibrahim Rashid Alhamed	Saudi	<b>99.8%</b>	<b>49,900</b>	<b>499,000</b>
Osama Aijaz Alraee	Saudi	<b>0.2%</b>	<b>100</b>	<b>1,000</b>
		<b>100%</b>	<b>50,000</b>	<b>500,000</b>

On August 24, 2021, the Extraordinary Assembly Meeting approved the increase in capital from SR 500,000 to SR 5,000,000 by issuing additional 450,000 shares to the existing shareholders to be 500,000 share at SR 10 each. The Company completed the all formalities related to this change. Following to the change, the capital of the Company is allocated among the shareholders is as follows:

<b>Name of Shareholders</b>	<b>Nationality</b>	<b>Percentage</b>	<b>Number of shares</b>	<b>Total</b>
Faris Bin Ibrahim Rashid Alhamed	Saudi	<b>99.8%</b>	<b>499,000</b>	<b>4,990,000</b>
Osama Aijaz Alraee	Saudi	<b>0.2%</b>	<b>1,000</b>	<b>10,000</b>
		<b>100%</b>	<b>500,000</b>	<b>5,000,000</b>

On September 28, 2022, the Company submitted its request to the Saudi Central Bank to obtain the approval for its plan to increase the capital of the Company by SR 15 million and to approved the proposed 60% shares to be owned by the foreign investor ("Lendo Inc.").

On November 16, 2022, the Company obtained the approval from the Saudi Central Bank on the proposed plan. On December 19, 2022, the shareholder, Faris Bin Ibrahim Rashid Alhamed agreed to transfer his 499,000 shares to the shareholder, Osama Aijaz Alraee in a separate agreement between the shareholders.

Further, on December 19, 2022, the Company held its Extraordinary General Assembly Meeting and approved the increase in capital by SR 15 million and the issuance of 1.5 million additional shares and the entry of Lendo Inc. as a shareholder owning 60% of the total outstanding shares. The amount of the increase financed through a balance due to Lendo Inc. amounting to SR 12,000,000 and payment made by Osama Aijaz Alraee amounting to SR 3,000,000. The Company has completed the legal formalities related to these changes. The Company's share capital is allocated among its shareholders as follows:

<b>Name of Shareholders</b>	<b>Nationality</b>	<b>Percentage</b>	<b>Number of shares</b>	<b>Total</b>
Lendo Inc	Cayman	<b>60%</b>	<b>1,200,000</b>	<b>12,000,000</b>
Osama Aijaz Alraee	Saudi	<b>40%</b>	<b>800,000</b>	<b>8,000,000</b>
		<b>100%</b>	<b>2,000,000</b>	<b>20,000,000</b>

**LENDO SAUDI FOR FINANCING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**9 - EMPLOYEES' BENEFITS OBLIGATIONS**

The movement in the employees' benefits obligations at December 31, as follows:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Balance in January 1,	461,615	136,360
Charged during the year	312,328	148,767
Losses on re-measurement of Employees' benefits	-	176,488
Benefits paid during the year	<b>(143,474)</b>	-
Balance in December 31,	<b>630,469</b>	461,615

**10 - ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Value added tax payable	451,679	250,893
Employees related payable	421,652	55,282
Accruals	62,500	-
	<b>935,831</b>	306,175

**11 - ZAKAT AND INCOME TAX PROVISION**

**Movement in Zakat provision**

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Balance at the beginning of the period/ year	53,765	-
(Reversed)/ charged during the period/ year	<b>(53,765)</b>	53,765
Payment during the period/ year	-	-
	-	53,765

**Movement in income tax provision**

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Balance at the beginning of the period/ year	-	-
Charged during the period/ year	-	-
Payment during the period/ year	-	-
	-	-

The Company has filed its zakat returns with the Zakat, Tax and Customs Authority (ZATCA) for the period from 2019 till year 2022, which is still under review of the ZATCA and obtained its certificate that expires on April 30, 2024.

**LENDO SAUDI FOR FINANCING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**  
**(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**12 - COST OF REVENUE**

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales commission and incentives	364,438	33,693	498,947	101,079
Amortisation expense	178,936	124,525	443,070	343,406
Loan origination cost	67,311	67,367	205,841	310,259
	<b>610,685</b>	<b>225,585</b>	<b>1,147,858</b>	<b>754,744</b>

**13 - GENERAL AND ADMINISTRATIVE EXPENSES**

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and wages	2,198,776	1,672,211	6,740,501	4,987,236
Professional consultancy fees	1,256,347	483,261	3,322,761	1,094,589
Legal and Professional fees	78,100	56,250	235,405	161,926
Rent	255,765	151,896	704,999	443,433
IT expenses	399,492	100,483	746,157	249,000
Marketing expenses	56,205	133,488	265,520	245,232
Government fees	24,176	28,213	95,134	115,793
Depreciation	41,451	26,835	114,388	63,276
License and subscriptions	28,235	44,025	43,235	120,350
Withholding tax	2,192	(9,763)	6,988	11,963
Others	9,662	14,460	30,822	154,224
	<b>4,350,401</b>	<b>2,701,359</b>	<b>12,305,910</b>	<b>7,647,022</b>

**14 - EARNING PER SHARE**

Basic and diluted earnings per share are calculated by dividing operating loss by the weighted average number of ordinary shares issued, that is 2,000,000 shares outstanding as of as at September 30, 2023 (September 2022: 500,000 shares).

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	September 30, 2023	September 30, 2022	September 30, 2022	September 30, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit/ (loss) for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
Total comprehensive income/ (loss) for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
	Share	Share	Share	Share
Weighted average number of shares	2,000,000	500,000	2,000,000	500,000
	SR / Share	SR / Share	SR / Share	SR / Share
Basic and diluted earning/ (loss) per share from net loss for the period	0.29	(2.07)	(0.53)	(7.63)
Basic and diluted earning/ (loss) per share from total comprehensive loss for the period	0.29	(2.07)	(0.53)	(7.63)

## **15 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Liquidity risks**

Liquidity risk occurs when an entity faces a difficulty in selling a financial asset in a timely and quickly manner to prevent or reduce the loss. Liquidity risks are closely managed through the periodic monitoring of available liquidity and current and future liabilities.

### **Foreign currency risk management**

Currency risk arises from possible changes and fluctuations in currency rates that affect future profit. The Company monitors currency fluctuations and believes that the impact of currency risk is not material.

### **Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company's management believes the fair value of the financial assets and liabilities approximate their carrying amounts.

## **16 - CLIENT MONEY**

Clients' Money represents money that the Company receives from or holds for, or on behalf of, a client in connection with its crowdfunding Business. Client money are maintained in a separate designated bank account in a local bank under the name of the Company. This bank account receives the money from the investors and the borrowers through the Company platform. As of September 30, 2023, the bank account has a balance amounting to SR 25,951,641 (December 31, 2022 SR 17,522,596).

## **17 - ACCUMULATED LOSSES**

The Company has incurred losses of SR 1.05 million for the nine month period ended September 30, 2023 (September 30, 2022: SR 3.8 million), and has accumulated losses amounting to SR 9.36 million (December 31, 2022: SR 8.3 million). As of September 30, 2023, The Company and its Board are in process of having discussions on the Company's accumulated losses.

## **18 - THE APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Board of Directors on October 24, 2023.

