

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND
NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024,
AND INDEPENDENT AUDITOR'S REVIEW REPORT

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

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Report on review of condensed interim financial statements

To the shareholder of Manafa for Debt-Based Crowdfunding Company
(A Single Shareholder Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Manafa for Debt-Based Crowdfunding Company (the "Company") as at 30 September 2024 and the related condensed interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the related condensed interim statement of changes in shareholder's equity and cash flows for the nine-month period then ended and other explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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 Financial Information performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Waleed bin Abdulaziz Alhidiri
License Number 559

20 May 2025

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024
All amounts in Saudi Riyals unless otherwise stated

| | | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|-------------|--|---|
| | Note | | |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 24,997,346 | 33,555,491 |
| Accounts receivable, net | 7 | 2,035,179 | 1,510,996 |
| Prepaid expenses | | 298,360 | 349,737 |
| Due from related parties, net | 15 | 24,910,441 | 13,030,082 |
| Total current assets | | 52,241,326 | 48,446,306 |
| Non-current assets | | | |
| Property and equipment, net | 8 | 603,797 | 333,643 |
| Intangible assets, net | 9 | 1,839,489 | 2,029,467 |
| Total non-current assets | | 2,443,286 | 2,363,110 |
| Total Assets | | 54,684,612 | 50,809,416 |
| Liabilities and shareholder's equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Accrued expenses and other liabilities | 10 | 3,013,683 | 2,503,114 |
| Provision for zakat | 14 | 914,618 | 1,139,434 |
| Total current liabilities | | 3,928,301 | 3,642,548 |
| Non-current liability | | | |
| Employee's end of service benefits | | 402,330 | 333,000 |
| Total non-current liability | | 402,330 | 333,000 |
| Total liabilities | | 4,330,631 | 3,975,548 |
| Shareholder's equity | | | |
| Share capital | | 40,000,000 | 40,000,000 |
| Statutory reserve | | 813,767 | 813,767 |
| Retained earnings | | 9,540,214 | 6,020,101 |
| Total shareholder's equity | | 50,353,981 | 46,833,868 |
| Total liabilities and shareholder's equity | | 54,684,612 | 50,809,416 |

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals unless otherwise stated

| | Note | For the three month period ended September 30, | | For the nine month period ended September 30, | |
|---|------|---|------------------|--|-------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | | | Restated* | | Restated* |
| Revenue | 11 | 7,058,042 | 5,446,220 | 20,139,020 | 16,804,691 |
| Cost of revenue | 12 | (1,245,188) | (1,253,223) | (3,068,230) | (2,805,558) |
| Gross profit | | 5,812,854 | 4,192,997 | 17,070,790 | 13,999,133 |
| General and administrative expenses | 13 | (3,689,965) | (2,449,137) | (12,093,065) | (6,736,479) |
| Marketing expenses | | (83,023) | (241,932) | (1,557,778) | (559,315) |
| Finance income | | 321,591 | - | 916,946 | - |
| Other income | | 138,643 | 126,132 | 193,979 | 191,240 |
| Charge for expected credit losses | | (13,592) | (16,125) | (96,281) | (57,111) |
| Profit for the period before zakat | | 2,486,508 | 1,611,935 | 4,434,591 | 6,837,468 |
| Zakat expense | 14 | (512,705) | (332,405) | (914,478) | (1,398,028) |
| Profit for the period | | 1,973,803 | 1,279,530 | 3,520,113 | 5,439,440 |

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

Also, see note 18 for details regarding the restatement as a result of correction of errors.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
All amounts in Saudi Riyals unless otherwise stated

| | For the three month period ended September 30, | | For the nine month period ended September 30, | |
|--|---|-------------|--|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | | Restated* | | Restated* |
| Profit for the period | 1,973,803 | 1,279,530 | 3,520,113 | 5,439,440 |
| Other comprehensive income items: | | | | |
| Not to be reclassified to profit | | | | |
| or loss in subsequent periods: | | | | |
| Remeasurement loss on employee | | | | |
| end of service benefits | - | - | - | (4,166) |
| Total comprehensive income for the period | 1,973,803 | 1,279,530 | 3,520,113 | 5,435,274 |

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

Also, see note 18 for details regarding the restatement as a result of correction of errors.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE NINE-MONT PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals unless otherwise stated

| | Share capital | Statutory reserve | Retained earnings | Total shareholder's equity |
|--|-------------------|----------------------|----------------------|----------------------------------|
| Balance as at 1 January 2023 (Audited before restatement) | 40,000,000 | 375,231 | 2,504,881 | 42,880,112 |
| Correction of an error | - | - | (335,298) | (335,298) |
| Balance as at 1 January 2023 (Audited and restated) | 40,000,000 | 375,231 | 2,169,583 | 42,544,814 |
| Profit for the period (Restated) | - | - | 5,439,440 | 5,439,440 |
| Other comprehensive loss for the period (Restated) | - | - | (4,166) | (4,166) |
| Total comprehensive income for the Period (Restated) | - | - | 5,435,274 | 5,435,274 |
| Balance as at 30 September 2023 (Unaudited) | 40,000,000 | 375,231 | 7,604,857 | 47,980,088 |
| | Share capital | Statutory reserve | Retained earnings | Total shareholder's equity |
| Balance as at 1 January 2024 (Audited) | 40,000,000 | 813,767 | 6,020,101 | 46,833,868 |
| Profit for the period | - | - | 3,520,113 | 3,520,113 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 3,520,113 | 3,520,113 |
| Balance as at 30 September 2024 (Unaudited) | 40,000,000 | 813,767 | 9,540,214 | 50,353,981 |

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

Also, see note 18 for details regarding the restatement as a result of correction of errors.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
All amounts in Saudi Riyals unless otherwise stated

| | 30 September 2024 (Unaudited) | 30 September 2023 (Unaudited) |
|---|--|--|
| | | Restated* |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Net profit for the period before zakat | 4,434,591 | 6,837,467 |
| Adjustments for: | | |
| Depreciation of property and equipment | 104,161 | 48,098 |
| Amortization of intangible assets | 189,978 | 185,839 |
| Provision for employee end of service benefit obligations | 137,250 | 34,871 |
| Charge for allowance for expected credit losses | 96,281 | 57,111 |
| Finance income | 916,946 | - |
| Operating profit before changes in working capital | 5,879,207 | 7,163,386 |
| <u>Changes in working capital</u> | | |
| Accounts receivables | (620,464) | (828,351) |
| Prepaid expenses | 51,377 | (195,278) |
| Due from related parties | (11,880,359) | (3,818,836) |
| Accrued expenses and other liabilities | 510,569 | 545,921 |
| Employee end of service benefits paid | (67,920) | (13,769) |
| Zakat paid | (1,139,294) | (773,782) |
| Finance income received | (916,946) | - |
| Net cash (used in) / generated from operating activities | (8,183,830) | 2,079,291 |
| <u>CASH FLOWS FROM INVESTING ACTIVITY</u> | | |
| Additions to property and equipment | (374,315) | (291,326) |
| Net cash used in investing activity | (374,315) | (291,326) |
| <u>CASH FLOWS FROM FINANCING ACTIVITY</u> | | |
| Increase in capital payment | - | - |
| Net cash generated from financing activity | - | - |
| Net change in cash and cash equivalent | (8,558,145) | 1,787,965 |
| Cash and cash equivalents at the beginning of the period | 33,555,491 | 1,223,241 |
| Cash and cash equivalents at the end of the period | 24,997,346 | 3,011,206 |

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

Also, see note 18 for details regarding the restatement as a result of correction of errors.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY

(A Single Shareholder Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 2024

All amounts in Saudi Riyals unless otherwise stated

1 General information

Manafa for Debt-Based Crowdfunding Company (A Single Shareholder Closed Joint Stock Company) ("the Company") was established on 20 Jumada Al-Awwal 1442H corresponding to (3 January 2021) under Commercial Registration No, 1010678388, based on the decision of the owner of the capital (Osoul Manafa Investment Company), the legal entity of the company was transferred on 6 Safar 1443H, corresponding to September 13, 2021, from a single shareholder company with limited liability to a single shareholder closed joint stock Saudi Company, with its rights, obligations, and employment, classifications, licenses and all its financial, technical and administrative elements with the same capital of (SR 5,000,000) Saudi riyals, while retaining the name and number of the main commercial registry upon conversion.

The Company's main headquarters is located in Riyadh, Al-Malqa district.

The Company's main activity is financing in accordance with the provisions of the Companies Law, the Finance Companies Control Law, and its relevant executive rules, regulations and instructions issued by the Saudi Central Bank for practicing and implementing debt crowdfunding in the Kingdom of Saudi Arabia.

Based on the certificate of the Saudi Central Bank issued on 14 Rabi' Al-Thani, 1444H, license No, (7018070537) was granted to the Manafa for Debt-Based Crowdfunding Company to practice debt crowdfunding activities in the Kingdom of Saudi Arabia in accordance with the relevant provisions and regulations.

2 Basis of preparation

(a) Statement of compliance

The condensed interim financial statements of the Company as at and for the period ended 30 September 2024, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) 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 interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2023.

(b) Basis of measurement

These condensed interim financial statements have been prepared on a going concern basis under the historical cost convention except for employees' end of service benefits are measured at present value of future obligations using the Projected Unit Credit Method. This condensed interim financial statements is presented in Saudi Riyals ("SR") which is the functional currency of the Company.

(c) Financial year

The financial year of the Company commences on 1 January and ends on 31 December of each calendar year.

3 Use of judgments, estimates and assumptions

The preparation of the condensed interim financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant estimates made by management in applying the Company's accounting policies and the significant sources of estimation uncertainty were similar to those disclosed in the 2023 annual financial statements.

4 Material accounting policies

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended 31 December 2023 unless otherwise stated.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND
NINE MONTH PERIODS ENDED SEPTEMBER 30 2024
All amounts in Saudi Riyals unless otherwise stated

5 New Standards, Amendments to Standards and Interpretations

5.1 New Standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024, but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
- Amendment to IAS 1 – Non-current liabilities with covenants

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

5.2 Standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early, and they do not have a significant impact on those condensed interim financial statements.

The most significant of these are as follows:

| 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 – Amendments to IFRS 10 and IAS 28 | (Available for optional adoption / effective date deferred indefinitely) |
| Amendment to IAS 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 set 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. | 1 January 2025 |
| IFRS 18, 'Presentation and Disclosure in Financial Statements' | The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. | Reporting periods beginning on or after 1 January 2027 |

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY

(A Single Shareholder Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 2024

All amounts in Saudi Riyals unless otherwise stated

5 New Standards, Amendments to Standards and Interpretations (continued)

5.2 Standards issued but not yet effective (continued)

| Standard, interpretation, amendments | Description | Effective date |
|--|--|----------------|
| IFRS 19 - Reducing subsidiaries' 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. | 1 January 2027 |

Other standards

| | | |
|---|---|--|
| IFRS S1, 'General requirements for disclosure of sustainability-related financial information | This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. | 1 January 2024 subject to endorsement from SOCPA |
| IFRS S2, 'Climate-related disclosures' | This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. | 1 January 2024 subject to endorsement from SOCPA |

6 Cash and cash equivalents

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|------------------|-------------------------------------|----------------------------------|
| Murabaha deposit | 20,153,533 | - |
| Cash at banks | 4,843,813 | 33,555,491 |
| | 24,997,346 | 33,555,491 |

7 Accounts receivable, net

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|-------------------------------------|----------------------------------|
| Accounts receivable | 2,097,217 | 1,538,434 |
| Less: Allowance for expected credit losses (Note 7.1) | (62,038) | (27,438) |
| | 2,035,179 | 1,510,996 |

7.1 The movement in allowance for expected credit losses during the period/ year is as follows:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|-------------------------------------|----------------------------------|
| Cost | | |
| Opening balance as at the beginning of the period / year | 27,438 | 13,784 |
| Charge for the period / year | 34,600 | 13,654 |
| Closing balance at the end of the period / year | 62,038 | 27,438 |

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 2024

All amounts in Saudi Riyals unless otherwise stated

8 Property and equipment, net

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|-------------------------------------|----------------------------------|
| <u>Cost</u> | | |
| As at 1 January | 414,076 | 119,011 |
| Additions during the period / year | 374,315 | 295,065 |
| As at the end of the period / year | 788,391 | 414,076 |
| <u>Accumulated depreciation</u> | | |
| As at 1 January | 80,433 | 11,495 |
| Charge for the period / year | 104,161 | 68,938 |
| As at the end of the period / year | 184,594 | 80,433 |
| As at the end of the period / year | 603,797 | 333,643 |

9 Intangible assets, net

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|-------------------------------------|----------------------------------|
| <u>Cost</u> | | |
| As at 1 January | 2,505,386 | 2,505,386 |
| Additions during the period/year | - | - |
| As at the end of the period / year | 2,505,386 | 2,505,386 |
| <u>Accumulated amortization</u> | | |
| As at 1 January | 475,919 | 228,134 |
| Charge for the period / year | 189,978 | 247,785 |
| As at the end of the period / year | 665,897 | 475,919 |
| <u>Net book value</u> | | |
| As at the end of the period / year | 1,839,489 | 2,029,467 |

10 Accrued expenses and other liabilities

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|----------------------------------|-------------------------------------|----------------------------------|
| Leave salary payable | 798,698 | 544,101 |
| Accounts payable | 741,856 | 675,354 |
| Accrued employee bonus | 733,532 | 747,346 |
| Value added tax payable | 550,615 | 343,260 |
| Accrued social insurance payable | 188,982 | 89,970 |
| Accrued salaries, and wages | - | 95,583 |
| Other | - | 7,500 |
| | 3,013,683 | 2,503,114 |

11 Revenue

| | For the three month period ended September 30, 2024 (Unaudited) | 2023 (Unaudited) | For the nine month period ended September 30, 2024 (Unaudited) | 2023 (Unaudited) |
|-----------------------------------|--|---------------------|---|---------------------|
| Commission income - point in time | 4,936,810 | 3,612,180 | 13,733,433 | 11,804,389 |
| Wakalah fees – over time | 2,121,232 | 1,834,040 | 6,405,587 | 5,000,302 |
| | 7,058,042 | 5,446,220 | 20,139,020 | 16,804,691 |

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY
(A Single Shareholder Closed Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 2024

All amounts 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, | |
|-------------------------------------|---|---------------------|--|---------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) |
| Service and data providers expenses | 720,058 | 849,415 | 1,601,180 | 1,674,396 |
| Salaries and wages | 462,493 | 341,862 | 1,277,072 | 945,323 |
| Amortization of intangible assets | 62,637 | 61,946 | 189,978 | 185,839 |
| | 1,245,188 | 1,253,223 | 3,068,230 | 2,805,558 |

13 General and administrative expenses

| | For the three month period ended September 30, | | For the nine month period ended September 30, | |
|-------------------------------------|---|---------------------|--|---------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) |
| Service and data providers expenses | 1,013,891 | 604,862 | 4,267,972 | 1,311,885 |
| Salaries and wages | 1,338,444 | 695,304 | 3,504,460 | 1,890,257 |
| Professional fees | 332,006 | 348,195 | 1,270,481 | 846,992 |
| Social insurance | 224,296 | 139,374 | 672,240 | 507,721 |
| Bonus | 233,706 | - | 654,735 | 441,187 |
| Employee benefit obligations | 37,058 | 14,037 | 108,428 | 34,871 |
| Travel expenses | 11,663 | 1,630 | 37,923 | 63,534 |
| Medical insurance | 68,917 | 47,894 | 224,891 | 69,676 |
| Depreciation | 39,437 | 20,409 | 104,161 | 48,066 |
| Bank charges | 3,060 | 16,549 | 52,687 | 29,136 |
| Other | 387,487 | 560,883 | 1,195,087 | 1,493,154 |
| | 3,689,965 | 2,449,137 | 12,093,065 | 6,736,479 |

14 Zakat Payable

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA") as applicable in the Kingdom of Saudi Arabia.

a) Movement in provision for Zakat is as follows

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|-------------------------------------|----------------------------------|
| Balance at the beginning of the period/ year | 1,139,434 | 773,782 |
| Charge for the period/ year | 914,478 | 1,139,434 |
| Payments made during the period/ year | (1,139,294) | (773,782) |
| Balance as at end of the period/ year | 914,618 | 1,139,434 |

b) Status of assessments

At the date of issuing these financial statements, zakat 2023 have been submitted to ZATCA. There have been no zakat assessments to date.

15 Related party transactions and balances

In the ordinary course of business, the Company enters into transactions with its related parties and these transactions are based on the agreed terms. The principal parties of the Company are Osoul Manafa Investment Company and its affiliate (The entities owned by the Parent Company, which is Osoul Manafa Investment Company), executive members of Company's Board of Directors, key management personnel and companies of which these related parties are principal owners.

MANAFA FOR DEBT-BASED CROWDFUNDING COMPANY**(A Single Shareholder Closed Joint Stock Company)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 2024**

All amounts in Saudi Riyals unless otherwise stated

15 Related party transactions and balances (continued)**a) Significant transactions and related amounts during the interim period ended September 30 were as follows:**

| | Nature of relationship | Nature of transaction | 30 September 2024 | 30 September 2023 |
|---------------------------------|-------------------------------|------------------------------|--------------------------|--------------------------|
| Manafa Capital Company | Affiliate | Expense paid on behalf | 178,939 | (1,336,431) |
| | | Financing | - | 5,350,360 |
| Osoul Manafa Investment Company | Shareholder | Expenses paid on behalf | 2,518,101 | 1,254,333 |
| | | Financing | 9,245,000 | (1,610,000) |
| Abyan Capital | Affiliate | Expense paid on behalf | - | 87,510 |

b) Related party transactions resulted in the following related balances as at:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--|---------------------------------------|
| Due from related parties | | |
| Manafa Capital Company | 11,287,606 | 11,108,667 |
| Osoul Manafa Investment Company | 13,587,427 | 1,824,326 |
| Abyan Capital Company | 99,910 | 99,910 |
| Allowance for expected credit losses (Note b.1) | (64,502) | (2,821) |
| | 24,910,441 | 13,030,082 |

b.1 The following shows the movement in the allowance for expected credit losses:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|--|---------------------------------------|
| Opening balance as at the beginning of the period / year | 2,821 | 7,941 |
| Charge / (reversal) during the period / year | 61,681 | (5,120) |
| Closing balance as at the end of the period / year | 64,502 | 2,821 |

Transactions with key management personnel,

Key Management Personnel ("KMP") are those having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Company's KMP includes the Board of Directors (including executive and non-executive directors) and selected key employees who meet the above criteria.

| | 30 September 2024 (Unaudited) | 30 September 2023 (Unaudited) |
|-----------------------------|--|--|
| Employee salaries and wages | 3,395,400 | 2,252,240 |

16 Customers' accounts

According to rules and regulations of crowdfunding established by Saudi Central Bank, released in the month of December 2021 in accordance with Article 42075986, that regards collection accounts in crowdfunding operations. The company holds these accounts with a local bank (Arabic National Bank), amounting to SR 42.8 million as at 30 September 2024 (December 2023: SR 52.3 million). In addition, the company has outstanding financing agreements amounting to SR 420 million at 30 September 2024 (31 December 2023: 291.8 million). Such balances are not included in the Company's condensed interim financial statements.

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17 Financial Risk Management

The Company is exposed to multiple risks, including Market risks, currency risks, fair value risks, cash flow interest rate risks, price risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks, supported by a Financial Risk Committee that advises it on financial risks and the appropriate framework for their governance. This committee also provides the Company's senior management with guarantees and assurances that the Company's financial risk activities are subject to appropriate.

policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and its risk appetite. The Board of Directors reviews and approves the policies for managing each of these risks, a summary of which is provided below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices include risks such as equity price risk, interest rate risk and currency risk.

Currency risks

It is a risk represented by the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Given that the company's transactions are mainly conducted in Saudi riyals and US dollars, and the Saudi riyal is linked and fixed to the US dollar, the company will not be exposed to currency risks in a significant and fundamental way.

Fair Value Risk and Cash Flow Interest Rate

It is represented by exposure to various risks related to the impact of fluctuations in prevailing interest rates on financial conditions and cash flows. The company monitors and tracks fluctuations in commission rates on an ongoing basis and acts accordingly, and they are subject to change on a periodic basis.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or by factors affecting all instruments traded in the market.

Credit risk

Credit risk is represented by the failure of a counterparty to meet its obligations under a financial instrument or contract concluded with customers, which leads to a financial loss. The company places its cash and funds with banks with good and sound credit ratings, and records accounts receivable and amounts due from related parties in the net provision for expected losses, if any.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---------------------------------------|--|---|
| Cash and cash equivalents | 24,997,346 | 33,555,491 |
| Accounts receivables, net | 2,035,179 | 1,510,996 |
| Due from related parties, net | 24,910,441 | 13,030,082 |
| Total exposure for credit risk | 51,942,966 | 48,096,569 |

The Company has kept cash and cash equivalents in reputable banks and financial institutions. The cash at banks as at 30 September 2024 is SAR 24.99 million (31 December 2023: SAR 33.55 million). For banks and financial institutions, only independently rated parties are accepted.

Accounts receivables are shown net of allowance for expected credit losses. The Company applies the IFRS 9 simplified approach for measuring expected credit losses on accounts Receivable. To measure the expected credit losses, accounts Receivable are grouped based on shared credit risk characteristics and the days past due. The ECL on accounts Receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, days past due, expected recovery, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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17 Financial risk management (continued)

Due from related parties amounting to SAR 24 million are expected to be settled within the next 12 months. Related party receivables are callable overnight if payment is required earlier. Given the short life of the receivable and the fact they are with intercompany entities with no history of default, the related party balance considered to have low credit risk, therefore ECL is expected to be negligible on these receivables.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in raising funds to meet obligations associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a price close to its fair value. Liquidity risk is managed by regularly monitoring and observing that sufficient funds are available through committed credit facilities to meet any future obligations.

Below are the amounts expected to be recovered or settled no more than 12 months and those more than 12 months after the reporting date

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|--|---|
| Assets | | |
| Less than 12 months | | |
| Cash and cash equivalents | 24,997,346 | 33,555,491 |
| Accounts receivable, net | 2,035,179 | 1,510,996 |
| Due from related parties, net | 24,910,441 | 13,030,082 |
| | 51,942,966 | 48,096,569 |
| Liabilities | | |
| Less than 12 months | | |
| Accrued expenses and other liabilities | 3,013,683 | 2,503,114 |
| | 3,013,683 | 2,503,114 |

18 Restatements of comparative Information

Management has re-evaluated the accounting treatment and classification for certain transactions and balances recorded in the financial statements in the prior periods to determine if such transactions and balances had been accurately accounted for under International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia. Where necessary, adjustments have been made to comparative figures in accordance with International Accounting Standard 8 "Accounting policies, changes in accounting estimates and errors" ("IAS 8") as endorsed in the Kingdom of Saudi Arabia.

As a result, management restated the comparatives to correct the errors detailed below in the condensed interim financial statements for the period ended 30 September 2024 as prior period restatements.

The note below sets out the details of adjustments and the line items in the statement profit or loss, statement of other comprehensive income, statement of changes in shareholder's equity and statement of cash flows:

- A Management erroneously did not record Zakat expenses amounting to SAR 1,398,028 in the previous reporting period. As a result, Zakat expenses amounting to SR 1,398,028 for the period ended 30 Sep 2023 have been recognized in the statement of profit or loss.
- B In the previous period, management erroneously classified charge for expected credit losses amounting to SAR 57,111 as part of General and administrative expenses instead of showing it separately in the statement of profit or loss. The Charge for expected credit losses amounting to SR 57,111 for the period ended 30 Sep 2023 has been reclassified from General and administrative expenses to being separately disclosed in the statement of profit or loss.

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18 Restatements of comparative information (continued)

- C In the previous period, management erroneously did not record accrued employee leave balances totaling SR 407,553, as required by IAS 19 - Employee Benefits. As a result, general and administrative expenses amounting to SR 407,553 for the period ended 30 Sep 2023 have been recognized in the statement of profit or loss.
- D In 2024, management reassessed the classification of employee costs and concluded that these expenses, which include direct labor costs, should be reclassified under Cost of revenue rather than General and administrative expenses. The rationale for reclassification is that these employees directly contribute to fulfilling performance obligations. Salaries and wages amounting to SR 1,126,538 for the period ended 30 September 2023 has been reclassified from General and administrative expenses to Cost of revenue.

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18 Restatements of comparative information (continued)

Condensed interim statement of Profit or Loss

| For the nine -months period ended September 30 | As previously reported | Restatement A | Restatement B | Restatement C | Restatement D | As Restated |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Revenue | 16,804,691 | - | - | - | - | 16,804,691 |
| Cost of revenue | (1,679,020) | - | - | - | (1,126,538) | (2,805,558) |
| Gross profit | 15,125,671 | - | - | - | (1,126,538) | 13,999,133 |
| General and administrative expenses | (7,512,576) | - | 57,111 | (407,553) | 1,126,538 | (6,736,480) |
| Marketing expenses | (559,315) | - | - | - | - | (559,315) |
| Other income | 191,240 | - | - | - | - | 191,240 |
| Charge for expected credit losses | - | - | (57,111) | - | - | (57,111) |
| Profit for the year before zakat | 7,245,020 | - | - | (407,553) | - | 6,837,467 |
| Zakat Expense | - | (1,398,028) | - | - | - | (1,398,028) |
| Profit for the period | 7,245,020 | (1,398,028) | - | (407,553) | - | 5,439,439 |
| Statement of other comprehensive income | | | | | | |
| Profit for the period | 7,245,020 | (1,398,028) | - | (407,553) | - | 5,439,439 |
| Other comprehensive income items: | | - | - | - | - | - |
| Not to be reclassified to profit or loss in subsequent periods: | | | | | | |
| Remeasurement loss on employee end of service benefits | (4,166) | - | - | - | - | (4,166) |
| Total other comprehensive loss for the period | (4,166) | - | - | - | - | (4,166) |
| Total comprehensive income for the period | 7,240,854 | (1,398,028) | - | (407,553) | - | 5,435,273 |

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18 Restatements of comparative information (continued)

Condensed interim statement of Profit or Loss

| For the three-months period ended September 30 | As previously reported | Restatement A | Restatement B | Restatement C | Restatement D | As Restated |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Revenue | 5,446,220 | - | - | - | - | 5,446,220 |
| Cost of revenue | (748,383) | - | - | - | (504,840) | (1,253,223) |
| Gross profit | 4,697,837 | - | - | - | (504,840) | 4,192,997 |
| General and administrative expenses | (2,775,482) | - | 16,125 | (194,621) | (504,840) | (3,458,818) |
| Marketing expenses | (241,932) | - | - | - | - | (241,932) |
| Other income | 126,132 | - | - | - | - | 126,132 |
| Charge for expected credit losses | - | - | (16,125) | - | - | (16,125) |
| Profit for the year before zakat | 1,806,555 | - | - | (194,621) | - | 1,611,934 |
| Zakat Expense | - | (320,314) | - | - | - | (320,314) |
| Profit for the period | 1,806,555 | (320,314) | - | (194,621) | - | 1,291,620 |
| Statement of other comprehensive income | | - | - | - | - | |
| Profit for the period | 1,806,555 | (320,314) | - | (194,621) | - | 1,291,620 |
| Other comprehensive income items: | | - | - | - | - | |
| Not to be reclassified to profit or loss in subsequent periods: | | - | - | - | - | |
| Remeasurement loss on employee end of service benefits | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | 1,806,555 | (320,314) | - | (194,621) | - | 1,291,620 |

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18 Restatements of comparative information (continued)

Condensed interim statement of cash flows

| | As previously reported | Restatement A | Restatement B | Restatement C | Restatement D | As Restated |
|---|---------------------------|---------------|---------------|------------------|---------------|------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | | | | |
| Net profit for the period before zakat | 7,245,020 | - | - | (407,553) | - | 6,837,467 |
| Adjustments for: | | - | - | - | - | |
| Depreciation of property and equipment | 48,098 | - | - | - | - | 48,098 |
| Amortization of intangible assets | 185,839 | - | - | - | - | 185,839 |
| Provision for employee end of service benefit obligations | 34,871 | - | - | - | - | 34,871 |
| Charge for Allowance for expected credit losses | 57,111 | - | - | - | - | 57,111 |
| Operating profit before changes in working capital | 7,570,939 | - | - | (407,553) | - | 7,163,386 |
| <u>Changes in working capital</u> | | - | - | - | - | |
| Accounts Receivables | (828,351) | - | - | - | - | (828,351) |
| Prepaid expenses | (195,278) | - | - | - | - | (195,278) |
| Due from related parties | (3,818,836) | - | - | - | - | (3,818,836) |
| Accrued expenses and other liabilities | 138,368 | - | - | 407,553 | - | 545,921 |
| Zakat paid | (773,782) | - | - | - | - | (773,782) |
| Employee end of service benefits paid | (13,769) | - | - | - | - | (13,769) |
| Net cash generated from operating activities | 2,079,291 | - | - | - | - | 2,079,291 |
| <u>CASH FLOWS FROM INVESTING ACTIVITY</u> | | - | - | - | - | |
| Additions to property and equipment | (291,326) | - | - | - | - | (291,326) |
| Net cash (used in) investing activity | (291,326) | - | - | - | - | (291,326) |
| <u>CASH FLOWS FROM FINANCING ACTIVITY</u> | | - | - | - | - | |
| Increase in capital payment | - | - | - | - | - | - |
| Net cash generated from financing activity | - | - | - | - | - | - |
| Net change in cash and cash equivalent | 1,787,965 | - | - | - | - | 1,787,965 |
| Cash and cash equivalents at the beginning of the period | 1,223,241 | - | - | - | - | 1,223,241 |
| Cash and cash equivalents at the end of the period | 3,011,206 | - | - | - | - | 3,011,206 |

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19 Subsequent events

In the opinion of management, there have been no significant subsequent events since the end of the period that require disclosure or adjustment in these condensed interim financial statements.

20 Contingencies

There were no contingent liabilities as at 30 September 2024 and 31 December 2023. Additionally, there are no pending legal cases against the Company that could have an impact on its financial statements.

21 Capital commitments

There are no capital commitments as at 30 September 2024 and 31 December 2023.

22 Date of approval of the financial statements

These financial statements were approved and authorized for issue by the Board of Directors of the Company on 7 May 2025.