

OSOOL AND BAKHEET INVESTMENT COMPANY
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

OSOOL AND BAKHEET INVESTMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE PERIOD ENDED 30 JUNE 2024**

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Independent Auditor's Review Report On the Interim condensed financial statements

**To the shareholders of
Osool and Bakheet Investment Company**
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed financial statements of Osool and Bakheet Investment Company (A Saudi Joint Stock Company) (the "Company") which include the interim condensed statement of financial position as at 30 June 2024, the interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended. and notes to the interim condensed financial statements. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial statements based on our review.

Scope of review

Except as explained in the following paragraph, 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 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 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.

Basis for Qualified Conclusion

The interim condensed statement of financial position as of June 30, 2024 includes an investment, Creative Future Digital Brokerage Company, amounted to Saudi Riyals 85.8 million carried at fair value through profit or loss. The Company's management has determined the fair value of such investment through an external expert and recorded an unrealized gain amounted to Saudi Riyals 9 million for the six-month period ended 30 June 2024. However, we were unable to obtain sufficient and appropriate evidence regarding the accuracy and reasonableness of the assumptions used by the management to determine the fair value and, also, the external expert engaged has not validated the accuracy and reasonableness of such assumptions. Accordingly, we were unable to determine whether any adjustment should be made to the carrying value of such investment as at 30 June 2024 and the resulting impact on unrealized gain or loss from such investment for the period ended June 30, 2024.

Qualified Conclusion

Except for the adjustments to the interim condensed financial statements that we might have become aware of had it not been for the situation described above, 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 International Accounting Standard (34) that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
28 Safar 1446 H (Corresponding to 1 september 2024)



OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**AS AT 30 June 2024**

(Saudi Riyals)

	Note	June 30, 2024 (unaudited)	December 31, 2023 (Audited)
Assets			
Current assets			
Cash and cash equivalents		77,846,517	75,801,833
Financial investments at fair value through profit or loss	6-A	43,333,925	52,669,299
Accounts receivable	7	1,704,105	2,435,350
Due from related parties	8	12,335,369	6,064,939
Prepaid expenses and other assets		4,908,493	3,941,652
Loans to customers		1,000	1,000
Total current assets		140,129,409	140,914,073
Non-current assets			
Financial investments at fair value through profit or loss	6-B	85,806,400	76,775,840
Financial investments at fair value through other comprehensive income	9	146,730	140,358
Property and equipment		280,576	308,573
Intangible assets		971,136	1,020,199
Right of use assets		1,491,012	1,843,098
Total non-current assets		88,695,854	80,088,068
Total assets		228,825,263	221,002,141
Liabilities and equity			
Current liabilities			
Accruals and other liabilities		5,352,466	8,615,885
Due to related parties	8	136,000	287,000
Lease Liabilities, current portion		766,461	756,963
Zakat provision		3,645,157	4,092,619
Total current liabilities		9,900,084	13,752,467
Non-current liabilities			
Lease obligations		704,570	1,016,339
End of service indemnities		6,160,737	6,127,616
Total non-current liabilities		6,865,307	7,143,955
Total liabilities		16,765,391	20,896,422
Equity			
Share capital	1	81,000,000	81,000,000
Statutory reserve		10,131,256	10,131,256
Share Premium		52,500,000	52,500,000
Treasury shares		(6,000,000)	(6,000,000)
fair value reserve on investments		21,989	15,617
Retained earnings		74,406,627	62,458,846
Total equity		212,059,872	200,105,719
Total equity and liabilities		228,825,263	221,002,141

Finance Manager

Chief Executive Officer

Chairman

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statements

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**FOR THE PERIOD ENDED 30 JUNE 2024**

(Saudi Riyals)

	Note	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
<u>Profit or loss</u>			
Revenues			
Portfolio management fees		855,843	986,374
Fund management fees		7,853,849	3,852,446
Custody and operation management fees		841,718	570,594
Brokerage revenue, net		127,462	283,700
Revenue from IPO management		-	564,476
Revenue from Murabaha loans		31,452	381,315
Unrealized gain from investments at fair value through profit or loss, net	6	9,459,918	26,025,436
Dividends from investments at fair value through profit or loss		280,805	129,729
Realized gains from investments at fair value through profit or		2,711,452	10,011
Total Revenue		22,162,499	32,804,081
Depreciation and amortization		(685,240)	(729,715)
General and administrative expenses	10	(9,611,785)	(18,562,789)
Net Profit from main operations		11,865,474	13,511,577
Finance costs		(37,409)	(92,353)
Other income		2,119,716	737,004
Profit for the period before zakat		13,947,781	14,156,228
Zakat		(2,000,000)	(1,200,000)
Net profit for the period		11,947,781	12,956,228
<u>Other comprehensive income</u>			
Item not reclassified later to the profit or loss statement			
Net change in fair value reserve on investments	9	6,372	20,839
Total other comprehensive income for the period		6,372	20,839
Total comprehensive income for the period		11,954,153	12,977,067
Earnings per share			
Earnings per share from net profit from main operations	11	1.58	2.21
Earnings per share from net profit for the period	11	1.59	2.16

Finance Manager

Chief Executive Officer

Chairman

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statements

OSOOL AND BAKHT INVESTMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**FOR THE PERIOD ENDED 30 JUNE 2024**

(Saudi Riyals)

	Share capital	Statutory reserve	Share Premium	Treasury Shares	Fair value reserve on investments	Retained earnings	Total
<u>For the six months ended June 30, 2023 (unaudited)</u>							
Balance as at 1 January 2023	60,000,000	7,581,545	-	-	(13,469)	40,128,176	107,696,252
Net profit for the period	-	-	-	-	-	12,956,228	12,956,228
Other comprehensive income	-	-	-	-	20,839	-	20,839
Balance as at 30 June 2023	60,000,000	7,581,545	-	-	7,370	53,084,404	120,673,319
<u>For the six months ended June 30, 2024 (unaudited)</u>							
Balance as at 1 January 2024	81,000,000	10,131,256	52,500,000	(6,000,000)	15,617	62,458,846	200,105,719
Net profit for the period	-	-	-	-	-	11,947,781	11,947,781
Other comprehensive income	-	-	-	-	6,372	-	6,372
Balance as at 30 June 2024	81,000,000	10,131,256	52,500,000	(6,000,000)	21,989	74,406,627	212,059,872

Finance Manager

Chief Executive Officer

Chairman

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statement

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**FOR THE PERIOD ENDED 30 JUNE 2024**

(Saudi Riyals)

	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Cash flows from operating activities		
Profit for the period before Zakat	11,947,781	12,956,228
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation of property and equipment	96,811	118,411
Amortization of intangible assets	236,343	247,002
Gains on sale of property, and equipment	-	(10,435)
Depreciation of right of use assets	-	(84,026)
Loss on Lease Termination	352,086	364,302
Realized gain from sale of financial investments at fair value through profit or loss	(2,711,452)	(10,011)
Unrealized gain from financial investments at fair value through profit or loss	(9,459,918)	(26,025,436)
Dividends from investments at fair value through profit or loss	(280,805)	(129,729)
Finance costs	37,409	92,353
Provision for expected credit losses	-	4,818,000
Provision for employee's defined benefit obligations	395,121	1,002,214
Provision for zakat	2,000,000	1,200,000
Cash flow after adjusting non-cash items	2,613,376	(5,461,127)
Changes in working capital		
Accounts receivable	731,245	4,720
Customer loans	-	(87,986)
Net change in Related parties	(6,421,430)	5,411,489
Prepaid expenses and other assets	(966,841)	(269,880)
Accrued expenses and other liabilities	(3,263,425)	5,350,960
Defined employees benefit plan obligations paid	(362,000)	(4,223)
Zakat paid	(2,447,465)	(2,337,632)
Net cash (used in) /generated from operating activities	(10,116,540)	2,606,321
Cash flows from investing activities		
Purchase of investments at fair value through profit or loss	(143,343)	(2,953,763)
Additions to property, and equipment	(68,814)	(57,320)
Additions to intangible assets	(187,280)	(209,675)
Proceeds from the sale of property, and equipment	-	10,435
Proceeds from the sale of financial investments at fair value through profit or loss	12,619,536	145,243
Dividends received from financial investments at fair value through profit or loss	280,805	129,729
Net cash generated from / (used in) investing activities	12,500,904	(2,935,351)
Cash flows from financing activities		
Lease liabilities paid	(302,271)	(216,216)
Finance cost paid	(37,409)	(92,353)
Addition to short term loans	-	10,000,000
Short term loans paid	-	(16,000,000)
Net cash used in financing activities	(339,680)	(6,308,569)
Net change in cash and cash equivalents	2,044,684	(6,637,599)
Cash and cash equivalents at the beginning of the period	75,801,833	19,879,865
Cash and cash equivalent at the ending of the period	77,846,517	13,242,266

OSOOL AND BAKHEET INVESTMENT COMPANY

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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)(CONTINUED)**FOR THE PERIOD ENDED 30 JUNE 2024**

(Saudi Riyals)

	June 30, 2024	June 30, 2023
	(unaudited)	(unaudited)
<u>Non-cash transactions</u>		
Transferred from related parties to investment at fair value through profit or loss	-	6,000,000
Settlement of lease obligations	-	(541,899)

Finance Manager

Chief Executive Officer

Chairman

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statements

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 June 2024

1 - Organization and Activities

- A- Osool and Bakheet Investment Company ("The Company") is a Saudi Joint Stock Company registered in Riyadh under the Commercial Register No. 1010219805 on 2 Jumada Al-awwal 1427 H (corresponding to May 28, 2006).
- B- The Company's main activity is dealing in securities, custody of securities, management of investments, operation of funds, and management of investments, in accordance with the approval of the Capital Market Authority No. (07/08126) dated 23 Muharram 1435 H.
- C- Share Capital
- The Company's capital is set at 60,000,000 SAR with 6,000,000 equal-value nominal shares, with a par value of SAR 10 for each, all of which are ordinary cash shares.
 - According to the Decision of the Extraordinary General Assembly dated 4 Jumada al-Awwal 1444H (corresponding to November 28, 2022), it was approved to increase the company's capital by an amount of 21,000,000 Saudi Riyals through the issuance of 2,100,000 new ordinary shares with a nominal value of 10 Saudi Riyals per share. Out of these shares, 1,500,000 ordinary shares were offered to new investors, representing 18.52% of the company's shares after the offering. The remaining 600,000 new ordinary shares were allocated to the Employee Incentive Program's portfolio "Treasury Shares," representing 7.407%. This issuance was carried out in accordance with the rules of securities offering, ongoing obligations issued by the regulatory authority, and listing rules issued by the Saudi Stock Exchange.
 - On 3 Dhu al-Hijjah 1444H (corresponding to June 21, 2023), a resolution was issued by the Board of the Capital Market Authority approving the registration and offering of 1,500,000 shares representing (18.519%) of the company's shares in the parallel market. The Saudi Stock Exchange announced the listing and commencement of trading of the company's shares in the Parallel Market starting from 23 Rabi' al-Awwal 1445H (corresponding to November 7, 2023), and they were registered under number 9586 in the Saudi Stock Exchange.
 - The company's authorized capital is SAR 81,000,000, consisting of 8,100,000 nominal shares with a par value of SAR 10 each, all of which are ordinary cash shares. The legal procedures related to this matter, particularly updating the Articles of Association and the commercial register of the company, are in progress.
- D- The Company's headquarters is located at the following address:
Osool and Bakheet Investment Company
King Fahad street – AL Bahrein tower
P.O 63762, Riyadh
Kingdom of Saudi Arabia.

2 - Basis of preparation condensed interim

Applicable accounting standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', that are endorsed in KSA and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). and should be read in conjunction with the company's most recent annual financial statements for the year ended December 31, 2023. These annual statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards but include selected accounting policies and explanatory notes to interpret significant events and transactions to understand changes in the company's financial position and performance since the last annual financial statements

Basis of measurement

The condensed interim financial statements have been prepared in accordance with the historical cost principle, the going concern concept, and the accrual basis of accounting. Another basis is used if required by International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, as described in the significant accounting policies (Note 5).

Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals which is the functional currency of the company and are rounded to nearest Saudi riyal.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

FOR THE PERIOD ENDED 30 June 2024

3 - Use of assumptions and estimates

The preparation of the financial statements in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements supplementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants requires the management to use assumptions and estimates that affect the recorded amounts of revenues, costs, assets, liabilities and disclosures about potential liabilities at the date of the financial period. However, uncertainty about these assumptions and estimates may result in results that may require a material adjustment to the carrying amount of the assets and liabilities affected in the future.

Estimates and related assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized prospectively.

Uncertain assumptions and estimates

Investment entities and determining control and consolidation of financial statements.

Investment entities are entities that receive funds from one or more investors for the purpose of providing those investors with investment management services. These entities commit to their investors that the purpose of their operations is solely to invest funds for capital gains, investment income, or both. They typically measure and report the performance of their investments at fair value, except when an exception applies as per International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" for investment entities.

According to IFRS 10, investment entities are prohibited from consolidating their subsidiaries or applying IFRS 3 when acquiring control of another entity. Instead, they must measure their investment in subsidiaries at fair value through profit or loss. When determining whether the company controls these funds, the focus is usually on the overall economic interests of the company in the fund, including expected management fees and any other gains. Since investors have the right to remove the fund manager, the company concludes that it acts as an agent for the investors in all cases and therefore does not consolidate these funds in its financial statements.

4 - Changes in Accounting Policies

The accounting policies applied to these condensed interim financial statements are the same as those applied to the financial statements for the year ended December 31, 2023. There have been no new standards issued; however, several amendments to standards are effective from January 1, 2024, which were explained in the company's annual financial statements but do not have a material impact on the company's condensed interim financial statements.

5 - Material accounting policy information

Fair Value Measurement

The company measures financial instruments at fair value as of the date of each financial statement.

The fair value is the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability will occur either:

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

The Main market or the most advantageous market must be accessible to the company.

The fair value of assets or liabilities is measured assuming that market participants would benefit when pricing these assets and liabilities and that they seek to maximize their economic interests.

The company uses appropriate valuation methods considering the circumstances, and sufficient data is available to measure fair value. It increases the use of observable inputs and decreases the use of unobservable inputs.

All assets and liabilities measured at fair value or disclosed in the financial statements are classified within the fair value hierarchy levels as follows, based on the significant inputs used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques that utilize significant observable inputs directly or indirectly.

Level 3: Valuation techniques that utilize significant unobservable inputs.

For assets and liabilities measured at fair value on a recurring basis, the company reassesses whether transfers between hierarchy levels have occurred by reevaluating the classification (based on significant inputs used to measure fair value as a whole) at the end of each reporting period.

For disclosure purposes, the company has identified categories of assets and liabilities based on the nature, characteristics, and risks of the assets and liabilities and the fair value hierarchy level

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE PERIOD ENDED 30 June 2024**

(Saudi Riyal)

6 - Financial investment at fair value through profit or loss

Investments at fair value through profit or loss consist of investments in listed and unlisted company shares and investment funds. This item is composed of the following:

6-A Financial investment at fair value through profit or loss - short-term

Financial Investments at fair value through profit or loss represent investments in shares of listed and unlisted companies, as well as investment funds. This item comprises the following:

June 30, 2024 (unaudited)	Cost	Unrealized gain/(loss)	Fair value
Investments in listed companies	7,975,243	(328,314)	7,646,929
Investments in unlisted companies	25,653,807	160,941	25,814,748
Investments in listed investment funds	3,273,150	(182,434)	3,090,716
Investments in unlisted investment funds	6,002,367	779,165	6,781,532
	42,904,567	429,358	43,333,925
December 31, 2023 (audited)	Cost	Unrealized gain/(loss)	Fair value
Investments in listed companies	26,189,999	(8,418,563)	17,771,436
Investments in unlisted companies	20,204,731	5,449,076	25,653,807
Investments in listed investment funds	2,932,846	340,295	3,273,141
Investments in unlisted investment funds	3,378,399	2,592,516	5,970,915
	52,705,975	(36,676)	52,669,299

6-B Investments at fair value through profit or loss - long-term

June 30, 2024 (unaudited)	Cost	Unrealized gains	Fair value
Creative Future for Digital Brokerage	76,775,840	9,030,560	85,806,400
December 31, 2023 (audited)	Cost	Unrealized gains	Fair Value
Creative Future for Digital Brokerage	31,273,400	45,502,440	76,775,840

7 - Accounts receivable

A- This balance consists of:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Accounts receivable	6,522,660	7,253,905
Expected credit losses - B	(4,818,555)	(4,818,555)
	1,704,105	2,435,350

B- The following is the movement in expected credit losses:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Balance, at the beginning for the period /year	4,818,555	22,607
Charge during the period /year	-	4,795,948
Balance, at the end of the period/ year	4,818,555	4,818,555

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE PERIOD ENDED 30 June 2024**

(Saudi Riyal)

8 - Related Parties

The related party is an individual or entity associated with the Company. An individual is considered a related party if they have control or significant influence over the company or if they are a member of the key management personnel. An entity is considered a related party if it and the company are members of the same parent company, subsidiary, fellow subsidiary, or associated with a joint venture, or if both entities are joint ventures of a third party.

There are transactions that took place during the period with related parties within the normal course of the Company's business and with the approval of the management. The management believes that the terms of those transactions do not materially differ from any transactions the management engages in with any third party. This item consists of:

a- The balances for due from related parties are as follows:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Creative Future for Digital Brokerage Company	4,351,560	350,038
AL Maather REIT Fund	1,199,019	1,207,178
Osool and Bakheet Fund - I Mena Visions for Growth	2,885,539	-
Osool and Bakheet Fund – Mobily	996,941	137,890
Osool and Bakheet Fund – Four Directions Business square	502,739	119,727
Board of directors	445,603	2,380,277
Osool and Bakheet Fund Energy Capital for energy investments	419,720	258,842
Osool and Bakheet Fund for Trading in Initial Public Offerings	335,601	293,248
Osool and Bakheet Fund for Trading in Parallel Market Stocks	326,518	259,742
Tilal Al Malqah Residential Compound Fund	241,212	225,764
Osool and Bakheet Fund – Yamama Business Park	215,625	257,095
Rua’ Growth Series	111,940	111,940
Osool and Bakheet Fund for Trading in Saudi Stocks	151,107	131,307
Osool and Bakheet Fund - The Angel	55,731	122,160
Osool and Bakheet Fund for Trading in Sharia-Compliant Initial Public Offering Stocks	49,328	28,104
Board of directors’ relatives	47,186	181,627
	<u>12,335,369</u>	<u>6,064,939</u>

b- The balances of due to related parties consist of the following:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Board Members of the Maather REIT Fund	100,000	200,000
Board of directors	36,000	87,000
	<u>136,000</u>	<u>287,000</u>

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**FOR THE PERIOD ENDED 30 June 2024**

(Saudi Riyal)

8- Related parties (continued)

c- The following are the key significant transactions that took place with related parties:

Related Party	Nature of Transaction	Type of Transaction	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Creative future digital brokerage	Subsidiaries	Payment on behalf	4,004,897	5,465,268
		Increase in investment	-	6,000,000
Osool and Bakheer - I Mena Rua' Growth Fund	Operating	Fund management and operation	2,882,164	1,065,502
Osool and Bakheet Fund – Mobily	Operating	Fund management and operation	996,941	818,886
Al Maathar REIT Fund	Operating	Fund management and operation	2,994,804	5,418,712
Osool and Bakheet Fund – Four Directions Business square	Operating	Fund management and operation	890,405	119,727
Board Members	BOD	Financial services	145,559	3,769,877
Osool and Bakheet Fund Private for Investment 2	Operating	Fund management and operation trading services	2,372	-
Osool and Bakheet Fund - Energy Capital for Investment in Energy	Operating	Fund management	424,864	263,842
Osool and Bakheet Fund for Trading in IPO Stocks	Operating	Fund management and operation, providing services	649,597	1,058,806
Osool and Bakheet Fund for Trading in Parallel Market Stocks	Operating	Fund management and operation, providing services	614,140	718,865
Telal Residential Hills Compound Fund	Operating	Fund management and operation	490,755	965,541
Osool and Bakheet Fund Yamama Business Park	Operating	Fund management and operation	431,251	257,095
Osool and Bakheet Fund for Trading in Saudi Stocks	Operating	Fund management and operation, providing services	299,141	546,912
Rua' Growth Series	Subsidiaries	Management and operation of the mutual fund	-	139,698
Osool and Bakheet Fund - The Angel	Operating	Operating fund services	103,901	122,160
Osool and Bakheet Fund for Trading in Shariah-Compliant IPO Stocks	Operating	Fund management and operation, providing services	90,124	79,204
Relatives of Board Members	Operating	Financial services	183,805	667,508
Osool and Bakheet upper Management	Employees	Financial services	-	313,534
Board of Directors	BOD	BOD allowance	(36,000)	(87,000)
Board Members of Al Maathar REIT Fund	BOD	BOD' bonuses	(100,000)	(200,000)

OSOOL AND BAKHEET INVESTMENT COMPANY

(A Saudi Joint Stock Company)

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE PERIOD ENDED 30 June 2024**

(Saudi Riyal)

8- Related parties (continued)*Senior management Compensation*

Compensation for senior management consists of amounts paid to individuals who have the authority and responsibility for planning, directing, and controlling the activities of the entity directly or indirectly. This includes any director (whether executive or otherwise). Compensation for senior management includes:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Salaries	1,356,618	4,088,148
Bonuses	801,687	1,820,000
End of service liability	152,403	279,286

9- Financial investment at fair value through other comprehensive income

A- Financial investment at fair value through other comprehensive income consist of the following:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Investments in portfolio managed by the company	146,730	140,358

B- The following is the movement of the investments:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Balance, at the beginning for the period/ year	140,358	111,272
The change in fair value of investments at fair value through other comprehensive income.	6,372	29,086
Balance, at the end of the period/ year	146,730	140,358

C- The investments classified at fair value through other comprehensive income are retained as financial assets within the business model, which achieves its objective through collecting contractual cash flows and selling financial assets.

D- The fair value reserve for investments at fair value through other comprehensive income, as of 30 June 2024, is SAR 21,989 (31 December 2023:15,617 SAR).

10- General and administrative expenses

	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Salaries and employees benefit	5,783,898	8,721,979
consultations fees	736,479	2,150,527
Service supplier and data expenses	693,350	579,724
Insurance expenses	507,201	468,929
Social insurance	294,738	279,237
Government fees	8,000	5,200
expected credit loss provision	-	4,818,000
Other	1,588,119	1,539,193
	9,611,785	18,562,789

11- Earnings per share

The earnings per share are represented by:

	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Net profit from main operations	11,865,474	13,511,577
Number of shares (Weighted Average)	7,500,000	6,000,000
Basic and diluted earnings per share from main operations	1.58	2.21
Net profit for the year	11,947,781	12,956,228
Number of shares (Weighted Average)	7,500,000	6,000,000
Basic and diluted earnings per share	1.59	2.16

OSOOL AND BAKHEET INVESTMENT COMPANY

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

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12- Funds Held in Trust

In accordance with the requirements of the Capital Market Authority (Article 78) of the Licensing Regulations, a review of the bank accounts maintained by the company revealed that they include local bank accounts with Saudi National Bank, Saudi French Bank, Alinma Bank, Al Rajhi Bank, and Arab Bank. As of June 30, 2024, their balances were SAR 518,736,979, USD 5,363, and AED 1,004 (December 31, 2023: SAR 305,417,746, USD 3,655,376, and AED 1,004). These balances are represented in investment accounts, current accounts, client deposits, and client fee and subscription accounts

13- Financial instruments, risk management and fair value

Financial instruments

Financial instruments included in the condensed interim statement of financial position mainly include cash and cash equivalents, receivables, other assets and other financial assets at fair value through profit and loss, due from / to related party, accounts payable, accrued expenses and other liabilities.

Risk Management

The Company's management has overall responsibility for setting and supervising the Company's risk management frameworks. The Company's risk management policies have been developed to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to those limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through its training and management procedures and standards, the Company aims to have a constructive and regular control environment in which employees are aware of their responsibilities and obligations.

Credit risk

Credit risk represents the risk of financial loss that the Company faces in the event that the customer or counterparty in a financial instrument fails to fulfill its contractual obligations, and it mainly arises from cash and cash equivalent and receivables. The maximum exposure to credit risk represents the carrying value of these assets.

The cash balance is represented in current accounts, and as the cash is deposited with financial institutions with high credit ratings, the management believes that the Company is not exposed to significant risks. Credit risk related to customers is managed by the business unit which is subject to the Company's policies, procedures and controls on managing credit risk related to customers. Credit limits are set for all customers using internal and external rating criteria and controls. The credit quality of customers is assessed according to a credit rating system.

The following is a detail of the credit risks to which the Company is exposed:

	June 30, 2024	December 31, 2023
	(unaudited)	(audited)
Accounts receivable	6,522,660	7,253,905
Cash and cash equivalent	77,846,517	75,801,833
Due from related parties	12,335,369	6,064,939
	96,704,546	89,120,677

Market risk

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates and translation rates. The objective of market risk management is to manage and control exposure to market risks within acceptable limits while achieving the highest possible return.

Foreign exchange rate risk: Foreign exchange rate risk results from potential changes and fluctuations in commission rates that may impact future earnings or fair values of financial instruments. The company monitors fluctuations in commission rates and believes that the impact of commission price risks is not significant.

Commission Price Risk: Commission price risks arise from potential changes and fluctuations in commission rates, which can impact future profitability or fair values of financial instruments. The company monitors commission price volatility and believes that there are no commission price risks under the management's oversight.

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**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
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(Saudi Riyals)

13- Financial instruments, risk management and fair value (continued)**Capital Risk**

The primary goal of the company's capital management is to support its operations and increase returns to shareholders.

The company's policy is to maintain a strong capital base to instill confidence in interim condensed financial statement users and support future business developments. The company manages its capital structure and adjusts in light of changes in economic conditions. Management monitors the return on capital, which the company defines as the result of operating activities divided by total equity. There have been no changes in the company's capital management approach during the period. Additionally, management monitors the level of dividend distributions to shareholders. The company has not been subject to externally imposed capital requirements.

The following is an analysis of the Company's debt to equity ratios at the end of the year:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Total liabilities	16,765,391	20,896,422
Less: Cash and cash equivalent	77,846,517	75,801,833
Net	-	-
Total equity	212,059,872	200,105,719
Liability to equity	-	-

Interest rate risk

Interest Rate risk arises from possible changes and fluctuations in interest rates that affect future profit or fair values of financial instruments. The Company monitors interest rate fluctuations and believes that the effect of interest rate risk is ineffective.

Liquidity risk

Liquidity risks represent the challenges faced by the company in meeting its financial obligations. The company's approach to managing liquidity risks is to maintain sufficient cash and near-cash assets and ensure the availability of financing to meet obligations when they become due.

The management monitors liquidity shortage risks by utilizing forecasting models to determine the effects of operational activities on overall liquidity availability. It maintains an available cash liquidity ratio to ensure the repayment of debts when they become due.

The table below summarizes the dates of the company's financial obligations based on undiscounted contractual payments:

As of June 30, 2024 (unaudited)	1 – 12 Months	1 -5 Years	More than 5 Years	Indefinite term	Total
Accruals and other liabilities	5,352,466	-	-	-	5,352,466
Lease Liability	766,461	704,570	-	-	1,471,031
Due to related parties	136,000	-	-	-	136,000
Total	6,254,927	704,570	-	-	6,959,497
As of December 31,2023 (audited)	1 – 12 Months	1 -5 Years	More than 5 Years	Indefinite term	Total
Accruals and other liabilities	8,615,885	-	-	-	8,615,885
Lease Liability	756,963	1,016,339	-	-	1,773,302
Due to related parties	287,000	-	-	-	287,000
Total	9,659,848	1,016,339	-	-	10,676,187

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13- Financial instruments, risk management and fair value (continued)**Fair value**

The fair value of financial assets and financial liabilities includes financial assets in equity instruments and financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, receivables from related parties, trade receivables, prepaid expenses, and other assets, as well as cash and cash equivalents. Financial liabilities comprise payables to related parties, accrued expenses, and other payables.

The fair values of financial instruments for the company do not differ significantly from their carrying amounts.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, as described as follows, based on the lowest level entry that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (without adjustment) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques for which the minimum input that is directly or indirectly significant is observable to the fair value measurement.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is observable.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>As of June 30, 2024 (unaudited)</u>				
Investment at fair value through profit or loss	15,055,161	2,464,015	111,621,149	<u>129,140,325</u>
Investment at fair value through other comprehensive income	146,730	-	-	<u>146,730</u>
<u>As of December 31, 2023 (audited)</u>				
Investment at fair value through profit or loss	24,563,477	2,452,015	102,429,647	<u>129,445,139</u>
Investment at fair value through other comprehensive income	140,358	-	-	<u>140,358</u>

14- Subsequent events

On July 22, 2024, Osool & Bakheet Investment Company has signed a purchase agreement to acquire 51% of the total shares of Advanced Operations Technology Company for a total value of (5,100,000) Five million, one hundred thousand Saudi Riyals. The completion of the acquisition will be subject to General Assembly voting.

15- Approval of condensed interim financial statements

The Interim condensed financial statements were approved by the Board of Directors on 27 Safar 1446 H (corresponding to August 31, 2024).