KKR Saudi Limited
(A Limited Liability Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2021

KKR Saudi Limited
(A Limited Liability Company)

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31 December 2021

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Ernst & Young Professional Services (Professional LLC)
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INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF KKR SAUDI LIMITED
(A Limited Liability Company)

Opinion

We have audited the financial statements of KKR Saudi Limited (A Limited Liability Company) (the "Company"), which comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in partners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are issued in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with the 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 professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 issued by the Saudi Organization for Chartered and Professional Accountants and the provisions of Regulations for Companies and the Company's Articles of Association, 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF KKR SAUDI LIMITED
(A Limited Liability Company) (continued)

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.

As part of an audit in accordance with the 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF KKR SAUDI LIMITED
(A Limited Liability Company) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Waleed Tawfiq
Certified Public Accountant
License No. 437

Riyadh: 24 Sha'aban 1443H
(27 March 2022)

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شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

KKR Saudi Limited
(A Limited Liability Company)

STATEMENT OF FINANCIAL POSITION
31 December 2021

	Notes	***2021*** ***SR***	*2020* *SR*
ASSETS			
NON-CURRENT ASSET			
Right-of-use asset	4	**646,533**	562,445
CURRENT ASSETS			
Due from a related party	5	**2,521,653**	3,745,684
Prepayments and other current assets	6	**114,443**	121,519
Bank balances		**2,750,726**	1,220,918
TOTAL CURRENT ASSETS		**5,386,822**	5,088,121
TOTAL ASSETS		**6,033,355**	5,650,566
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital	7	**2,000,000**	2,000,000
Statutory reserve	8	**276,787**	257,677
Retained earnings		**2,491,088**	2,319,100
TOTAL SHAREHOLDERS' EQUITY		**4,767,875**	4,576,777
NON-CURRENT LIABILITY			
Employee defined benefit liabilities		**31,861**	8,272
CURRENT LIABILITIES			
Accrued expenses and other payables	9	**310,571**	406,944
Lease liability	4	**845,262**	568,341
Income tax payable	10	**77,786**	90,232
TOTAL CURRENT LIABILITIES		**1,233,619**	1,065,517
TOTAL LIABILITIES		**1,265,480**	1,073,789
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,033,355**	5,650,566

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March 21, 2022

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	***2021 SR***	*2020 SR*
REVENUE			
Advisory revenue		**3,541,436**	3,487,430
EXPENSES			
Professional fees		**(938,367)**	(1,002,086)
Employees' cost and related benefits		**(598,876)**	(576,581)
Depreciation of right-of-use assets	4	**(590,332)**	(536,364)
Utilities		**(207,378)**	(193,533)
Travel and entertainment		**(191,517)**	(117,316)
Subscription fees		**(81,000)**	(90,000)
Occupancy expenses		**(61,350)**	(52,052)
Finance charges	4	**(1,373)**	(17,280)
Others		**(549,294)**	(586,126)
		(3,219,487)	(3,171,338)
PROFIT BEFORE INCOME TAX		**321,949**	316,092
Income tax	10	**(130,851)**	(109,662)
NET PROFIT FOR THE YEAR		**191,098**	206,430
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**191,098**	206,430

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March 21, 2022

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2021

	Capital *SR*	*Statutory reserve* *SR*	*Retained earnings* *SR*	*Total* *SR*
Balance at 1 January 2020	2,000,000	237,034	2,133,313	4,370,347
Net profit for the year	-	-	206,430	206,430
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	206,430	206,430
Transfer to statutory reserve	-	20,643	(20,643)	-
Balance at 31 December 2020	2,000,000	257,677	2,319,100	4,576,777
Net profit for the year	-	-	191,098	191,098
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	191,098	191,098
Transfer to statutory reserve	-	19,110	(19,110)	-
Balance at 31 December 2021	**2,000,000**	**276,787**	**2,491,088**	**4,767,875**

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March 21, 2022

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	***2021*** ***SR***	*2020* *SR*
OPERATING ACTIVITIES			
Profit before income tax		**321,949**	316,092
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of right-of-use asset	4	**590,332**	536,364
Provision for employee defined benefit liabilities		**23,589**	8,272
Interest on lease liability	4	**1,373**	17,280
		937,243	878,008
Working capital changes			
Decrease (increase) in due from a related party		**1,224,031**	(62,991)
Decrease in prepayments and other current assets		**7,076**	113,220
(Decrease) increase in accrued expenses and other payables		**(96,373)**	26,594
Cash generated from operations		**2,071,977**	954,831
Employee defined benefit liabilities paid		**-**	(87,622)
Income tax paid	10	**(143,297)**	(68,044)
Net cash from operating activities		**1,928,680**	799,165
FINANCING ACTIVITY			
Payment of principal portion of lease liabilities	4	**(398,872)**	(548,500)
Net cash used in a financing activity		**(398,872)**	(548,500)
Net increase in bank balances		**1,529,808**	250,665
Bank balances at the beginning of the year		**1,220,918**	970,253
Bank balances at the end of the year		**2,750,726**	1,220,918
Supplemental non-cash financial information			
Addition to right of use assets and related lease liability	4	**674,420**	1,038,361

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March 21, 2022

The attached notes 1 to 16 form part of these financial statements.

1 COMPANY INFORMATION

KKR Saudi Limited ("the Company") is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia on 9 Rajab 1433H (corresponding to 30 May 2012) under commercial registration number 1010340484. The Company obtained a service investment license from the Saudi Arabian General Investment Authority numbered 2832119956 dated 21 Dhul-Qadah 1432H (corresponding to 19 October 2011). The Company has also obtained a license number 11154-10 dated 24 Rajab 1432H (corresponding to 26 June 2011) from Capital Market Authority ("CMA"). The objective of the Company is to perform the arrangement of financial securities.

The registered address of the Company is Al Faisaliah Tower, 18th floor, P.O. Box 54995, Riyadh, Kingdom of Saudi Arabia.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Saudi Riyals ("SR"), which is the Company's functional currency.

2.2 New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 16 COVID-19 Related Rent Concessions
On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application. Therefore, this amendment does not have any impact on the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments, effective as of 1 January 2021, to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective

The new and amended standards 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, if applicable, when they become effective:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, 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; and
- 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments to the classification of liabilities as current or non-current is not expected to have a significant impact on the Company's financial statements in the period of initial application.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not applicable for the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective (continued)

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides 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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies

The summary of significant accounting policies adopted by the Company in preparing the financial statements are applied consistently as follows:

Current versus non-current classification
The Company presents its assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or a liability, if market participants act in their economic best interest.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Financial assets consist of FVTPL investment, cash and cash equivalent, account and other receivables. Financial liabilities consist of accounts payable and other current liabilities.

Fair values of these financial instruments have been assessed as being approximate to the carrying amounts due to frequent re-pricing or their short-term nature.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

i) Lease liabilities
Lease liabilities include, if applicable, the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

ii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Low-value assets are items that do not meet the Company’s capitalisation threshold and are considered to be insignificant for the statement of financial position of the Company as a whole. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Financial instruments
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets
The Company initially recognises financial assets on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All recognized financial assets are subsequently measured in their entirety at either amortized cost using the effective interest rate method (“EIR”) method (if the impact of discounting or any transaction costs is significant). Interest income from these financial assets is included in finance income. Any gains or losses arising on derecognition is recognized directly in profit or loss and presented in other income / expense.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets
The Company recognizes a loss allowance for expected credit losses on due from a related party and bank balances.

The Company always recognizes lifetime Expected Credit Loss ("ECL") for due from a related party. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. At 31 December 2020, all Company's financial liabilities are classified at amortised cost.

Subsequent measurement
After initial recognition, interest-bearing liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the 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 as finance costs in the statement of profit or loss.

Other payables
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the suppliers or not.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents comprise deposits held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of three months or less, which are subject to insignificant risk of changes in values.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits
Employee defined benefit liabilities
The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements.

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits
A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and air tickets that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits
Retirement benefits made to defined contribution plans are expensed when incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Statutory reserve
In accordance with Saudi Arabian Companies' Law and the Company's Articles of Association, the Company must set aside 10% of net income in each year until it has built up a reserve equal to 30% of the capital. This reserve is not available for distribution.

Income tax
The Company is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Income tax are provided on an accrual basis and are charged to profit or loss. Income tax is computed on adjusted net income. Difference, if any, resulting from final assessment are adjusted in the year of their finalization.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Revenue recognition
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when services are performed in accordance with the agreement terms.

Advisory revenue
The Company provides advisory services to related parties. Such services are recognized as performance obligations are satisfied over time. Revenue is recognized for these services based on certain incurred expenses as per the agreement. Payment for the services is not due from the related parties until the expenses are incurred.

Expenses
Expenses are measured and recognized as a period cost at the time when they are incurred. Expenses related to more than one financial period are allocated over such periods proportionately.

Foreign currency transactions
In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. 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 comprehensive income.

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 the statement of comprehensive income).

3 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

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 one lease contract that includes extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate (e.g., significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses

The Company uses a provision matrix to calculate ECLs for due from a related party. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, 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, these financial statements continue to be prepared on the going concern basis.

4 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use asset include leased office. The carrying amounts of right-of-use asset recognized and the movements during the year are as follows:

	2021	*2020*
	SR	*SR*
At the beginning and of the year	**562,445**	60,448
Additions during the year	**674,420**	1,038,361
Depreciation charge for the year	**(590,332)**	(536,364)
As at end of the year	**646,533**	562,445

The carrying amounts of lease liability and the movements during the year is as follows:

	2021	*2020*
	SR	*SR*
At the beginning of the year	**568,341**	61,200
Addition during the year	**674,420**	1,038,361
Interest on lease liability	**1,373**	17,280
Payments	**(398,872)**	(548,500)
At the end of the year	**845,262**	568,341
Current portion of lease liability	**845,262**	568,341
Non-current portion of lease liability	**-**	-

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

During the year, the Company transacted with the following related parties:

Related party	*Nature of relationship*
Kohlberg Kravis Roberts & Co. L.P.	Shareholder
KKR MENA Limited	Subsidiary of shareholder
Kohlberg Kravis Roberts & Co. Partners LLP	Subsidiary of shareholder

The following are the details of the major transactions with related parties during the year:

Related party	*Nature of transactions*	*Amount of transactions*	
		2021	*2020*
		SR	*SR*
Kohlberg Kravis Roberts & Co. L.P.	Advisory Revenue (a)	**3,541,436**	3,487,430
	Expenses recharged by the Company	**19,729**	-
	Expenses incurred on behalf of the Company	**-**	35,750
KKR MENA Limited	Expenses incurred on behalf of the Company	**87,215**	137,215
	Expenses recharged by the Company	**-**	91,987
Kohlberg Kravis Roberts & Co. Parents LLP	Expenses incurred on behalf of the Company	**86,069**	39,980
	Expenses recharged by the Company	**737**	-

5 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) The Company provides assistance to Kohlberg Kravis Roberts & Co. L.P., a Shareholder, in performing their advisory services. In return the Company is entitled to receive advisory revenue, calculated based on agreed terms and certain costs incurred plus an amount equal to 10% of such costs with the exception of employee incentives which are charged back at cost (i.e., no markup).

The breakdown of the due from a related party is as follows:

	2021	*2020*
	SR	*SR*
Kohlberg Kravis Roberts & Co. L.P	**2,521,653**	3,745,684

The amount outstanding with the related party bears no interest. No guarantees have been given or received.

Compensation of key management personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, which includes senior management.

Compensation paid to key management personnel as short-term benefits during the year amounted to SR 537,226 (2020: SR 267,865), while employees defined benefits liabilities paid amounted to SR nil (2020: SR17,326).

6 PREPAYMENTS AND OTHER CURRENT ASSETS

	2021	*2020*
	SR	*SR*
Rent security deposit	**75,110**	75,110
Prepaid expenses	**39,333**	38,333
Other receivables	**-**	8,076
	114,443	121,519

7 CAPITAL

The authorized, issued and paid up capital of the Company, amounting to SR 2,000,000 (2020: SR 2,000,000), is divided into 20,000 shares of SR 100 each. The shareholders of the Company and their respective shareholdings as of 31 December 2021 and 2020 are as follows:

Name	*Shareholding*	*Amount*
	%	*SR*
KKR Mena Holding LLC	99.9%	1,998,000
Kohlberg Kravis Roberts & Co. L.P.	0.1%	2,000
	100%	2,000,000

8 STATUTORY RESERVE

As required by Saudi Arabian Companies' Law and the Company's Articles of Association, 10% of the income for the year should be transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the capital. This reserve is not available for distribution.

9 ACCRUED EXPENSES AND OTHER PAYABLES

	2021	*2020*
	SR	*SR*
Accrued professional fees	**306,555**	363,092
Accrued expenses	**4,016**	25,995
Other payables	**-**	17,857
	310,571	406,944

10 INCOME TAX

10.1 Charge for the year

	2021	*2020*
	SR	*SR*
Profit before income tax	**321,949**	316,092
Tax at the statutory income tax rate of 20% (2020: 20%)	**64,389**	63,218
Non-taxable income and non-deductible expenses	**13,397**	27,014
Provision for the year	**77,786**	90,232
Charge for prior year assessment (note 10.2)	**53,065**	19,430
Charge for the year	**130,851**	109,662

The current year provision is based on 20% of the adjusted taxable profit. Differences between the financial and taxable profit are mainly due to provisions and certain expenses which are disallowed for tax purposes.

Movements in income tax provision were as follows:

	2021	*2020*
	SR	*SR*
At the beginning of the year	**90,232**	48,614
Charge for the year	**130,851**	109,662
Payments during the year	**(143,297)**	(68,044)
At the end of the year	**77,786**	90,232

10.2 Status of assessments

The Company has submitted its income tax returns up to 31 December 2020.

During 2021, the Company has agreed and settled an amount of SR 53,065 for income tax as final assessment amount for the assessed year 2015-2017. No assessments have yet been raised by the Zakat, Tax and Customs Authority (‘ZATCA’) for remaining years.

10.3 Deferred tax

Deferred tax assets relate to employee defined benefits provisions. Management believes that there is uncertainty around availability of future taxable profits. Accordingly, the management concluded that deferred tax asset is not material to the financial statements, therefore; has not been accounted for.

11 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise other payables. The Company's principal financial assets include bank balance and due from related party that derive directly from its operations. The Company is exposed to foreign currency risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

Foreign exchange risk
Foreign currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The functional and presentation currency of the Company is Saudi Riyals. The Company is not exposed to any significant currency risk as most of its transactions are denominated in either Saudi Riyals or US Dollars, and both these currencies are currently on a fixed parity to each other.

Credit risk
Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from bank balances and due from a related party.

Concentration of credit risk arises when a number of counterparties 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

With respect to credit risk arising from the financial assets of the Company, including bank balances, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in the table below.

	2021	*2020*
	SR	*SR*
Bank balances	**2,750,726**	1,220,918
Due from a related party	**2,521,653**	3,745,684
	5,272,379	4,966,602

Bank balances
Credit risk from balances with banks is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed and updated throughout the year. Accordingly, the management has assessed that the impairment loss under ECL is not significant against the carrying value of bank balance.

Due from a related party
This balance includes receivables from a related party. Based on past experience of the Company, balances with the related party are being settled regularly and there is no history of significant receivables being written off from related parties. Accordingly, the management has assessed that the impairment loss under ECL is not significant against the carrying value of related party balance

Liquidity risk
Ultimate responsibility for liquidity risk management rests with the shareholders, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company is not exposed to significant liquidity risk. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

All liabilities on the Company's statement of financial position, other than employees' defined benefit liabilities, are contractually payable on a current basis.

11 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Company's overall strategy remains unchanged from the previous year. The capital structure of the Company consists of equity comprising capital, statutory reserve, and retained earnings.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets consist of bank balance and due from related party and the Company's financial liabilities consist of payables. All financial assets and liabilities are classified as amortized cost and management believes that the fair value of all financial assets and liabilities at the reporting date approximate their carrying values owing to the fact that these are readily liquid. These are all classified within level 3 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current year or prior year.

13 EVENTS SUBSEQUENT TO THE REPORTING DATE

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

14 CONTINGENT LIABILITIES

The Company had no contingent liabilities in existence at the reporting date.

15 IMPACT OF COVID-19 ON OPERATIONS AND FINANCIAL STATEMENTS

A novel strain of coronavirus (COVID-19) ("the virus") was first identified at the end of December 2019, subsequently in March 2020 it was declared as a pandemic by the World Health Organization (WHO). The virus continued to spread throughout in nearly all regions around the world including the kingdom of Saudi Arabia, which resulted in a slowdown of economic and social activities and shutdowns of many sectors at global and local levels.

In response to the rapid spread of the virus and the resulting disruption of some social and economic activities, the Company has assessed its impact on its current and future operational activities and has taken a series of preventive and precautionary measures, including activating of remote work to ensure the safety of its employees and their families.

At the end of the second quarter of 2020, the government of the Kingdom of Saudi Arabia has allowed the return of all economic and commercial activities, while observing the implementation of all preventive measures adopted, and commitment to social distancing. During the fourth quarter of 2020, several vaccines which passed the testing phase effectively and began to be manufactured and distributed globally to many countries, including the Kingdom of Saudi Arabia. As of the date of preparing these financial statements, the Company's operations and financial results have not incurred significant impact from the virus outbreak.

As of the date of preparation of the financial statements for the year ended 31 December 2021, the management has not identified any significant impact on the Company's operations and financial results from the COVID-19 outbreak. These developments could impact our future financial results, cashflows and financial condition and the management will continue to assess the nature and extent of the impact on its business and financial results.

16 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 14 Sha'ban 1443H (corresponding to 17 March 2021).