KKR Saudi Company
(Closed Joint Stock Company)

Financial Statements and Independent Auditor's Report

For the year-ended 31 December 2024

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Christopher Johnson
Rashed al Rashed

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
KKR Saudi Company
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KKR Saudi Company ("the Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, which includes 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 December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are 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 "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' 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 ("the Code"), that are 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 IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of the 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, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the shareholders of KKR Saudi Company (*Continued*)

Auditors' 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 auditors' 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 ISAs 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 ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement 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 the 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 auditors' 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 auditors' 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.

Deloitte and Touche & Co.
Chartered Accountants

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محاسبون ومراجعون قانونيون
المركز الرئيسي - الرياض
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HO-Riyadh
Chartered Accountants
Deloitte and Touche & Co.

Abdul Rahman S. Al-Suwayegh
Certified Public Accountant
License No. 461
Ramadan 23, 1446H
March 23, 2025

KKR Saudi Company
(Closed Joint Stock Company)
Statement of financial position
As at 31 December 2024

Assets	Notes	2024 SR000's	2023 SR000's
Non-current assets			
Right-of-use asset	5	**1,960**	770
Deferred tax asset	6	**34**	21
Total non-current assets		**1,994**	791
Current assets			
Cash and cash equivalents	7	**23,035**	21,663
Due from a related party	4	**1,747**	2,333
Prepaid expenses and other assets	8	**121**	100
Total current assets		**24,903**	24,096
Total assets		**26,897**	24,887
Equity and liabilities			
Equity			
Share capital	1	**20,000**	20,000
Statutory reserve	10	**303**	303
Other reserve		**5**	—
Retained earnings		**3,206**	3,006
Total equity		**23,514**	23,309
Non-current liabilities			
Employees' defined benefit liabilities		**167**	106
Lease Liability	5	**1,234**	60
Total non-current liabilities		**1,401**	166
Current liabilities			
Due to a related party	4	—	35
Accrued expenses and other liabilities	9	**890**	470
Lease liability	5	**726**	710
Income tax payable	6	**366**	197
Total current liabilities		**1,982**	1,412
Total Liabilities		**3,383**	1,578
Total shareholders' equity and liabilities		**26,897**	24,887

The attached notes 1 to 15 form an integral part of these financial statements.

Mohamed Attar
Managing Director

Christopher Johnson
Chairman of Board of Directors

Tamer Samo
Chief Financial Officer

KKR Saudi Company
(Closed Joint Stock Company)

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Notes	2024 SR000's	2023 SR000's
Advisory revenue	4	**6,165**	5,112
Employees' cost and related benefits		**(2,345)**	(1,509)
Professional fees		**(1,012)**	(1,184)
Depreciation of right-of-use asset	5	**(710)**	(615)
Utilities		**(478)**	(517)
Travel and entertainment		**(231)**	(107)
Subscription fees		**(146)**	(119)
Interest on lease liability	5	**(16)**	(13)
Other		**(677)**	(583)
Total expenses		**(5,615)**	(4,647)
Profit before income tax		**550**	465
Income tax	6	**(350)**	(190)
Profit for the year		**200**	275
Other comprehensive income			
Item that cannot be reclassified to statement of profit and loss in subsequent periods: Actuarial gain on employees defined benefit liabilities		**5**	—
Total comprehensive income for the year		**205**	275

The attached notes 1 to 15 form an integral part of these financial statements.

Mohamed Attar
Managing Director

Christopher Johnson
Chairman of Board of Directors

Tamer Samo
Chief Financial Officer

KKR Saudi Company
(Closed Joint Stock Company)
Statement of changes in shareholders' equity
For the year ended 31 December 2024

	Notes	Share capital SR000's	Statutory reserve SR000's	Other reserve SR000's	Retained earnings SR000's	Total SR000's
At 1 January 2023		2,000	303	—	2,731	5,034
Profit for the year		—	—	—	275	275
Other comprehensive income		—	—	—	—	—
Total comprehensive income for the year		—	—	—	275	275
Issue of share capital	1	18,000	—	—	—	18,000
At 31 December 2023		20,000	303	—	3,006	23,309
Profit for the year		—	—	—	**200**	**200**
Actuarial gain on employees defined benefit liabilities		—	—	**5**	—	**5**
Total comprehensive income for the year		—	—	**5**	**200**	**205**
At 31 December 2024		**20,000**	**303**	**5**	**3,206**	**23,514**

The attached notes 1 to 15 form an integral part of these financial statements.

Mohamed Attar
Managing Director

Christopher Johnson
Chairman of Board of Directors

Tamer Samo
Chief Financial Officer

KKR Saudi Company
(Closed Joint Stock Company)
Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 SR000's	2023 SR000's
Cash flows from operating activities			
Profit before income tax		**550**	465
Adjustments for:			
Depreciation of right-of-use asset	5	**710**	615
Charge for employees' defined benefit liabilities		**66**	53
Interest expense on lease liability	5	**16**	13
Operating cash flows before changes in working capital		**1,342**	1,146
Decrease in due from a related party	4	**586**	62
(Increase)/decrease in prepaid expenses and other assets		**(21)**	16
(Decrease)/increase in due to a related party	4	**(35)**	35
Increase/(decrease) in accrued expenses and other liabilities		**420**	(117)
Changes in working capital		**2,292**	1,142
Income tax paid	6	**(194)**	(124)
Net cash generated from operating activities		**2,098**	1,018
Cash flow used in financing activities			
Payment of principal portion of lease liability	5	**(726)**	(606)
Issue of share capital	1	**—**	18,000
Cash flow (used in)/from financing activities		**(726)**	17,394
Net increase in cash and cash equivalents		**1,372**	18,412
Cash and cash equivalents at the beginning of the year		**21,663**	3,251
Cash and cash equivalents at the end of the year		**23,035**	21,663
Non-cash information:			
Addition to right-of-use asset and related lease liability	5	**1,900**	715

The attached notes 1 to 15 form an integral part of these financial statements.

Mohamed Attar	Christopher Johnson	Tamer Samo
Managing Director	Chairman of Board of Directors	Chief Financial Officer

1. General information

KKR Saudi Company ("the Company") is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1010340484 dated 9 Rajab 1433H (corresponding to 30 May 2012).

The objective of the Company is arranging in securities business, in accordance with the license issued by the Ministry of Investment number 102832119956 dated 21 Dhul Qa'adah 1432H (corresponding to 19 October 2011) and the Capital Market Authority ("CMA") license number 6/3509 dated 27 Rajab 1432H (corresponding to 29 June 2011).

During the year ended 31 December 2024, the CMA amended the Company's business profile in order to be authorized to conduct managing investments and operating funds activities in the securities business.

During the prior year, the shareholders general assembly resolved to change the legal structure of the Company from a Limited Liability Company to Closed Joint Stock Company, to increase the share capital of the Company through cash injection from SR 2,000,000 to SR 20,000,000 and to change the Company's name from KKR Saudi Limited to KKR Saudi Company. The regulatory procedures to update the Company's commercial registration and by-laws were completed during the prior year.

As at 31 December 2024, the authorized, issued, and paid-up capital of the Company, amounting to SR 20,000,000 is divided into 2,000,000 shares of SR 10 each (2023: SR 20,000,000 is divided into 2,000,000 shares of SR 10 each). The shareholders of the Company and their respective shareholdings are as follows:

	31 December 2024			31 December 2023		
Name of shareholders	**Number of shares**	**Holding %**	**Amount**	Number of shares	Holding %	Amount
KKR MENA Holding LLC	**1,998,000**	**99.9**	**19,980,000**	1,998,000	99.9	19,980,000
Kohlberg Kravis Roberts & Co. L.P.	**2,000**	**0.1**	**20,000**	2,000	0.1	20,000
	2,000,000	**100**	**20,000,000**	2,000,000	100	20,000,000

2. Material accounting policy information

a) Statement of compliance

The financial statements of the Company have been prepared:

- in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and
- in compliance with the Regulations for Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

b) Basis of preparation

These financial statements have been prepared under the historical cost convention.

The financial statements are presented in Saudi Riyals ("SR"), which is the Company's functional and presentation currency. Except as otherwise indicated, the financial information presented in SR has been rounded-off to the nearest thousand.

2. Material accounting policy information (continued)

c) Changes in accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023. Based on the adoption of new standards and in consideration of the current economic environment, the following accounting policies are applicable effective 1 January 2024, replacing, amending, or adding to the corresponding accounting policies set out in the 2023 annual financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the financial statements of the Company. Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application

New IFRS standards, interpretations and amendments adopted by the Company

Amendment to IFRS 16 - Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Effective from January 1, 2024.

Amendment to IAS 7 and IFRS 7 on Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective date is January 1, 2024.

Amendments to IAS 1 - Non-current liabilities with covenants: These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date is January 1, 2024.

Accounting Standards issued but not yet effective

IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. Effective date is 1 January 2024 subject to the endorsement by SOCPA.

IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Effective date is 1 January 2024 subject to the endorsement by SOCPA.

Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. Effective date is January 1, 2025.

Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. Effective date is January 1, 2026.

2. Material accounting policy information (continued)

c) Changes in accounting policies (continued)

Accounting Standards issued but not yet effective (continued)

IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. Effective date is January 1, 2027.

IFRS 19, Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. Effective date is January 1, 2027.

d) 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.

i) Financial assets

The Company initially recognizes financial assets 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 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, if any. Any gains or losses arising on de-recognition is recognized directly in profit or loss and presented in other income / expense.

ai) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECL) on its financial assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

2. Material accounting policy information (continued)

d) Financial instruments (continued)

i) Financial assets (continued)

ai) Impairment of financial assets (continued)

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

aii) Measurement and recognition of ECL
The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following bases:

- Nature of financial instrument
- Past-due status; and
- Nature, size, and industry of debtors

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

aiii) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. Material accounting policy information (continued)

d) Financial instruments (continued)

i) Financial assets (continued)

aiii) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' in accordance with the globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

aiv) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due for financial assets unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Material accounting policy information (continued)

d) Financial instruments (continued)

i) Financial assets (continued)

av) Write-off policy
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

avi) De-recognition of financial assets
The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

ii) Financial liabilities
Financial liabilities are recognised initially on the trade date the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are subsequently measured at amortized cost.

ai) De-recognition of financial liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

iii) Offsetting of financial assets and liabilities
Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of 90 days or less from the date of acquisition, which are subject to insignificant risk of changes in values.

f) 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 the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

2. Material accounting policy information (continued)

f) Provisions (continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where 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 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 reliably.

g) 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 recognizes 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 recognized, 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.

ii) 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.

iii) 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.

2. Material accounting policy information (continued)

h) Employee benefits

The employee defined benefit liability is determined using the projected unit credit method. Re-measurements 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. Re-measurements 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
- re-measurements.

i) Short-term employee benefits
A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave 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.

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

i) 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 is 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.

j) 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.

2. Material accounting policy information (continued)

k) Value added tax

Revenue, expenses, assets, and liabilities are recognized net of the amount of value added tax, except:

- when the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

l) 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 Kohlberg Kravis Roberts & Co. L.P, a related party. 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.

m) 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.

n) Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in 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.

A liability is current when:

- It is expected to be settled in 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
- The right to defer the settlement of the liability must exist for at least twelve months after the reporting period.

The Company classify all other assets and liabilities as non-current.

o) 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 profit or loss.

3. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgements in applying the Company's accounting policies

The following is considered to be a critical judgement:

i) Going concern
The Company's management has assessed 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 about the Company's ability to continue as a going concern. Therefore, these financial statements are prepared on going concern basis.

b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Calculation of loss allowance
When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in profit or loss.

ii. End of service benefits liability
The cost of the provision for end of service benefits liability under defined unfunded benefit plan is determined using an actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include determination of discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined unfunded benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

iii. Discounting of lease payments
The lease payments are discounted using the Company's incremental borrowing rates.

4. Related party transactions

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 and comparative period, 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 a shareholder
Kohlberg Kravis Roberts & Co. Partners LLP	Subsidiary of a shareholder
KKR Nordics AB	Subsidiary of a shareholder
KKR Asia Limited	Subsidiary of a shareholder
KKR Singapore Pte Ltd	Subsidiary of a shareholder
KKR Capital Markets Partners LLP	Subsidiary of a shareholder
KKR Credit Advisors (US) LLC	Subsidiary of a shareholder
Law Office of Mohammed Al-Sharif	Direct interest by a member of the Board of Directors

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

Related party	**Nature of relationship**	**Amount of transactions**	
		2024	2023
		SR000's	SR000's
Kohlberg Kravis Roberts & Co. L.P.	Advisory revenue (a)	**6,165**	5,112
	Expenses recharged by the Company	**107**	27
	Expenses incurred by the Company	**99**	—
KKR MENA Limited	Expenses incurred by the Company	**252**	16
	Expenses recharged by the Company	**240**	105
Kohlberg Kravis Roberts & Co. Partners LLP	Expenses incurred by the Company	**269**	12
	Expenses recharged by the Company	**30**	2
KKR Nordics AB	Expenses recharged by the Company	**—**	5
KKR Asia Limited	Expenses recharged by the Company	**18**	46
KKR Singapore Pte Ltd	Expenses recharged by the Company	**—**	10
KKR Capital Markets Partners LLP	Expenses recharged by the Company	**—**	3
KKR Credit Advisors (US) LLC	Expenses recharged by the Company	**38**	—
Law Office of Mohammed Al-Sharif	Expenses incurred by the Company	**292**	376

(a) The Company provides sub-advisory services to Kohlberg Kravis Roberts & Co. L.P., a shareholder. 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.

4. Related party transactions (continued)

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

	2024	2023
	SR000's	SR000's
Due from a related party		
Kohlberg Kravis Roberts & Co. L.P.	**1,747**	2,333
Due to a related party		
KKR MENA Limited	—	35

The amounts due from / to the related party bear 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 562,500 (2023: SR 606,133).

5. Right-of-use asset and lease liabilities

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

	2024	2023
	SR000's	SR000's
At the beginning of the year	**770**	670
Additions during the year	**1,900**	715
Depreciation charge for the year	**(710)**	(615)
As at end of the year	**1,960**	770

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

	2024	2023
	SR000's	SR000's
At the beginning of the year	**770**	648
Additions during the year	**1,900**	715
Interest on lease liability	**16**	13
Payments during the year	**(726)**	(606)
At the end of the year	**1,960**	770
Current portion of lease liability	**726**	710
Non-current portion of lease liability	**1,234**	60

6. Income tax

a) Charge for the year

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, comprises the following:

	2024	2023
	SR000's	SR000's
Profit before income tax	**550**	465
Tax at the statutory income tax rate of 20% (2023: 20%)	**110**	93
Non-taxable income and non-deductible expenses	**107**	104
Provision for the year	**217**	197
Excess in prior year provision	**(3)**	—
Provision for additional tax liability claim	**149**	14
Income tax charge for the year	**363**	211
Deferred tax charge	**(13)**	(21)
Charge for the year	**350**	190

The movement in income tax provision for the year ended 31 December 2024 is as follows:

	2024	2023
	SR000's	SR000's
At the beginning of the year	**197**	110
Charge for the year	**217**	197
Excess in prior year provision	**(3)**	—
Provision for additional tax liability claim	**149**	14
Payments during the year	**(194)**	(124)
At the end of the year	**366**	197

b) Status of Income tax

The Company has submitted its income tax returns up to the year ended 31 December 2023, and the Company received the final tax assessment for the year ended 31 December 2019, which resulted in an additional tax liability amounting to SR 14,682 for disallowed expenses. The Company settled the additional tax claim during the prior year. The Company has not yet received the final assessments for the remaining years.

c) Deferred tax

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 20% (2023: 20%). The deferred tax asset arises on the following temporary differences:

	2024	2023
	SR000's	SR000's
Employees' defined benefit liabilities	**167**	106
Deferred tax @ 20%	**34**	21

6. Income tax (continued)

c) Deferred tax (continued)

The movement in deferred tax asset for the year ended 31 December is as follows:

	2024	2023
	SR000's	SR000's
At the beginning of the year	**21**	—
Additions during the year	**13**	21
At the end of the year	**34**	21

7. Cash and cash equivalents

	2024	2023
	SR000's	SR000's
Cash at bank	**23,035**	21,663
	23,035	21,663

Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the Saudi Central Bank of the Kingdom of Saudi Arabia and the Financial Conduct Authority in the United Kingdom. Accordingly, management of the Company estimates the loss allowance on the bank balance at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical experience, expected defaults and the current credit ratings of the bank. Any loss given default is considered to be negligible.

8. Prepaid expenses and other assets

	2024	2023
	SR000's	SR000's
Rent security deposit	**75**	75
Prepaid expenses	**46**	25
	121	100

9. Accrued expenses and other liabilities

	2024	2023
	SR000's	SR000's
Accrued expenses	**818**	414
Other liabilities	**72**	56
	890	470

10. Statutory reserve

In accordance with the Regulations for Companies in Saudi Arabia and the Company's Articles of Association up to the year ended 31 December 2022, the Company has established a statutory reserve by the appropriation of 10% of profit for the year. Appropriations cease when the reserve equals 30% of the share capital. In accordance with the Company's by-laws after the change of the legal structure of the Company from a limited liability company to a closed joint stock company (note 1) and the new Regulation for Companies, effective from 1 January 2023, the Company has no requirements to appropriate a reserve from its profit for the year.

11. Risk management

The Company's principal financial liabilities comprise due to a related party and other payables. The Company's principal financial assets include bank balances and due from a 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.

a) 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 the majority 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.

b) 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. The credit risk associated to these financial assets is low and is likely to remain low for the foreseeable future. Cash at bank is held within reputable banks and the related party receivable is due from the one of the shareholders, which has a solid financial position. The management believes that the outstanding receivables from a related party are fully recoverable.

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.

	2024	2023
	SR000's	SR000's
Cash and cash equivalents	**23,035**	21,663
Due from a related party	**1,747**	2,333
Rent security deposit	**75**	75
	24,857	24,071

11. Risk management (continued)

c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management, 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 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.

d) Capital management

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to shareholders 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 share capital, statutory reserve, other reserve, and retained earnings.

12. Contingent liabilities

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

13. Retirement benefit information

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 138,156 (2023: SR 124,260).

14. Subsequent events to the reporting date

No other 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.

15. Approval of the financial statements

The financial statements have been approved by the Board of Directors on Ramadan 20, 1446H (corresponding to March 20, 2025).