KAMCO Investment Company
(A Closed Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2023

Building a better working world

Ernst & Young Professional Services (Professional LLC)
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF KAMCO INVESTMENT COMPANY
CLOSED JOINT STOCK COMPANY

Opinion

We have audited the financial statements of KAMCO Investment Company - Closed Joint Stock Company (the "Company"), which comprise statement of financial position as at 31 December 2023 and the statements of profit or loss and other comprehensive income, statement of cash flows and statement of changes in shareholder's equity for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF KAMCO INVESTMENT COMPANY
CLOSED JOINT STOCK COMPANY (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

for Ernst & Young
Professional Services

Saad M. Al-Khathlan
Certified Public Accountant
License No. (509)

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CR.1010383821
شركة ارنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 21 Ramadhan 1445H
(31 March 2024)

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STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	***31 December 2023 SR***	*31 December 2022 SR*
ASSETS			
NON-CURRENT ASSET			
Furniture and equipment		**61,744**	93,613
TOTAL NON-CURRENT ASSET		**61,744**	93,613
CURRENT ASSETS			
Prepayments and other receivables	10	**898,187**	377,867
Amount due from a related party	15	**1,456,677**	1,104,645
Financial assets at fair value through profit or loss	9	**42,493,744**	40,978,820
Cash and cash equivalents	11	**23,443,220**	23,109,603
TOTAL CURRENT ASSETS		**68,291,828**	65,570,935
TOTAL ASSETS		**68,353,572**	65,664,548
SHAREHOLDER'S EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY			
Share capital	12	**50,000,000**	50,000,000
Statutory reserve		**2,281,538**	2,201,970
Retained earnings		**4,211,892**	3,495,779
TOTAL SHAREHOLDER'S EQUITY		**56,493,430**	55,697,749
NON-CURRENT LIABILITY			
Employees' end-of-service benefits	13	**2,131,521**	1,709,591
TOTAL NON-CURRENT LIABILITY		**2,131,521**	1,709,591
CURRENT LIABILITIES			
Zakat payable	8	**7,797,062**	7,051,739
Accrued expenses and other payables	14	**1,931,559**	1,183,676
Amounts due to related parties	15	**-**	21,793
TOTAL CURRENT LIABILITIES		**9,728,621**	8,257,208
TOTAL LIABILITIES		**11,860,142**	9,966,799
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**68,353,572**	65,664,548

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	***2023 SR***	*2022 SR*
REVENUE			
Asset management fees	6	**9,634,714**	9,228,380
Net gain / (loss) from financial assets at fair value through profit or loss	9	**3,708,106**	(1,069,626)
Dividend income		**690,074**	235,660
Interest income on short term deposits		**248,736**	-
Subscription fees and others		**338**	28,427
		14,281,968	8,422,841
EXPENSES			
Employees' salaries and related benefits		**(8,040,864)**	(5,364,443)
General and administrative expenses	7	**(3,737,060)**	(2,574,050)
		(11,777,924)	(7,938,493)
PROFIT BEFORE ZAKAT		**2,504,044**	484,348
Zakat	8	**(1,708,363)**	(1,658,684)
NET PROFIT / (LOSS) FOR THE YEAR		**795,681**	(1,174,336)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS)		**795,681**	(1,174,336)

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	***31 December 2023 SR***	*31 December 2022 SR*
OPERATING ACTIVITIES			
Profit before zakat		**2,504,044**	484,348
Adjustments to reconcile profit before zakat to net cash flows:			
Net (gain) loss on financial assets at fair value through profit or loss	9	**(3,708,106)**	1,069,626
Provision for employees' end-of-service benefits	13	**470,306**	246,146
Depreciation of furniture and equipment		**46,383**	52,686
Operating cash flows before working capital changes		**(687,373)**	1,852,806
Working capital changes:			
Prepayments and other receivables		**(520,320)**	85,541
Accrued expenses and other payables		**747,883**	(668,619)
Amount due to/from related parties, net		**(373,825)**	(604,888)
Net cash (used in) / generated from operations		**(833,635)**	664,840
Zakat paid	8	**(963,040)**	(665,047)
Employees' end-of-service benefits paid	13	**(48,376)**	(253,796)
Net cash used in operating activities		**(1,845,051)**	(254,003)
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through profit or loss	9	**(1,005,201)**	(14,104,360)
Proceeds on redemption of financial assets at fair value through profit or loss		**3,198,383**	8,889,437
Purchase of furniture and equipment		**(14,514)**	-
Net cash generated from / (used in) investing activities		**2,178,668**	(5,214,923)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**333,617**	(5,468,926)
Cash and cash equivalents at beginning of the year		**23,109,603**	28,578,529
CASH AND CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**23,443,220**	23,109,603

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 December 2023

	Share capital SR	***Statutory reserve SR***	***Retained earnings SR***	***Total SR***
Balance at 31 December 2021	50,000,000	2,201,970	4,670,115	56,872,085
Net loss for the year	-	-	(1,174,336)	(1,174,336)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,174,336)	(1,174,336)
Balance at 31 December 2022	50,000,000	2,201,970	3,495,779	55,697,749
Net profit for the year	**-**	**-**	**795,681**	**795,681**
Transferred to statutory reserve		**79,568**	**(79,568)**	**-**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income		**79,568**	**716,113**	**795,681**
Balance at 31 December 2023	**50,000,000**	**2,281,538**	**4,211,892**	**56,493,430**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

KAMCO Investment Company (the "Company") is a Closed Saudi Joint Stock Company registered with the Capital Market Authority ("CMA") under license number 07067-37 dated 2 Jumad Thani 1428H (corresponding to 17 June 2007). The Company operates in the Kingdom of Saudi Arabia under commercial registration number 1010245276 dated 23 Safar 1429H (corresponding to 2 March 2008). The registered address of the Company is Mazaya Tower, King Saud Street, P.O Box 66930, Riyadh 11586, Kingdom of Saudi Arabia.

The objectives of the Company are to act as principal and agent and provide underwriting, managing, advisory, arranging and custodial services.

The Company is a subsidiary of Kamco Investment Company K.S.C.P ("KAMCO KSCP" or the "Parent Company") (see note 12), incorporated under the laws of the State of Kuwait. The Parent Company is regulated by the Capital Market Authority of Kuwait as an investment company and Central Bank of Kuwait for financing activities. The Ultimate Parent Company is Kuwait Projects Company Holding K.S.C.P., which is listed on the Kuwait Stock Exchange.

2 BASIS OF PREPARATION

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

The financial statements have been prepared on a historical cost basis except for investments held at fair value through profit or loss ("FVTPL") which are measured at fair value. These financial statements are presented in Saudi Riyals ("SR"), which is the functional and presentation currency of the Company. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The material accounting policies (Note 3) applied in preparing these financial statements are consistent with those applied in comparative periods presented.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on a current/non-current classification. An asset is classified as current when it is:

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

The Company classifies all other assets as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value measurement (continued)
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Revenue recognition
The Company is engaged to act as principal, agent and to provide underwriting, management, advisory and custodial services. The Company accounts for services separately on the basis of agreements entered into with clients i.e., if these services and their performance obligations are separately identifiable and a transaction price can be separately allocated and distinct from each other.

The following is a description of principal activities from which the Company generates its revenue.

Asset management fees and administrative fees
Fees charged for managing mutual funds and private portfolios are recognised as revenue ratably as the services are provided. Subscription fees from funds are recognised upon subscription. Performance fees are recognised at the year-end, if the results meet the annual pre-set target. Administrative fees earned as income for mutual funds are also recognized ratably as services are provided, on managing mutual funds and private portfolios.

Arranging income
Income from arranging services are recognised when the arranging services are provided.

Dividends
Dividends are recognized when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

Expenses
Expenses except financial charges and operating costs incurred are classified as general and administration expenses. Material expenses such as employee’s costs, depreciation and rent are reported separately.

Special commission income
For all financial assets measured at amortised cost special commission income is recorded using the effective interest rate (“EIR”). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Zakat
The Company is subject to the Regulations of the Zakat, Tax and Customs Authority (the “ZATCA”) in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved. Differences if any resulting from final assessment are adjusted in the year of finalisation.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Furniture and equipment

Furniture and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes all related costs directly attributable to the acquisition or construction of the asset.

Each part of an item of furniture and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Furniture and equipment are depreciated using the straight- line method over the useful lives of the related assets.

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a furniture and equipment comprise, major components having different useful lives, these components are accounted for as separate items. The depreciation expense is recognized in the statement of profit or loss in the expense category consistent with the function of the furniture and equipment.

Gains or losses arising from de-recognition of furniture and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The residual values and useful lives of furniture and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to furniture and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of furniture and equipment is as follows:

Furniture and fixtures	4 years
Computer hardware	3 to 4 years
Office equipment and lease hold improvements	3 to 6 years

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial assets

Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL. Financial assets held by the Company, classified under 'Amortised Cost' are receivables, bank balances and amounts due from a related party.

Financial asset held at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI'); on the principal amount outstanding.

Financial assets held at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

a Financial assets (continued)

Financial assets held at FVOCI (continued)
FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Special commission and foreign exchange gains or losses are recognised in statement of profit or loss.

Equity instruments
On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets held at FVTPL
All other financial assets are classified as measured at FVTPL. This may include equity held for trading and debt securities not classified either as Amortized Cost or FVOCI.

In addition, on initial recognition, the Company may also irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. As part of the convergence, the Company has classified all its investments in funds under FVTPL category.

Impairment of financial assets
The Company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

b Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances, cash on hand, and short-term deposits (if any) that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased which are subject to an insignificant risk of changes in value.

Short term time deposits are convertible into known amounts of cash and have an original maturity of more than ninety days when purchased.

Employee benefits
Employee benefits are all forms of consideration given by the Company in exchange for services rendered by employees. Employee benefits include short-term employee benefits, post-employment benefits and other long-term employee benefits.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Short term employee benefits
When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid as an expense. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Post-employment obligation
The Company operates a post-employment benefit scheme driven by the labour laws of the Kingdom of Saudi Arabia.

The post-employment benefits scheme is not funded. Valuation of the obligation under such a scheme is carried out by an independent actuary based on the projected unit credit method.

The costs relating to such a scheme primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of profit or loss and other comprehensive income as "employee costs" while unwinding of the liability at discount rates used are recorded as a finance cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Remeasurements are not reclassified to the statement of profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from scheme amendments or curtailments are recognised immediately in profit or loss as past service costs.

Provisions
Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

Statutory reserve
In accordance with the Company's by-laws, the Company must set aside 10% of its net profit in each year until it has built up a reserve equal to 30% of its share capital. The Company may resolve to discontinue such transfers when the reserve totals 30% of the share capital. The reserve is not available for distribution.

Foreign currencies
In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rate of exchange prevailing at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies (continued)
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in profit or loss or other comprehensive income are also recognized in the statement of profit or loss or other comprehensive income, respectively).

4 NEW AND AMENDED STANDARDS ISSUED DURING THE YEAR AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

New and amended standards and interpretations
The new and amended standards and interpretations that are issued, which are effective for annual periods beginning on or after 1 January 2023 are disclosed below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company’s financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company’s financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company’s financial statements.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

4 NEW AND AMENDED STANDARDS ISSUED DURING THE YEAR AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective (continued)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

The amendments are not expected to have a material impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements.

5 SIGNIFICANT ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Company makes judgements, estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available local mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and benefits' increases are based on expected future inflation rates for the respective countries.

Significant judgment in determining the lease term of contracts with renewal options
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Financial risk management (note 17).

6 ASSET MANAGEMENT FEES

	2023	*2022*
	SR	*SR*
Management fees	**8,454,799**	7,993,777
Administrative fees	**1,179,915**	1,234,603
	9,634,714	9,228,380

On 9 January 2020, the KAMCO Saudi Equity Fund was divided into class A and B. For class A, management fees are computed at 1.75% and for class B at 0.75%.

7 GENERAL AND ADMINISTRATIVE EXPENSES

	2023	*2022*
	SR	*SR*
Government and professional fees	**671,832**	705,483
Rent expenses	**601,363**	601,364
Advertisement expenses	**441,625**	-
Board remuneration	**385,200**	385,200
Recruitment charges	**304,730**	4,562
Business travel expenses	**300,895**	127,429
Bad Debt	**297,444**	-
Subscription expenses	**163,193**	117,095
Internet charges	**132,000**	132,198
IT support and testing	**122,495**	145,556
Utilities	**87,708**	120,307
Depreciation of furniture and equipment	**46,390**	52,686
Communication	**38,851**	37,870
Printing and office supplies	**23,189**	51,061
Training expenses	**22,200**	49,549
Others	**97,945**	43,690
	3,737,060	2,574,050

8 ZAKAT

Charge for the year
The zakat charge consists of the current year provision amounting to SR 1,708,363 (2022: SR 1,658,684).

The provision is based on the following zakat base:

	2023	*2022*
	SR	*SR*
Equity	**55,697,749**	56,872,085
Provision and other adjustments	**7,754,409**	6,878,293
Book value of long-term assets	**(61,743)**	(93,613)
	63,390,415	63,656,765
Adjusted profit for the year	**2,974,344**	730,494
	66,364,759	64,387,259

Movements in provision during the year ended 31 December:

	2023	*2022*
	SR	*SR*
At beginning of the year	**7,051,739**	6,058,102
Charge during the year	**1,708,363**	1,658,684
Paid during the year	**(963,040)**	(665,047)
At end of the year	**7,797,062**	7,051,739

Status of assessments

The Zakat, Tax and Customs Authority ("ZATCA") has finalized zakat assessment for the years up to 31 December 2014, 31 December 2018 and 31 December 2020.

During 2020, The final ruling for the company's appeal against ZATCA's assessment for the year ended 31 December 2018 has been issued with additional zakat liability of SR 1.19 million and the Company has agreed and settled the related zakat liability.

During 2023, The final ruling for the company's appeal against ZATCA's assessment for the year ended 31 December 2020 has been issued with additional zakat liability of SR 0.36 million and the Company has agreed and settled the related zakat liability.

During the year, the Company received zakat assessments in respect of the years 2015, 2016, and 2019, that raised additional claim amounting to SR 3.6 million (2015: SR 1.45 million, 2016: SR 0.81 million, 2019: SR 1.34 million). The Company has filed an appeal against these claims and the ruling was made amounting to SR2.96 million; however, management believes that the current provision is sufficient to absorb the claim amount.

The zakat returns for the years 2017, 2021 and 2022 have been filed but no assessments have yet been raised by the ZATCA.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment as at the reporting date comprise of investments in mutual fund managed by the Company and other investments.

	31 December 2023 SR	*31 December 2022 SR*
Investments held at fair value through profit or loss		
KAMCO Saudi Equity Fund *	**19,783,436**	16,937,422
Yaqeen Murabaha Fund	**10,837,182**	10,356,209
Project Newark	**8,646,850**	8,646,850
Alinma Liquidity Fund	**3,226,276**	3,093,466
Deraya REIT	**-**	1,944,873
	42,493,744	40,978,820

* This fund should be considered as a related party given its been managed by the Company.

The following is the movement in financial assets at fair value through profit or loss during the year:

	2023 SR	*2022 SR*
Cost:		
At the beginning of the year	**35,433,822**	30,061,271
Additions during the year	**1,005,201**	14,104,360
Disposals during the year	**(2,950,073)**	(8,731,809)
At the end of the year	**33,488,950**	35,433,822
Movement of unrealized gain:		
At the beginning of the year	**5,544,998**	6,772,252
Changes in fair value during the year	**3,459,796**	(1,227,254)
At the end of the period	**9,004,794**	5,544,998
Net investments at the end of the year	**42,493,744**	40,978,820

The following is the details of income / (loss) recognized from financial assets at fair value through profit or loss during the year ended:

	2023 SR	*2022 SR*
Unrealized gain / (loss) from fair value changes	**3,459,796**	(1,227,254)
Realized gain on disposal	**248,310**	157,628
	3,708,106	(1,069,626)

10 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2023 SR	*31 December 2022 SR*
Prepaid expenses	**376,943**	307,544
Accrued Income	**241,114**	-
Advance to suppliers	**125,000**	-
Advance for investment	**69,150**	-
VAT receivable	**57,297**	34,720
Security deposits	**28,683**	28,683
Other receivables	**-**	6,920
	898,187	377,867

11 CASH AND CASH EQUIVALENTS

	31 December 2023 SR	*31 December 2022 SR*
Cash at banks	**2,143,220**	23,109,603
Short-term deposits	**21,300,000**	-
	23,443,220	23,109,603

Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest ranging from 5.50% - 5.95% per annum.

12 SHARE CAPITAL

At 31 December 2023, the Capital is divided into 5,000,000 shares of SR 10 each (31 December 2022: 5,000,000 shares of SR 10 each).

The shareholding as at 31 December 2023 and 31 December 2022 as follows:

Shareholder	***Shareholding %***	***Number of shares***	***Amount SR***
Kamco Investment Company K.S.C.P.	**100.00**	**5,000,000**	**50,000,000**

13 EMPLOYEES' END-OF-SERVICE BENEFITS

The following tables summarise the components of the end of service benefits recognised in the statement of profit or loss and statement of financial position:

a Movement in the present value of defined benefit obligation during the year ended 31 December:

	2023	*2022*
	SR	*SR*
Present value of defined benefit obligation at beginning of the year	**1,709,591**	1,717,241
Charge recognised in statement of profit or loss	**470,306**	246,146
Paid during the year	**(48,376)**	(253,796)
Present value of defined benefit obligation at end of the year	**2,131,521**	1,709,591

b Benefit expense (recognised in statement of profit or loss) during the year ended 31 December:

	2023	*2022*
	SR	*SR*
Benefit expense	**470,306**	246,146

c Principal actuarial assumptions:

	2023	*2022*
	%	%
Discount rate	**4.88**	4.43
Salary increase rate	**3.00**	3.00

The Company's demographic assumption i.e., withdrawal rate was moderate as at 31 December 2023 and 2022.

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

	31 December 2023	*31 December 2022*
	SR	*SR*
Discount rate		
1% increase	**88,052**	80,608
1% decrease	**(97,724)**	(89,455)
Salary increase rate		
1% increase	**(109,410)**	(98,618)
1% decrease	**100,142**	90,306

14 ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023 SR	*31 December 2022 SR*
Accrued employee costs	**876,429**	140,757
Accrued board remuneration	**385,000**	385,000
Value added tax	**366,424**	354,990
Accrued professional fees	**301,406**	184,495
Accounts payable	**2,300**	113,434
Accrued rent - Head Office	**-**	5,000
	1,931,559	1,183,676

15 RELATED PARTIES TRANSACTION AND BALANCES

Related parties	***Nature of transactions***	***2023 SR***	*2022 SR*
Shareholder			
KAMCO KSCP	Expenses paid on behalf	**240,081**	488,558
Affiliates			
Funds under management	Amounts received from assets under management	**40,793**	(1,395)
	Assets management fees	**8,195,481**	8,575,971
Board of directors	Board fees to independent board members	**385,200**	385,200
Key managerial personnel	Short term	**335,595**	371,098
	Long term	**1,081,886**	44,231
	Bonus	**1,000,000**	-

Balances with related parties included in the statement of financial position are as follows:

	Relationship	***31 December 2023 SR***	*31 December 2022 SR*
Amount due from a related party			
KAMCO Saudi Equity Fund	Affiliate	**1,030,998**	919,048
KAMCO KSCP	Shareholder	**425,679**	185,597
		1,456,677	1,104,645
Amount due to a related party			
KAMCO Saudi Equity Fund	Affiliate	**-**	21,793

Terms and conditions of transactions with related parties

The transactions with related parties are made at terms equivalent to those that prevail in the Company's normal commercial transactions. Outstanding balances at the reporting date are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

16 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Fair value			
31 December 2023	***Carrying value (SR)***	***Level 1***	***Level 2***	***Level 3***	***Total***
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	42,493,744	33,846,894	-	8,646,850	**42,493,744**
Total	**42,493,744**	**33,846,894**	-	**8,646,850**	**42,493,744**
31 December 2022					
Financial assets measured at fair value					
Financial assets at fair value through profit or loss	40,978,820	32,331,970	-	8,646,850	40,978,820
Total	40,978,820	32,331,970	-	8,646,850	40,978,820

17 FINANCIAL RISK MANAGEMENT

The Company's financial operations are exposed to following risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss and arises principally from cash equivalents, credit exposures to customers including outstanding amounts due from related parties. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. The table below shows the Company's maximum exposure to credit risk for components of the statement of financial position.

	31 December 2023 SR	*31 December 2022 SR*
Bank balances	**2,143,220**	23,109,603
Short term deposits	**21,300,000**	-
Financial assets at fair value through profit or loss	**42,493,744**	40,978,820
Amount due from a related party	**1,456,677**	1,104,645
Security deposit	**28,683**	28,683
Other receivables	**-**	6,920
	67,422,324	65,228,671

Credit concentration

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. No significant concentrations of credit risk were identified by the management as at the reporting date.

17 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Accordingly, the Company ensures that sufficient funding from related parties and bank facilities are available at all times. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

31 December 2023	***Less than one year SR***	***More than one year SR***	***Total SR***
Other payables	**2,300**	**-**	**2,300**
	2,300	**-**	**2,300**
31 December 2022			
Other payables	113,434	-	113,434
Amounts due to related parties	21,793	-	21,793
	135,227	-	135,227

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Company's income or cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyals are on a fixed parity with the US Dollar, the management believes that the Company does not have any significant exposure to currency risk.

18 FIDUCIARY ACCOUNTS

The Company holds the following balances in a fiduciary capacity. These are not treated as assets of the Company and accordingly are not included in these financial statements.

	31 December 2023 SR	*31 December 2022 SR*
Assets under management	**998,701,517**	845,408,362

The Company's seed money investment in KAMCO Saudi Equity Fund is included in the above net asset values. Fees from Assets under management has been disclosed in note 6.

19 EVENTS AFTER REPORTING PERIOD

No events have occurred subsequent to the reporting date and before the issuance of these financial statements, which require adjustments to or disclosure in these financial statements.

20 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Management on 21 Ramadhan 1445H (corresponding to 31 March 2024).