ANNUAL REPORT

BOARD OF DIRECTORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

COMPANY OVERVIEW

Sidra Capital is an Alternative Asset Manager that provides global investment opportunities and specializes in alternative asset classes such as real estate, private finance and advisory. Headquartered in Saudi Arabia and licensed by the Saudi Arabian Capital Market Authority, Sidra Capital specializes in offering tailored investment solutions.

REGULATED ENTITIES

KSA
Capital Market Authority

UAE
Dubai Financial Services Authority

Singapore
Monetary Authority of Singapore

Sidra Capital was founded in 2009, with offices in Jeddah, Riyadh, London, Dubai, and Singapore. Throughout the years, we have established a strong global presence. Our success is attributed to a responsible and prudent investment strategy that prioritizes alternative assets, which combined with our extensive network of offices, give us unique access to global markets. This approach has consistently delivered risk-adjusted returns for our clients.

Throughout our journey, we have achieved steady growth by anticipating, adapting to, and capitalizing on evolving market conditions. Our ability to navigate change is reinforced by a robust corporate governance framework, unwavering shareholder support and an award-winning team. This steadfast commitment to excellence has been instrumental in driving our consistent growth.

In alignment with the Kingdom's Vision 2030, we remain dedicated to the principles and objectives that underpin this transformative era. Our efforts and investments are strategically directed toward supporting national goals of economic growth and diversification.

As we embark on an exciting future, we are determined to further strengthen our position as a leading alternative asset manager, not only within the region but also on a global scale.

KEY HIGHLIGHTS

15
Years of Business

5
Offices

134
Properties Aquired since Inception

CONTENT

KEY ACHIEVEMENTS

Over the past year, we have achieved key milestones, earned prestigious awards, and expanded our project portfolio through successful transactions. This progress was further strengthened by strategic regional hires. We are also pleased to report a 25% increase in overall profits, driven by growth in management service revenues and operational investments.

BUSINESS HIGHLIGHTS 2024

Established a strategic partnership with BPKH Limited to target Shariah-compliant hospitality real estate investments in major Saudi cities, contributing to Vision 2030's objectives for expanding the Kingdom's hospitality sector.

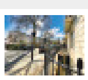
Partnered with Raseel Properties and Knowledge Economic City to launch the Knowledge Economic City Real Estate Investment Fund, a closed-end fund developing a mixed-use project spanning hospitality, residential, retail, and office sectors.

Launched the Sidra Capital Riyadh Opportunities Fund, a private fund focused on developing mixed-use real estate in Riyadh, including residential projects and an office tower, leveraging strategic land acquisitions for capital growth.

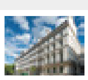
Launched AlBushra Infrastructure Development Fund, a transformative project in Alazizyah, Makkah, converting the 700,000 square metre into fully serviced plots in partnership with a reputable developer, aligned with a strategic exit strategy, attracting foreign investors in holy cities within KSA.

Established Sadeen Living II Residential Development Fund, a closed-ended private real estate development initiative focused on creating residential projects with unique designs adhering to high-quality standards.

Continued the development of the Sidra Capital Money Market Fund in Saudi Arabia, A Private Open-Ended Shariah-compliant fund designed to provide investors with liquidity through weekly subscriptions and redemptions.



Acquired a townhouse in Belgrave Square, London, as part of our strategy to strengthen and diversify our portfolio. This investment supports our value add asset plan, hedging our long income portfolio providing resilience against macroeconomic fluctuations.



Successfully sold the Buckingham Gate property, reinforcing Sidra Capital's strategic asset management approach and demonstrating the firm's continued commitment to portfolio optimization.

Launched the NOTHMIR initiative this year, reflecting our commitment to Corporate Social Responsibility (CSR). Through initiatives like "My Environment, My Responsibility" and "Planting Together," we focus on giving back and investing in the next generation.

KEY ACHIEVEMENTS

OUTLOOK 2025

- Focusing on real estate development projects in Saudi Arabia.
- Developing our Money Market offering in Saudi Arabia.
- Continuing to explore direct and indirect financing opportunities under the private finance asset class.
- Continuing to build on our US, UK, and European real estate platforms.

AWARDS 2024

Our achievements reflect our dedication to quality, innovation, and hard work. These honors reinforce our commitment and drive us to exceed expectations. Our ongoing pursuit of excellence is driving us to exceed expectations and deliver exceptional value.

Euromoney: Most Innovative Islamic Manager - Global.

Forbes: The Middle East's Top 30 Asset Managers- Middle East.

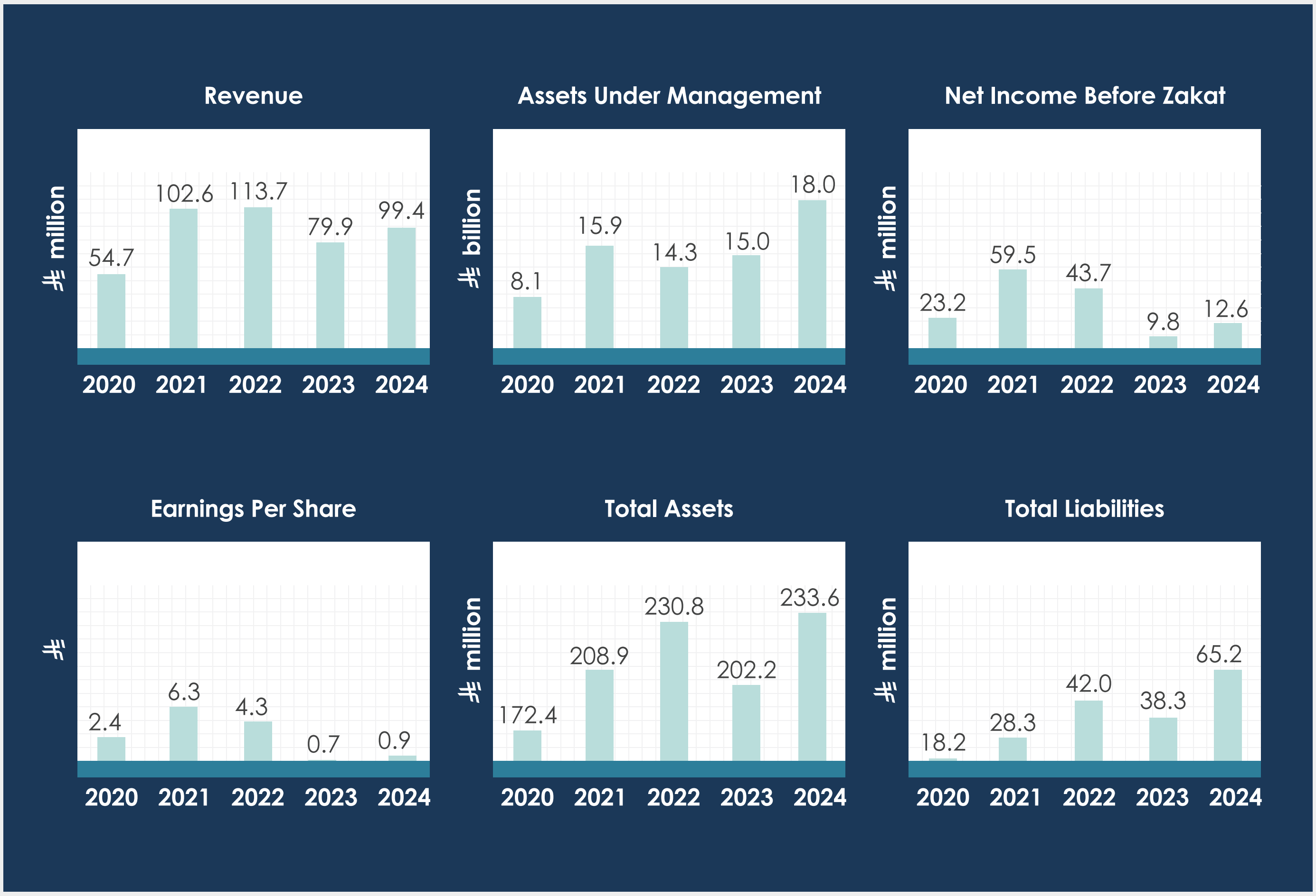
The Asset Triple A Islamic Finance Awards: Islamic Asset Manager of the Year.

International Finance Awards: Best Shariah-Compliant Private Finance Firm - KSA.

World Economic Magazine: Best Asset Management Company - Middle East.

KEY ACHIEVEMENTS

FINANCIAL HIGHLIGHTS



18bn

ASSETS UNDER MANAGEMENT (AUM)

CONTENT

BUSINESS REVIEW

The "Business Review" section provides an overview of our investment-related functions, with a focus on two core areas: Asset Management and Advisory. Together they underpin our business model, enabling us to deliver integrated solutions that cater to the unique needs of our clients.

OUR SERVICES

Asset Management	Investment Advisory	Corporate Finance Advisory
1.1 Real Estate 2.1 Private Finance		

ASSET MANAGEMENT

Our Asset Management services specialize in identifying opportunities within real estate and private finance that align with our strategic objectives. We prioritize maximizing asset performance and long-term value while carefully balancing investor objectives and risk tolerance. Through proactive management and tailored strategies, we consistently deliver sustainable growth and optimal returns for our clients.

1.1 REAL ESTATE

Our real estate strategy focuses on assets globally, with a focus on the the following markets:

UK & Europe Real Estate Team: Focused on originating, structuring, and managing assets in the UK and Europe.

US Real Estate Team: Specialized in industrial, student housing, and office assets across the United States.

KSA Real Estate Team: Concentrated on development projects in Saudi Arabia, leveraging local market expertise to identify high-growth opportunities.

AUM 2024

UK & Europe	US	KSA
⃁ 4.2 bn	⃁ 4.2 bn	⃁ 2.9 bn

NUMBER OF REAL ESTATE ACQUISITIONS SINCE INCEPTION

BUSINESS REVIEW

REAL ESTATE - UK & EUROPE

KEY HIGHLIGHTS 2024

- The UK real estate market remained stable in Q4, with occupier and investor demand largely stable. Credit conditions tightened modestly as bond yields rose, while all-property projections for rents and capital values remain marginally positive for the year ahead. Expectations for secondary assets remain weaker (RICS).

- Facilitated the strategic sale of the 33,000 sq. ft. "Buckingham Gate" property to a government entity, highlighting Sidra Capital's capability in executing complex real estate transactions and enhancing its position as a trusted global investment partner.

- Expanded the portfolio with the acquisition of a prestigious townhouse and rear mews property in Belgrave Square, London. This strategic investment aligns with Sidra Capital's long-term asset acquisition strategy, ensuring portfolio stability amid macroeconomic challenges and supporting sustainable growth objectives.

- Secured a EUR 50 million equity commitment for a German Industrial Sale and Leaseback investment program, with Garbe appointed as the operating partner.

- Delivered a comprehensive five-year forecast across the portfolio, providing investors with a clear roadmap for performance, ready for independent review.

- Maintained portfolio performance despite valuation pressures by using active management and alternative strategies to address interest-related costs challenges, as demonstrated by the successful repositioning in Calais.

BUSINESS REVIEW

REAL ESTATE - US

KEY HIGHLIGHTS 2024

- US national office vacancy rates rose to 20.9%, reflecting continued demand challenges. However, one-third of U.S. markets saw stable or declining vacancy rates, with stricter in-office policies from companies like Amazon and Dell potentially stabilizing the trend.

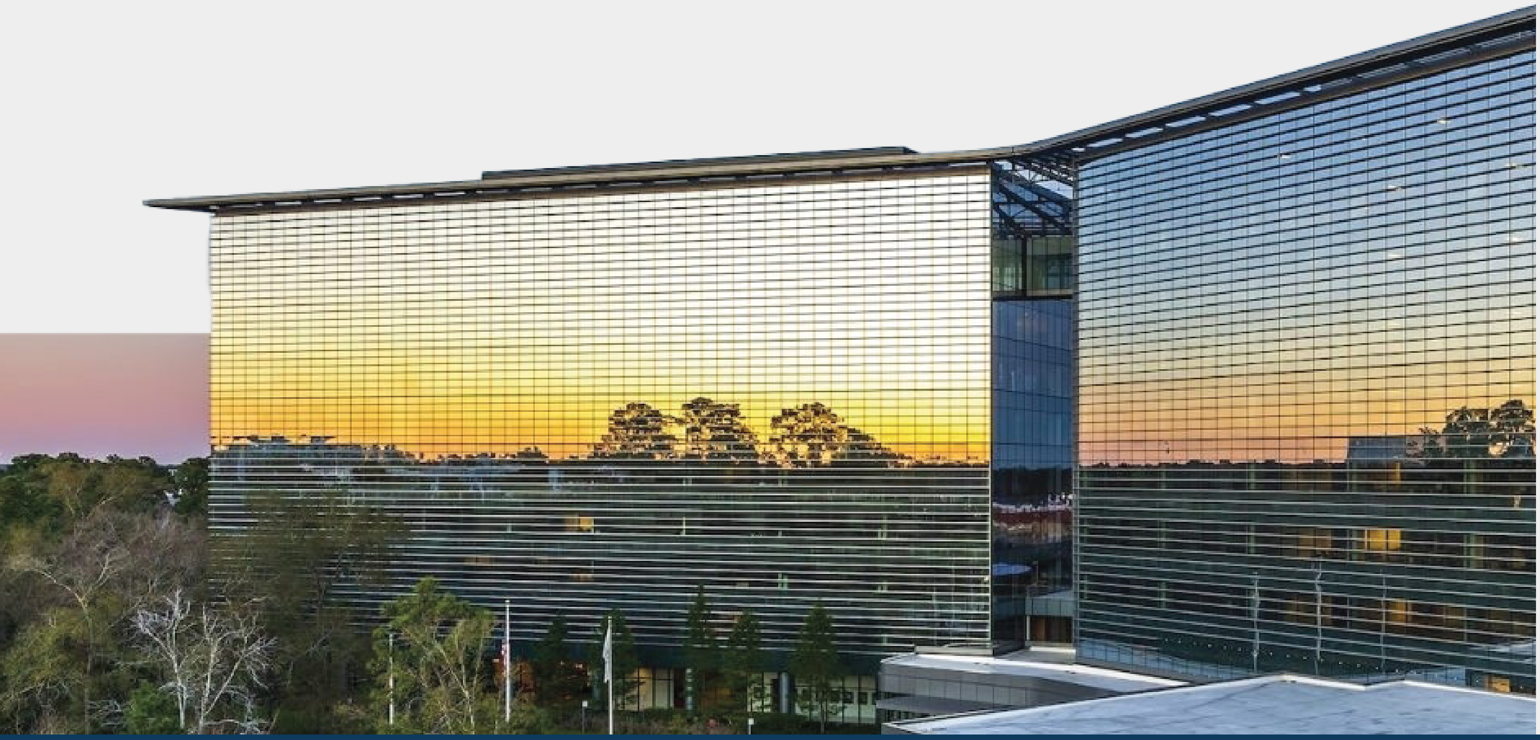
- Successfully refinanced the 10,000 Energy Drive property, demonstrating Sidra Capital's ability to navigate a tight debt market, particularly within the office sector.

- Sidra has undergone a significant leasing program across two office properties in Houston and Blue Bell, with the latter outperforming local competition and reinforcing Sidra Capital’s proactive asset management strategy.

- Leasing activity in Q3 2024 remained robust for the Industrial Real Estate market, with 139.6 million sq. ft. leased—8% above the pre-pandemic 10-year average. Construction slowed, signalling potential future supply constraints.

- Sidra has completed the equity deployment for the Heartland Fund mandate, securing four acquisitions in 2024, demonstrating Sidra Capital’s disciplined investment approach. With three additional properties in the acquisition pipeline, the fund is positioned to leverage its in-place facility to further enhance portfolio growth.

- Achieved key milestones within Sidra Capital's US real estate portfolio, maintaining distributions in line with approved annual budgets despite challenging market conditions.



BUSINESS REVIEW

REAL ESTATE - KSA

KEY HIGHLIGHTS 2024

- The real estate market in Saudi Arabia has maintained positive momentum, with the real estate price index showing a 2.6% increase in Q3 2024 compared to the same quarter in 2023. This increase is driven by a 1.6% rise in residential property prices and a 6.4% increase in commercial real estate prices. However, agricultural sector prices decreased by 8.7% (Real Estate Price Index, Q3 2024).

- Launched the Sidra Capital Riyadh Opportunities Fund, a private, closed-ended fund focused on acquiring and developing mixed-use projects in Riyadh, aiming to drive capital growth through strategic real estate investments.

- Formed a strategic partnership with BPKH Limited to pursue Shariah-compliant hospitality real estate opportunities in key Saudi cities, including Jeddah, Makkah, and Madinah, supporting Vision 2030's goals for economic diversification and growth in the hospitality sector.

- Launched the AlBushra Infrastructure Development Fund to transform over 700,000 square meters in Alazizyah, Makkah, into fully serviced plots. Partnering with a skilled developer, this project aligns with a strategic exit plan, marking a significant step in innovative infrastructure development.

- Launched the Sadeen Living II Residential Development Fund, a closed-ended private real estate development fund designed to develop a residential project that delivers unique designs that meet high-quality specifications.

- Sidra Capital, in partnership with Raseel Properties and Knowledge Economic City (KEC), established the Knowledge Economic City Real Estate Investment Fund, a closed-end private fund focused on developing a mixed-use project that combines hospitality, residential, retail, and office sectors.

BUSINESS REVIEW

2.1 PRIVATE FINANCE

Our Private Finance services bridge the gap between commodity suppliers, buyers, and market intermediaries, addressing inefficiencies in global supply chains. We offer secure, Shariah-compliant short-term investment solutions with a focus on capital preservation, liquidity, and stable returns.

The Money Market strategy offers secure, Shariah-compliant short-term investment solutions, focusing on capital preservation, liquidity, and stable returns within a low to medium-risk range.

Number of Funds	Transactions Undertaken	Investment Locations	Total Disbursed Capital	Counterparties Financed
7	3,500	13	USD 1.5bn	100

KEY HIGHLIGHTS 2024

- Private finance, or private credit, has become an increasingly popular asset class, outpacing growth in traditional investment categories. According to a McKinsey report "The next era of private credit", the private credit market reached nearly USD 2 trillion by the end of 2023, approximately ten times its size in 2009.

- The Sidra Income strategy achieved a new milestone in 2024, with total AUM of USD 233 million across three funds. This represents a 50% increase from USD 155 million in 2023, highlighting investor confidence in our Asian trade finance strategy.

- The strategy continues to attract investments from prominent institutional investors in KSA and an Asian sovereign investment entity. It also ranks among the top-performing strategies in its peer group on a risk-adjusted basis, driven by strong returns and low volatility.

- Anticipating exciting investment opportunities in the region, we launched a new sub-fund under our second VCC structure: Sidra Asia Pacific Private Investments Sub Fund I. This entity will serve as an investment vehicle to identify and capitalize on attractive opportunities across the Asia-Pacific region.

- Saudi Arabia's money market is growing steadily, driven by increasing demand for Shariah-compliant investments. Stable yields, supported by sukuk issuances and liquidity management products, align with Vision 2030's goals for financial diversification and economic resilience.

- Developing and managing the Sidra Capital Money Market Fund in Saudi Arabia, a private, Shariah-compliant, open-ended fund offering low to medium-risk returns, capital preservation, and liquidity. The fund invests in Murabaha, bank deposits, sukuk, and other low to medium-risk assets locally and globally, supporting short- and medium-term investments once seed capital is secured.

- The Sidra Mutajara Fund (SMF), established in September 2016, continues to deliver stable, targeted returns. This open-ended fund invests in various income and trade finance strategies, providing uncorrelated and diversified returns.

BUSINESS REVIEW

INVESTMENT ADVISORY

Our Investment Advisory services cater to medium-sized investors and government-related entities, offering bespoke solutions aligned with individual objectives. By leveraging our extensive network of partners and investment specialists across four countries, we provide personalized portfolio solutions that align with our clients' investment objectives.

AUA Growth
+7%, reaching USD 2bn

Fund Manager Transactions 2024
Over USD 90mn in subscriptions and redemptions

KEY HIGHLIGHTS 2024

- Strengthened private market exposure with over USD 100 million committed across senior private debt, FinTech lending, and multi-strategy private debt, supporting client diversification goals.
- Restructured a USD 130 million fixed income mandate to better align with evolving client requirements and optimize portfolio performance.
- Enhanced portfolio distribution strategies for advisory clients, staying on track to meet 2024 targets while incorporating institutional rigor into portfolio management.
- Improved client reporting with upgraded Quarterly Performance Reports, Risk Reports, and Style Analytics, providing increased transparency and actionable insights.
- Negotiated significant fee reductions on USD 65 million of client assets under advisory through a thorough review of third-party manager fees.
- Conducted comprehensive benchmarking analysis to refine performance benchmarks, ensuring better alignment with client expectations.
- Advanced due diligence in the alternatives space, identifying opportunistic investments with high risk-adjusted return potential amidst market dislocations.

BUSINESS REVIEW

CORPORATE FINANCE ADVISORY

Our Corporate Finance and Advisory division delivers flexible and innovative financial solutions. We provide tailored services to help clients navigate the complexities of the financial landscape and unlock growth opportunities.

KEY HIGHLIGHTS 2024

- Provided ongoing advisory services to a leading holding company, supporting the IPO process for a key subsidiary to enhance market positioning and attract investor interest.
- Successfully arranged and facilitated debt funding for Sidra Capital's dry funds, securing financing for major real estate development projects in Riyadh, Abha, and Jeddah, ensuring alignment with project timelines and financial objectives.
- Strengthened and expanded the debt arranging pipeline for dry funds, while strategically exploring new financial advisory opportunities across various sectors to drive growth and diversification.
- Investors are actively seeking capital to capitalize on the substantial opportunities generated by Vision 2030 initiatives.

CONTENT

CORPORATE REVIEW

The "Corporate Review" section showcases our commitment to excellence in human resources, corporate communications, and Corporate Social Responsibility (CSR) initiatives. We aim to attract, develop, and retain exceptional talent while fostering a diverse, inclusive, and empowering work environment.

HUMAN RESOURCES

The HR division at Sidra Capital is integral to managing and supporting human resources across our global offices. Focused on nurturing talent and maximizing potential, the division prioritizes recruitment, talent acquisition, and skill enhancement through comprehensive training and development programs.

Training Hours	Saudization	Females	Nationalities
1,727	88%	45%	17

KEY HIGHLIGHTS 2024

- Launched the fifth annual Sidra Capital Graduate Training Program, preparing Saudi nationals for dynamic careers in financial services. Over six months, the program equips six talented individuals with practical experience, mentorship, and exposure to diverse industry functions, fostering the next generation of financial professionals and contributing to the future of investment management in Saudi Arabia.

- Implemented a new HR system to streamline and enhance human resources processes. The system optimizes critical functions, such as employee data administration and performance reviews, driving operational efficiency and improving service delivery.

- Prioritized employee growth and development through approximately 1,727 hours of training initiatives. Comprehensive programs and workshops empower our workforce to excel in their roles, fostering a culture of continuous learning and innovation.

- Rolled out the Employee Opinion Survey, providing employees with a platform for open feedback on HR practices and corporate culture. Insights from the survey informed a comprehensive Corrective Action Plan, reinforcing our dedication to transparency, meaningful change, and fostering a workplace where employees feel valued and empowered.

- Implemented the Balanced Scorecard methodology to transform performance measurement across all levels of the organization. This initiative aligns strategic objectives with measurable indicators, enabling effective tracking of progress and fostering cross-functional collaboration to achieve excellence.

CORPORATE REVIEW

CORPORATE COMMUNICATIONS

The Corporate Communications Department at Sidra Capital plays a pivotal role in crafting and executing strategies for internal communication, public relations, and marketing. By consistently promoting Sidra Capital's brand, values, and achievements, the department enhances market presence, and strengthens stakeholder relationships while ensuring alignment with business objectives.

KEY HIGHLIGHTS 2024

- Strengthened internal and external communication strategies through diverse channels, including one-on-one interactions, social media platforms, targeted campaigns, and media engagements, ensuring consistent and impactful messaging.
- Participated in the Cityscape exhibition in Riyadh, showcasing Sidra Capital's local real estate projects, private finance funds, Tala initiative, and innovative solutions, demonstrating our expertise and commitment to innovation in the real estate sector.
- Revamped the corporate website with a focus on user experience, incorporating SEO development to enhance visibility and gain deeper insights into audience preferences and behavior.

CORPORATE REVIEW

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our CSR efforts are centered on making a positive impact on society and the environment, demonstrating our commitment to responsible corporate citizenship and the well-being of the communities we serve. Driven by our core values and a focus on sustainability, our initiatives aim to create meaningful change both internally and externally.

NOTHMIR is Sidra Capital's CSR initiative focused on sustainability and community engagement. NOTHMIR is dedicated to creating impactful change through a range of environmental and social programs. After its successful launch, the initiative expanded in 2024 with new projects promoting environmental awareness, green practices, and volunteerism, reinforcing its commitment to building a sustainable future.

KEY HIGHLIGHTS 2024

- Hosted the "My Environment, My Responsibility" exhibition at Jeddah Park Mall, attracting over 3,100 visitors. The event raised public awareness on sustainability and environmental issues, focusing on themes such as water conservation, recycling, and energy.

- Initiated the “Planting Together” initiative in collaboration with the Ministry of Environment, planting 1,000 saplings in the Eastern Forest as part of Saudi Arabia’s Green Initiative. This effort engaged students and volunteers to promote reforestation and environmental stewardship.

- Launched the "Eid is a Joy" initiative as part of the NOTHMIR program, distributing gifts and sweets in Jeddah’s Al-Rawdah, Al-Shatei, and Al-Basateen neighborhoods. Held after the Eid prayer, this initiative supported Saudi Vision 2030 by fostering community engagement and improving the quality of life.

- Organized the second edition of the "My Environment, My Responsibility" exhibition at Redsea Mall in Jeddah, emphasizing sustainability and individual contributions to environmental protection, while promoting a culture of volunteerism.

- Launched the "Go Green" initiative internally to promote environmental awareness among employees, featuring a knowledge session with a speaker from Estidama Company who shared insights on recycling plastic into new products locally in Saudi Arabia.

CONTENT

CORPORATE GOVERNANCE

INTRODUCTION

Sidra Capital is committed to adopting widely accepted and industry-standard corporate governance practices that align with the prevailing regulations issued by the relevant authorities in the Kingdom of Saudi Arabia. Our primary corporate governance objective is to safeguard the interests of shareholders and stakeholders by operating in accordance with prescribed rules and regulations of the Capital Market Authority (CMA).

SHARIAH GOVERNANCE

Sidra Capital has appointed Shariah Review Bureau (SRB) as its independent Shariah advisor to ensure compliance with Shariah principles. SRB, based in the Middle East and regulated by the Central Bank of Bahrain, operates globally with over 37 scholars across 16 countries, including Saudi Arabia, the UAE, and the UK. With nearly two decades of experience, SRB supports Islamic financial institutions in Shariah compliance. Sidra Capital's Legal Department oversees SRB engagement, facilitates Shariah approvals, and assists in annual audits. In line with CMA guidelines, Sidra publishes an annual Shariah Committee report on its website, underscoring its commitment to Shariah compliance and investor trust.

LICENSED ACTIVITIES

Sidra Capital is licensed by the Capital Market Authority ('CMA') to conduct the following activities as a capital market institution:

- Dealing
- Managing Investments and Operating Funds
- Arranging
- Advising
- Custody

OFFICES AND SUBSIDIARY DETAILS

Jeddah, KSA	Riyadh, KSA	London, UK	Singapore	Dubai, UAE
(Headquarters)	(Branch)	(Subsidiary)	(Subsidiary)	(Subsidiary)
Al Murjanah Tower Level 3 Prince Sultan Street PO Box 118528 Jeddah 21312 Kingdom of Saudi Arabia	KAFD (King Abdullah Financial District) Building 1.09 9th floor Office Unit 2 Riyadh, KSA	48 Charles Street Mayfair London W1J 5EN United Kingdom	61 Robinson Road Level 11 Suite 2 Robinson Centre Singapore 068893	DIFC Office 403 Level 4 Gate District 3 Dubai, UAE

Sidra Capital (UK) Limited is a fully owned subsidiary company established and operating in London, UK, to enhance our existing in-house capability. The focus is on investing in the UK and European real estate markets. It has an issued and paid-up capital of £500,000.

Sidra Capital PTE. LTD is a fully owned subsidiary company operating in Singapore. It is a Registered Fund Management Company (RFMC) regulated by the Monetary Authority of Singapore (MAS) to conduct fund management activities. It primarily focuses on launching and managing private debt funds in Asia. It has an issued and paid-up capital of SGD 1,350,000.

Sidra Capital Limited is a fully owned subsidiary of the Company. It holds a Category 3c license issued by the Dubai Financial Services Authority (DFSA) and operates in the Dubai International Financial Centre (DIFC), UAE. Its primary function is to provide financial product advice and manage investments for its clients. It has a total issued and paid-up capital of USD 1,000,000.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors at Sidra Capital (Company) comprises of members listed in the table below, whom the shareholders elect for a three-year term; the term may be extended per the Company's bylaw. The primary role of the Board is to provide strategic guidance to the business while overseeing the Company's affairs in line with its vision and objectives. The Board is also responsible for improving Sidra Capital's performance and safeguarding the interests of its shareholders and clients.

The Board's key roles include:

- Reviewing and providing strategic guidance on corporate strategy, including major plans such as capital expenditures, acquisitions and divestitures, risk appetite, annual budgets, business plans, and business performance.
- Monitoring and continuously improving the effectiveness of the Company's governance practices.
- Ensuring the establishment of appropriate policies that align with the Company's overall direction.
- Reviewing and approving the Company's organizational and functional structures.
- Monitoring and managing potential conflicts of interest of Board members, senior management and shareholders including misuse of Sidra Capital's assets and abuses in related-party transactions.
- Forming Board sub-committees as required, with clearly defined tasks, rights and obligations.

BOARD MEMBERS

NAME	MEMBERSHIP CLASSIFICATION	POSITION
Abdulrahman Binmahfooz	Non-Executive	Chairman
Ghassan Soufi	Independent	Vice Chairman
Hani Baothman	Executive	Previous Vice Chairman and MD
Ahmed Bajunaid	Independent	Board Member
Taufiq Bahamdain	Non-Executive	Board Member
Mustafa AlDarwish	Independent	Previous Board Member
Riaz Cassum	Independent	Previous Board Member
Abdulrahman Yousuf	Independent	Previous Board Member

Note:

- Hani Baothman resigned in December 2024, and Ghassan Soufi has been appointed as the new Vice Chairman.

BOARD MEETING ATTENDANCE

Board meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 26 MARCH	SECOND MEETING 5 AUGUST	THIRD MEETING 4 NOVEMBER	FOURTH MEETING 24 DECEMBER
Abdulrahman Binmahfooz	Was not a member	☑	☑	☑
Ghassan Soufi	Was not a member	☑	☑	☑
Taufiq Bahamdain	Was not a member	☑	☑	☑
Ahmed Bajunaid		☑	☑	☑
Hani Baothman	☑	☑	☑	No longer a member
Abdulrahman Yousuf	☑	No longer a member	No longer a member	No longer a member
Mustafa AlDarwish	☑	No longer a member	No longer a member	No longer a member
Riaz Cassum	☑	No longer a member	No longer a member	No longer a member

CORPORATE GOVERNANCE

BOARD AND DIRECTORS' MEMBERSHIPS IN OTHER COMPANIES

NAME	POSITION	NAME OF THE COMPANY
Abdulrahman Binmahfooz	Chairman	Al Murjan Group Holding
	Director	Al Murjan Medical Co.
	Director	Al-Marjan Holding Company for Medical Care.
	Director	Al-Amjad Specialized Company for Development and Real Estate Investment
	Director	Al-Marjan Medical Facilities Company.
	Director	Dar Al-Radha Developed Ltd.
	Director	AL-Mann International Development Company Ltd.
	Director	Dar Tajah International Trading Company
	Director	Shuaa Al Fayrooz Trading and Services Company
Ahmed Bajunaid	Board Member	Al Jazeera Vehicles Agencies
Taufiq Bahamdain	Board Member	Al Murjan Group Holding
	Board Member	Al Murjan Medical Center Co.
	Chairman	United Ink Production Co., Ltd. 'UIPC'
	Board Member	Al Khozama Management Co.
	Director	AlKawther Industries Co.
	Board Member	Balsam United Co. – Oasis Health Information System
	Board Member	Taif Investment & Tourism Co. (Taifsama)
	Board Member	Tawazun Al Injaz Development Co.
	Board Member	Ayan Real Estate Development Co.
	Chairman	Awfar Rent Car Co.
	Director	Al Murjan Arabian United Co.
Hani Baothman	Board Member	Sidra Capital Limited (UK)
	Board Member	Sidra Capital Limited (UAE)
	Board Member	Sidra Capital PTE Limited (Singapore)
	Board Member	Retal Urban Development Company (KSA)
	Chairman	INOKS Capital Ltd
	Board Member	MBL, Modern Building Leaders

BOARD SUB-COMMITTEES

Sidra Capital has established sub-committees to support the effective execution of its responsibilities. The sub-committees play important roles, which include:

Advising the Board: The sub-committees enable the Board to address complex issues more efficiently by leveraging the expertise of specialists who can focus on specific matters. They provide detailed analyses and recommendations to assist the Board in making informed decisions.

Subject-specific Expertise: The sub-committees aid the Board in developing specialized knowledge related to the Company's operations, particularly in areas such as financial reporting, risk management, and internal controls. This expertise enhances the Board's understanding and oversight of these critical aspects.

Objectivity and Independence: By involving sub-committees, the Board promotes objectivity and independence in its decision-making process. This approach helps safeguard against potential undue influence, ensuring that Board decisions are made with the best interests of the organization and its stakeholders in mind.

CORPORATE GOVERNANCE

SIDRA CAPITAL'S BOARD SUB-COMMITTEES

A) AUDIT & RISK COMMITTEE

The Audit & Risk Committee ('ARC') is a Board sub-committee vested with the authority to make recommendations to the Board for approval. The ARC assists the Board in fulfilling its oversight responsibilities pertaining to:

- Preparation of financial statements and other financial information generated by the Company for shareholders, the public, and other stakeholders.
- Compliance with legal and regulatory requirements.
- Performance of the internal audit function.
- Proper functioning of risk management and other governance responsibilities.

ARC MEMBERS

NAME	POSITION
Abdulrahman Yousuf	Chairman
Ahmed Bajunaid	Member
Khaldon AlFakhri	Member

ARC MEETING ATTENDANCE

ARC meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 14 MARCH	SECOND MEETING 22 JULY	THIRD MEETING 20 OCTOBER	FOURTH MEETING 15 DECEMBER
Abdulrahman Yousuf	☑	☑	☑	☑
Ahmed Bajunaid	☑	☑	☑	☑
Khaldon AlFakhri	☑	☑	☑	☑

B) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee ('NRC') is a Board sub-committee responsible for establishing and implementing principles and parameters related to the nomination and remuneration of Board directors and senior management. The NRC performs the following duties and responsibilities:

- Review the composition of the Board to ensure it possesses the necessary blend of skills, experience, and other qualifications required by the Company and regulatory authorities to fulfill its responsibilities.
- Review and provide recommendations to the Board regarding the compensation of directors and senior management.

NRC MEMBERS

NAME	POSITION
Talal Miliany	Chairman
Taufiq Bahamdain	Member
Samer Abu Aker	Previous Member
Hani Baothman	Previous Member
Mustafa Al Darwish	Previous Member
Ghassan Soufi	Member

CORPORATE GOVERNANCE

NRC MEETING ATTENDANCE

NRC meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 3 JANUARY	SECOND MEETING 12 AUGUST
Talal Miliany	☑	☑
Mustafa Al Darwish	☑	No longer a member
Hani Baothman	☑	No longer a member
Samer Abu Aker	Was not a member	☑
Taufiq Bahamdain	Was not a member	☑

Note:
- Ghassan Soufi was appointed by board resolution on 24 December 2024.

C) EXECUTIVE COMMITTEE

The Executive Committee ('ExCom') is a Board sub-committee responsible for overseeing executive management, reviewing performance indicators, and ensuring alignment with Board policies. ExCOM facilitiates strategic decision-making to drive sustainable growth, enhance stakeholder value, and serves as the primary liaison between the Board and executive management.

EXCOM MEMBERS

NAME	POSITION
Ghassan Soufi	Chairman
Taufiq Bahamdain	Member
Muhammed Currim Oozeer	Member
Hani Baothman	Previous Member

Note:
- Hani Baothman was replaced by Muhammad Currim Oozeer, who was appointed on 3rd December 2024.

MEETING ATTENDANCE

ExCom meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 23 JULY	SECOND MEETING 30 JULY	THIRD MEETING 28 OCTOBER	FOURTH MEETING 18 DECEMBER
Hani Baothman	☑	☑	☑	No longer a member
Taufiq Bahamdain	☑	☑	☑	☑
Ghassan Soufi	☑	☑	☑	☑

Note:
- The ExCom was established by a board resolution dated July 10, 2024.

D) INVESTMENT COMMITTEE

The Investment Committee ('IC') is a Board sub-committee responsible for overseeing the development and implementation of investment guidelines and strategic asset allocations, while ensuring effective risk management and performance monitoring. The Committee aims to enhance stakeholder value through informed decision-making and robust oversight of investment management.

IC MEMBERS

NAME	POSITION
Ghassan Soufi	Chairman
Khalid Qureshi	Member
Samer Abu Aker	Previous Member
Muhammad Currim Oozeer	Member

CORPORATE GOVERNANCE

MEETING ATTENDANCE

IC meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 25 JULY	SECOND MEETING 14 AUGUST	THIRD MEETING 21 AUGUST	FOURTH MEETING 28 AUGUST	FIFTH MEETING 2 SEPTEMBER
Ghassan Soufi	☑	☑	☑	☑	☑
Muhammad Currim Oozeer	☑	☑	☑	☑	☑
Khalid Qureshi	☑	☑	☑	☑	☑
Samer Abu Aker	☑	☑	☑	☑	☑

NAME	SIXTH MEETING 4 SEPTEMBER	SEVENTH MEETING 9 SEPTEMBER	EIGHTH MEETING 26 SEPTEMBER	NINTH MEETING 25 NOVEMBER	TENTH MEETING 18 DECEMBER
Ghassan Soufi	☑	☑	☑	☑	☑
Muhammad Currim Oozeer	☑	☑	☑	☑	☑
Khalid Qureshi	☑	☑	☑	☑	☑
Samer Abu Aker	☑	☑	☑	☑	**No longer a member**

Note:

- The IC was restructured as a board committee by a board resolution dated July 10, 2024

E) COMPLIANCE COMMITTEE

The Compliance Committee ('CCOM') is a Board sub-committee responsible for ensuring the Company's adherence to regulatory requirements, including CMA laws and AML/CTF regulations by overseeing compliance activities, reviewing relevant frameworks, and monitoring the implementation of corrective actions to maintain a robust compliance culture.

CCOM MEMBERS

NAME	POSITION
Taufiq Bahamdain	Chairman
Muhammad Currim Oozeer	Member
Thamer Bafel	Member

CORPORATE GOVERNANCE

MEETING ATTENDANCE

Compliance Committee meetings attendance record for the financial year ended 31 December 2024:

NAME	FIRST MEETING 15 JULY	SECOND MEETING 27 OCTOBER	THIRD MEETING 22 DECEMBER
Taufiq Bahamdain	☑	☑	☑
Muhammad Currim Oozeer	☑	☑	☑
Thamer Bafel	☑	☑	☑

Note:

- The CCOM was restructured as a board committee by a board resolution dated July 10, 2024.

BOARD MEMBERS' AND SENIOR EXECUTIVES' REMUNERATION AND COMPENSATION

The following is a detailed description of all expenses, remuneration, and salaries paid to Board members and the top five senior executives, including the Chief Executive Officer and Finance Manager, for the financial year ending December 31, 2024.

STATEMENT	EXECUTIVE BOARD MEMBERS (SAR)	NON-EXECUTIVE BOARD MEMBERS (SAR)	INDEPENDENT BOARD MEMBERS (SAR)
Allowance for attendance of the board of directors' sessions	-	9,000	18,000
Allowance for attendance of the committees' sessions	-	12,000	143,500
Periodic and annual remunerations	-	387,500	1,313,510
Incentive plans		-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total (SAR)	-	**408,500**	**1,475,010**

STATEMENT	FIVE OF THE SENIOR EXECUTIVES WHO RECEIVED THE HIGHEST REMUNERATIONS AND COMPENSATIONS IN ADDITION TO THE CEO AND CFO, IF THEY ARE NOT AMONG THEM
Salaries and wages	5,403,661
Allowances	4,109,830
Periodic and annual remunerations	1,765,000
Incentive plans	-
Commissions	-
Any compensations or other in-kind benefits paid monthly or annually	-
Total (SAR)	**11,278,491**

CORPORATE GOVERNANCE

THE RESULTS OF THE ANNUAL AUDIT REPORTS FOR COMPANY'S SYSTEMS AND CONTROLS IN ADDITION TO THE AUDIT AND RISK COMMITTEE'S OPINION ON THE ADEQUACY OF THE INTERNAL AUDIT SYSTEM.

The ARC oversees and evaluates the performance of Sidra Capital's Internal Audit function, ensuring its operational efficiency. The committee supports the Board by improving the quality and value of the audit process. Additionally, the establishment of a separate risk management division reinforces the implementation of the three lines of defense model. This division addresses the constantly changing risk landscape and dynamic business environment.

Sidra Capital maintains an independent Internal Audit function that employs a risk-based approach in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). These standards require planning and conducting engagements to obtain reasonable assurance regarding the achievement of Sidra's objectives by assessing governance, internal controls, and risk management processes.

Axiom World conducted divisional audit reviews annually. The findings of these reviews were presented to the ARC. The ARC ensures that the internal audit recommendations are implemented within the agreed timelines. To this end, the Company has implemented effective monitoring and follow-up measures. These measures ensure that the divisional owners take appropriate action to implement the recommendations resulting from the audit reviews.

The ARC is fully committed to maintaining a robust system of internal controls. After conducting a thorough assessment, it has been determined that there are no fundamental weaknesses in Sidra Capital's internal systems and controls. As a result, the ARC believes that Sidra Capital's internal control system is well-designed and effectively implemented.

INFORMATION RELATED TO ANY RISKS FACED BY THE COMPANY AND THE POLICY FOR MANAGING AND MONITORING THESE RISKS.

Sidra Capital recognizes that risk is inherent in the investment business and that understanding the principal risks associated with each product is crucial for making well-informed decisions. All financial products carry a certain level of risk, even those considered low risk, as they involve an element of uncertainty. Different risks can occur simultaneously and potentially compound each other, leading to unpredictable effects on the value of investments. By gaining a better understanding of these risks, Sidra Capital can optimize the risk-return trade-off in its business decisions to best meet the required needs. Given the size and operations of the Company, Sidra Capital has established a risk management framework to identify and manage key risks to the business. The Board, with support from sub-committees, particularly the ARC (Audit and Risk Committee), fulfils its oversight responsibility for risk management activities in accordance with industry best practices.

The Company acknowledges that enterprise risks have interdependencies and cannot be managed independently. Therefore, it adopts an integrated view of risk and a concerted approach to managing risks at the entity level. The following key risks are highlighted:

CORPORATE GOVERNANCE

A) CREDIT RISK

Credit risk is one of the most important risks that Sidra Capital faces, which is the risk that the issuer or guarantor of a product may fail to repay principal and/or interest in relation to the product, or to meet any other of its financial obligations, therefore potentially resulting in a loss to the investor. It also incorporates Counterparty Risk, which is the risk that the counterparty may, for a variety of reasons, refuse or fail to meet its contractual obligations to the investor in a product with resulting loss to the investor. To mitigate this risk, the Company has diversified its banking relationships across several Saudi and international banks with sound credit ratings. In managing and monitoring its credit risk, the Company applies and sticks to the CMA Prudential rules, one of the components used to calculate minimum capital requirements.

B) MARKET RISK

Market risk is the risk that the current value of a product falls as a result of movements in market prices, in particular due but not limited to, changes in interest rates, foreign exchange rates, and equity and commodity prices such that the investor may not get back the money invested or may not make the returns anticipated. After discussions with Sidra Capital's external auditor and considering that the Company does not have a trading book, the related applicable market risk is foreign exchange. The Company again applies the CMA Prudential rules to manage and monitor market risk, whilst continuously assessing any hedging requirements.

C) LIQUIDITY RISK

Liquidity risk is the risk resulting from the Company's inability to fund its portfolio of assets and meet obligations at appropriate maturities. It is also the risk that when an investor chooses to sell a product, there may be no market for it and the investor may be unable to sell it at the desired time or price. It is affected by the supply and demand for that investment and indirectly by other factors, including market disruptions. The Company manages its liquidity requirements by closely monitoring its liquidity ratio.

D) OPERATIONAL RISK

Operational risk is the risk of loss resulting from systems and controls essential to the operation of the Company as well as the risk of failed internal actions of people or loss arising from external events. The Company applies the CMA Prudential rules to manage and monitor operational risk. It can use the higher of 15% of the last three-year gross operating income or 25% of last year's operating expenditure. Sidra Capital manages and monitors these risks on a monthly basis as part of its capital adequacy requirements, as specified by the CMA.

PENALTIES, SANCTIONS, PRECAUTIONARY MEASURES, OR PRECAUTIONARY RESTRICTIONS

Sidra Capital conducts its business in accordance with the highest standards of ethics and compliance per the relevant laws, regulations, and regulatory directives issued by the supervisory and regulatory authorities in Saudi Arabia.

In 2024, Sidra Capital incurred a single penalty imposed by GOSI due to a delay in paying an invoice within the stipulated time frame. This incident prompted us to implement new controls and safeguards to strengthen our payment processes and prevent future delays It underscores the importance of adhering to payment schedules to avoid financial repercussions and maintain compliance with regulatory obligations.

CORPORATE GOVERNANCE

LOANS

For the financial year ending 31 December 2024, Sidra Capital has outstanding loans per the below.

#	LOAN AMOUNT (SAR)	LOAN PROVIDER	LOAN PERIOD	REMAINING AMOUNT (SAR)
1	20,000,000	Alrajhi bank	12 Months	20,000,000

ARRANGEMENTS OR AGREEMENTS WHEREBY A MEMBER OF THE BOARD OF DIRECTORS OR SENIOR EXECUTIVE OF THE COMPANY HAS WAIVED ANY REMUNERATION AND COMPENSATIONS

Sidra Capital confirms that there has been no situation whereby a member of the board of directors or senior executive of the company has waived any remuneration and compensations for the financial year ending 31 December 2024.

INTERESTS, CONTRACTUAL SECURITIES AND RIGHTS BELONGING TO THE BOARD MEMBERS, SENIOR EXECUTIVES AND THEIR RELATIVES IN THE SHARES OR DEBT INSTRUMENTS OF THE COMPANY OR ANY OF ITS AFFILIATES

NAME	POSITION	INTEREST STATUS	NUMBER OF SHARES AS AT 1/1/2024	PERCENTAGE SHAREHOLDING AS AT 1/1/2024	NUMBER OF SHARES AS AT 31/12/2024	PERCENTAGE SHAREHOLDING AS AT 31/12/2024	SHARE PAR VALUE (SAR)
Hani Baothman	Previous Vice Chairman and MD	Indirect interest	90,000	1	90,000	1	10
Abdulrahman Binmahfooz	Chairman	Direct	590,400	6.56	590,400	6.56	10
Abdulrahman Binmahfooz	Chairman	Indirect	2,528,100	28.09	2,528,100	28.09	10

TRANSACTIONS WITH RELATED PERSONS

Sidra Capital confirms that there were no transactions with related persons during the financial year that ended on December 31st, 2024.

INFORMATION RELATED TO ANY BUSINESS OR CONTRACTS TO WHICH THE COMPANY IS A PARTY, OR IN WHICH IT HAS AN INTEREST FOR ONE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR FOR SENIOR EXECUTIVES OR FOR ANY PERSON RELATED TO ANY OF THEM

Sidra Capital confirms that there was no transactions which has an interest for one of the members of the board of directors or senior executives or for any person related to any of them during the financial year that ended December 31st, 2024.

CONTENT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

EY
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIDRA CAPITAL COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Sidra Capital Company ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA and the applicable provisions of the Regulations for Companies and Company's By-Laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance, the Audit Committee are responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIDRA CAPITAL COMPANY (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTE	2024 SR	2023 SR
ASSETS			
NON-CURRENT ASSET			
Property and equipment	4	**3,056,287**	3,674,781
Intangible assets	5	**1,925,971**	652,373
Investment property	6	**5,125,000**	5,125,000
Investments	7	**126,368,238**	120,198,543
Right of use of asset	8	**4,119,004**	6,962,838
		140,594,500	136,613,535
CURRENT ASSETS			
Trade and other receivables			
Prepayments	9	**67,865,878**	31,931,583
Cash and cash equivalents	10	**2,700,573**	3,090,874
	11	**22,435,842**	30,605,126
TOTAL ASSETS		**93,002,293**	65,627,583
		233,596,793	202,241,118
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**90,000,000**	90,000,000
Statutory reserve	13	**17,945,716**	17,130,108
Foreign currency translation reserve		**(225,887)**	(48,202)
Retained earnings		**60,581,707**	56,813,533
TOTAL EQUITY		**168,301,536**	163,895,439
LIABILITIES			
NON-CURRENT LIABILITY			
Employees' benefits	14	**13,041,973**	13,290,502
Lease liability	15	**2,593,013**	3,303,532
		15,634,986	16,594,034
CURRENT LIABILITIES			
Lease liability	15	**1,752,024**	2,894,920
Trade and other payables	16	**8,139,386**	1,474,662
Accrued expenses	17	**9,568,459**	10,188,016
Accrued zakat and income tax	18	**10,200,402**	7,194,047
Short term borrowing	19	**20,000,000**	-
		49,660,271	21,751,645
TOTAL LIABILITIES		**65,295,257**	38,345,679
TOTAL EQUITY AND LIABILITIES		**233,596,793**	202,241,118

The attached notes from 1 to 31 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	2024 SR	2023 SR
OPERATING INCOME			
Management services		**59,091,863**	51,313,325
Arrangement and advisory services		**36,196,335**	29,624,198
Operational investments		**6,461,972**	5,188,399
Unrealized loss on investments at FVTPL		**(2,292,670)**	(6,439,849)
TOTAL OPERATING INCOME		**99,457,500**	79,686,073
OPERATING EXPENSES			
Salaries and employees related expenses		**(54,260,631)**	(40,676,123)
General and administrative expenses	20	**(23,011,086)**	(24,588,119)
Marketing and promotion expenses	21	**(2,174,791)**	(1,088,635)
Depreciation of property and equipment		**(1,056,484)**	(503,423)
Amortization of intangible assets	4	**(401,610)**	(90,592)
Depreciation of right of use assets	5	**(2,732,052)**	(2,766,766)
Allowance for expected credit losses	8	**(1,211,284)**	-
	9		
TOTAL OPERATING EXPENSES		**(84,847,938)**	(69,713,658)
NET OPERATING INCOME		**14,609,562**	9,972,415
Other income		**1,088,269**	224,314
Finance cost		**(2,415,054)**	(373,359)
Foreign currency losses	22	**(710,963)**	(29,773)
NET PROFIT BEFORE ZAKAT AND INCOME TAX		**12,571,814**	9,793,597
	18	**(4,415,733)**	(3,605,881)
Zakat and income tax		**8,156,081**	6,187,716
NET PROFIT FOR THE YEAR			
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:	14	**(3,572,299)**	(1,189,527)
Actuarial loss on re-measurement of employees' end of service benefits			
Items that are or may be reclassified to profit or loss:		**(177,685)**	156,845
Net movement in exchange translation reserve		**(3,749,984)**	(1,032,682)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,406,097**	5,155,034
Basic and Diluted earnings per share (expressed in SR per share)	23	**0.91**	0.69

The attached notes from 1 to 31 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	CAPITAL SR	STATUTORY RESERVE SR	FOREIGN CURRENCY TRANSLATION RESERVE SR	RETAINED EARNINGS SR	TOTAL EQUITY SR
Balance as at 1 January 2023	90,000,000	16,511,336	(205,047)	82,434,116	188,740,405
Net profit for the year	-	-	-	6,187,716	6,187,716
Other comprehensive income	-	-	156,845	(1,189,527)	(1,032,682)
Total comprehensive income	-	-	156,845	4,998,189	5,155,034
Dividend	-	-	-	(30,000,000)	(30,000,000)
Transfer to statutory reserve	-	618,772	-	(618,772)	-
Balance at December 2023	-	17,130,108	(48,202)	56,813,533	163,895,439
Net profit for the year	90,000,000	-	**-**	**8,156,081**	**8,156,081**
Other comprehensive income	-	-	**(177,685)**	**(3,572,299)**	**(3,749,984)**
Total comprehensive income	-	-	**(177,685)**	**4,583,782**	**4,406,097**
Transfer to statutory reserve	-	815,608	**-**	**(815,608)**	**-**
Balance at December 2024	**90,000,000**	**17,945,716**	**(225,887)**	**60,581,707**	**168,301,536**

The attached notes from 1 to 31 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	2024 SR	2023 SR
OPERATING ACTIVITIES			
Profit before zakat		**12,571,814**	9,793,597
Adjustments for:			
Depreciation on property and equipment	4	**1,056,484**	503,423
Amortization on intangible assets	5	**401,610**	90,592
Depreciation on right of use assets	8	**2,732,052**	2,766,766
Interest expenses on lease liabilities	15	**262,952**	373,359
Finance cost		**2,152,102**	-
Allowance for expected credit losses	9	**1,211,284**	-
Unrealized loss on investments at FVTPL	7	**2,292,670**	6,439,849
Gain on sale of investments		**(35,591)**	(116,460)
Employees' end of service benefits	14	**1,693,568**	1,561,289
		24,338,945	21,412,415
Net changes in operating assets and liabilities:			
Trade and other receivables		**(37,145,579)**	18,107,677
Prepayments		**390,301**	(1,120,615)
Trade and other payables		**1,536,441**	(2,426,643)
Accrued expenses		**(619,557)**	(2,477,945)
Cash generated from operating activities		**(11,499,449)**	33,494,889
Zakat paid	18	**(1,401,290)**	(2,052,899)
Employees' benefits paid	14	**(386,113)**	(372,162)
		(13,286,852)	31,069,828
Net cash from / (used in) operating activities			
INVESTING ACTIVITIES		**(44,212,740)**	(38,333,519)
Investment made during the year		**35,622,186**	18,029,056
Proceeds from sale of investments	4	**(442,358)**	(2,966,593)
Additions in property and equipment	5	**(1,675,559)**	(628,219)
Additions in intangible assets		**(10,708,471)**	(23,899,275)
Net cash used in investing activities			
		(1,719,657)	(2,818,610)
FINANCING ACTIVITIES		**(262,952)**	(373,359)
Payments for principal leases made during the year	12	**-**	(30,000,000)
Payments for interest on leases made during the year		**(2,152,102)**	
Dividends paid		**77,500,000**	-
Finance costs paid		**(57,500,000)**	-
Proceeds from short term borrowings		**15,865,289**	(33,191,969)
Repayments of short term borrowings		**(8,130,034)**	(26,021,416)
Net cash from / (used in) financing activities		**30,605,126**	56,505,386
		(39,250)	121,156
Net change in cash and cash equivalents	11	**22,435,842**	30,605,126
Cash and cash equivalents at beginning of the period			
Exchange translation adjustment			
Cash and cash equivalents at end of the period			
Actuarial loss on re-measurement of employees' end of service benefits	14	**(3,572,299)**	(1,189,527)

The attached notes from 1 to 31 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024

1. ORGANIZATION AND ACTIVITIES

Sidra Capital Company ("the Company") is a Saudi closed joint stock company registered in Jeddah, Kingdom of Saudi Arabia under Commercial Registration No. 4030187025 on February 25, 2009, corresponding to Safar 30,1430H. The Company commenced its operation as per the resolution of Ministry for Commerce and Industry, dated January 24, 2009, corresponding to Muharram 27, 1430H.

The Company's principal activities are dealing as principal, agent, underwriting, managing, arranging, advising and custody services with respect to the securities business as per the license issued by The Capital Market Authority (CMA) number 08116-37 on September 1, 2008 and renewed for the period from 1 July 2024 to 30 June 2025. The Company's principal place of business is Jeddah.

These consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (together referred to as the 'Group'). The Group has the following subsidiaries as at December 31, 2024:

NAME OF THE SUBSIDIARY	COUNTRY OF INCORPORATION	EFFECTIVE OWNERSHIP INTEREST (%) 2024	2023
Sidra Capital (UK) Limited	England and Wales	**100%**	100%
Sidra Capital Limited	Dubai – United Arab Emirates	**100%**	100%
Sidra Capital PTE. Limited	Singapore	**100%**	100%

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the applicable provisions of the Regulations for Companies and Company's By-Laws.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its bylaws for any changes to align the Bylaws to the provisions of the Law.

a) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis using the going concern concept and accrual basis of accounting except for financial investments carried at fair value through profit and loss (FVTPL).

b) Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). These consolidated financial statements are presented in Saudi Arabian Riyal ("SR") which is the Company's functional and presentation currency.

2.2 Significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Significant accounting estimates, judgements and assumptions

The Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

Significant areas where management has used estimates or assumptions are as follows:

a) Useful lives and residual value of property and equipment, intangibles and right of use of assets

The Group's management determines the estimated useful lives of its property and equipment, intangibles and right of use of assets for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

c) Impairment of financial assets

The Group recognizes loss allowances for expected credit loss ("ECL") on financial assets that are debt instruments and are not carried at FVTPL, at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to life time ECLs. The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

d) Employees' end of service benefits

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on high quality Corporate/Government bonds. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Significant accounting estimates, judgements and assumptions

e) 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

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy, if any, at the end of the reporting period during which the change has occurred. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the discounted cash flow (DCF) model, market approach, and the net asset value of the funds. The inputs to these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions related to these judgments could affect the reported fair value of financial instruments (see note 28).

Significant area where management has used judgements are as follow:

f) Going concern

The Group'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. Further, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on a going concern basis.

2.3 Current versus non-current classification

Assets:

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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.

All other assets are classified as non-current.

2. BASIS OF PREPARATION (CONTINUED)

Liabilities:

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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

2.4 Changes in accounting policies and disclosures

The accounting policies, estimates and assumptions adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024, which is explained in note below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.4.1 New and amended standards, interpretations

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after 1 January 2024. The management has assessed that the amendments have no significant impact on the Group's consolidated financial statements.

STANDARD, INTERPRETATION OR AMENDMENTS	DESCRIPTION	EFFECTIVE DATE
Amendment to IFRS 16, lease liability in a sale and leaseback	Lease liability in a sale and leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	1 January 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.	1 January 2024
Amendments 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.	1 January 2024

2.4.2 Standards issued but not yet effective

The following is a brief on the other new IFRSs and amendments to IFRSs, effective for annual periods beginning on or after 1 January 2025. The Group has opted not to early adopt these pronouncements and they do not have a significant impact on the consolidated financial statements of the Group.

2.4.2 Standards issued but not yet effective (continued)

STANDARD, INTERPRETATION OR AMENDMENTS	DESCRIPTION	EFFECTIVE DATE
Amendment to IAS 21 – Lack of exchangeability.	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
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.	1 January 2026
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.	1 January 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.	1 January 2027

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value. These consolidated financial statements comprising the financial statements the Company and its subsidiaries as set out in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the subsidiaries is represented by British Pound Sterling, United Arab Emirates Dirhams and Singapore Dollars.

Foreign currency transactions of individual Group companies are translated into functional currency at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are retranslated into functional currency at the rates ruling at the statement of financial position dates. Any differences are taken to the consolidated statement of profit or loss.

On consolidation, the results of subsidiaries are translated into Saudi Riyals at rates approximating to those ruling when the transactions took place. All assets and liabilities of the foreign subsidiaries are translated into Saudi Riyals at the rates of exchange ruling on the statement of financial position date. Exchange differences arising on translation are recognised as other comprehensive income / (loss) in the exchange translation reserve.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 and any differences are taken to the consolidated statement of profit or loss and other comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

c) Trade date accounting

All regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property and equipment

i) Initial recognition and measurement

Items of property and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Capital work in progress, if any, is stated at cost less impairment losses, if any and represent construction / development work pertaining to the asset in progress. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

ii) Subsequent expenditure

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss account and other comprehensive income as incurred.

iii) De-recognition

Property and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the consolidated statement of profit or loss.

iv) Depreciation

Depreciation of asset begins from the month when it is available for use and ceases at the earlier of the month the asset is classified as held for sale or the month the assets is derecognized.

Depreciation is calculated on cost of items of property and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognized in the profit or loss. Freehold land is not depreciated. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease.

	YEARS
Leasehold improvements	Shorter of lease term or useful life of 5 years
Furniture and fixtures	10 years
Office equipment	2 – 4 years
Computer	2 – 4 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted prospectively, if required.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Intangible assets

i) Initial recognition and measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

ii) Subsequent expenditure

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.

iii) Amortization

Amortization is calculated over the cost of the asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life of intangibles is 4 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

iv) De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

f) Financial instruments

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

i) Financial assets

Initial recognition and measurement

The Group's financial assets consist of cash and bank balances, Murabaha placements, accounts receivable, investments at fair value through profit or loss due from related parties and financial liabilities consist of trade and other payables. Financial assets at initial recognition, are measured at their fair values. Subsequent measurement of a financial asset is dependent on its classification and is either at amortised cost or fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and profit (SPPP)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)
i) Financial assets (continued)
Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective profit rate (EPR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

Debt instruments
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

For debt instruments at fair value through OCI, profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Equity instruments
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including consolidated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and profit are classified and measured at fair value through profit or loss, irrespective of the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)
i) Financial assets (continued)

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (CONTINUED)

Equity instruments (continued)
Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. Financial assets classified as fair value through profit or loss comprise investments in a short term discretionary portfolio and the investee entities, are acquired principally for the purpose of selling or repurchasing in the short term.

For securities that are traded in organized financial markets, the fair value is determined by reference to exchange quoted market bid prices at the close of the business on the reporting date.

For securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the underlying Net Asset Value (NAV) of the of the respective investee entity, which is reflective of the fair value of these securities.

Business model assessment
The Group makes an assessment of the objective of a business model under which an asset is held, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

i) The stated policies and objectives for financial assets and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
ii) How the performance of the financial assets are evaluated and reported to the Group’s management;
iii) The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
iv) How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group’s stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group’s original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit ("SPPP" criteria)
For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic placement risk associated with the principal amount outstanding during a particular period and other basic financing costs (e.g. liquidity risk and administrative costs), along with profit margin.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)
i) Financial assets (continued)
Business model assessment (continued)
In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

i) Contingent events that would change the amount and timing of cash flows;
ii) Leverage features;
iii) Prepayment and extension terms;
iv) Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
v) Features that modify consideration of the time value of money- e.g. periodical reset of profit rates.

ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financing, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of financing and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payable and other liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost
After initial recognition, long term payables are subsequently measured at amortised cost using the EPR method. Gains and losses as a result of unwinding of profit cost through EPR amortization process and on de-recognition of financial liabilities are recognized in the consolidated statement of profit or loss.

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 EPR. The EPR amortisation is included as finance costs in the consolidated statement of profit or loss.

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

a) The rights to receive cash flows from the asset have expired; or
b) 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

i) Financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

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 consolidated statement of profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

g) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in consolidated statement of profit or loss.

Once classified as held-for-sale, assets are no longer amortised or depreciated.

h) Dividends

Final dividends are recorded in the consolidated financial statements in the period in which they are approved by shareholders of the Group.

i) Zakat and income tax

The Company and its subsidiaries are subject to Zakat in accordance with the regulations of Zakat, Tax and Custom Authority ("ZATCA"). Zakat is charged to the consolidated statement of profit or loss and other comprehensive income. Additional Zakat and income tax liability, if any, related to prior years' assessments are accounted for in the period in which the final assessments are finalized and recognized in profit or loss.

Subsidiaries registered outside the Kingdom of Saudi Arabia (KSA) are subject to income tax as per applicable local regulaions, which is charged to the consolidated profit or loss statement.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Zakat and income tax(continued)
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid for the current year to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the jurisdictions of the respective entities within the Group.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the brought forward unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either
treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Zakat and income tax (continued)

Withholding tax

The Group companies withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

j) Employee benefits

Post-employment benefits

The Group's net obligations in respect of defined unfunded post-employment benefit plan ("the plan") is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognized past service costs. The discount rate used is the market yield on government bonds at the reporting date that have maturity dates approximating the terms of the Group's obligations. The cost of providing benefits under the defined benefits plan is determined using the projected unit credit method to determine the Group's present value of the obligation. As at the consolidated statement of financial position date, the Group's post-employment defined benefit plan is represented by employees' end of service benefit plan.

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before retirement date, or to provide termination benefits as a result of an offer to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer for voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

k) Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Group has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions expected to be settled after 12 months of the reporting date are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost in consolidated statement of profit or loss and other comprehensive income.

Onerous contracts

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Contingent liabilities are based on the judgment of management / independent experts and are not recognized in these consolidated financial statements but disclosed in the notes to theses consolidated financial statements. These are reviewed at the end of each reporting period and are adjusted as appropriate.

L) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position represents cash in hand, balances with banks and other financial assets, with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Fiduciary assets
Assets held in trust or in a fiduciary capacity are not treated as assets of the Group, and accordingly, are not recognised in the consolidated financial statements.

n) Revenue recognition
Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from contracts with customer when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group recognizes revenue from contracts with customers based on a five-step model as set out below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation: The Group has applied constraint in determining the transaction price with respect to the performance fee it is entitled under the management agreements with its core clients due to the significant uncertainties involved in determining the performance fee. Therefore, revenue is recognized after the actual results are available to the Group.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations, where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

The Group recognizes revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligations.

Major sources of revenue for the Group and the corresponding accounting policy in respect of revenue recognition is set out below:

Fee from asset management
Fees charged for managing investment funds and private portfolios are recognized as revenue ratably as the services are provided, based on the applicable service contracts. Subscription fee is recognized at the time of subscription. Any performance fee is recognized in the period in which the corresponding fund or portfolio results meet (or are expected to meet) the annual preset targets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Revenue recognition (continued)
Fee from advisory services
Fee from advisory services are recognised based on services rendered under the applicable service contracts.

Rental income from properties
Rental income from properties is recognized on straight line basis over the term of the corresponding lease arrangement.

Gain on sale of real estate
The Group transfers control of underlying properties to the buyer, which is normally upon unconditional exchanging of contracts, transfer of physical possession of the asset and substantially receiving the full property value. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

o) Expenses
General and administrative expenses include direct and indirect costs related to operations other than salaries and marketing expenses. Allocations of common expenses between cost of sales, selling and marketing and general and administrative expenses, when required, are made on a consistent basis.

p) Finance income and finance costs
Finance income on investments is recognized as it accrues in the consolidated statement of profit or loss and other comprehensive income, using the effective interest method.

Finance costs comprises of interest expenses and bank charges incurred by the Group during the year. Interest expense is recognized using the effective interest method. These are recorded as and when incurred.

q) Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares.

r) Leases
The Group 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.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises 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 Group 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 Group 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Leases (continued)
ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group used the allowed exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of the lease term.

4. PROPERTY AND EQUIPMENT

Movement in property and equipment during the year ended 31 December 2024 is as follows:

	LEASEHOLD IMPROVEMENT SR	FURNITURE AND FIXTURES SR	OFFICE EQUIPMENT SR	COMPUTER EQUIPMENT SR	TOTAL SR
Cost					
Balance at January 2024	5,841,874	1,544,735	1,714,904	957,927	10,059,440
Additions	167,960	69,903	104,543	99,952	442,358
Foreign exchange translation movement	495	(5,380)	(10,534)	(7,488)	(22,907)
Balance at 31 December 2024	**6,010,329**	**1,609,258**	**1,808,913**	**1,050,391**	**10,478,891**
Accumulated depreciation					
Balance at January 2024	3,219,906	910,409	1,528,881	725,463	6,384,659
Charges for the year	716,833	151,062	107,318	81,271	1,056,484
Foreign exchange translation movement	(2,656)	(10,946)	(262)	(4,675)	(18,539)
Balance at 31 December 2024	**3,934,083**	**1,050,525**	**1,635,937**	**802,059**	**7,422,604**
Net book value At 31 December 2024	**2,076,246**	**558,733**	**172,976**	**248,332**	**3,056,287**

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

4. PROPERTY AND EQUIPMENT

Movement in property and equipment during the year ended 31 December 2023 is as follows:

	LEASEHOLD IMPROVEMENT SR	FURNITURE AND FIXTURES SR	OFFICE EQUIPMENT SR	COMPUTER EQUIPMENT SR	TOTAL SR
Cost					
Balance at January 2023	3,300,994	1,266,863	1,650,914	871,027	7,089,798
Additions	2,537,736	277,633	54,302	96,922	2,966,593
Disposals	-	-	-	(30,570)	(30,570)
Foreign exchange translation movement	3,144	239	9,688	20,548	33,619
Balance at December 31,2023	**5,841,874**	**1,544,735**	**1,714,904**	**957,927**	**10,059,440**
Accumulated depreciation					
Balance at January 2023	3,016,532	783,617	1,447,534	666,457	5,914,140
Charges for the year	203,549	128,772	81,407	89,695	503,423
Disposals	-	-	-	(30,570)	(30,570)
Foreign exchange translation movement	(175)	(1,980)	(60)	(119)	(2,334)
Balance at 31 December 2023	**3,219,906**	**910,409**	**1,528,881**	**725,463**	**6,384,659**
Net book value At December 31, 2023	**2,621,968**	**634,326**	**186,023**	**232,464**	**3,674,781**

5. INTANGIBLE ASSETS

Movement in intangible assets (represented by computer software) during the year ended 31 December is as follows:

	2024 SR	2023 SR
Cost:		
Balance as at 1 January	**1,317,736**	689,240
Additions	**1,675,559**	628,219
Foreign exchange translation movement	**(37)**	277
Balance as at 31 December	**2,993,258**	1,317,736
Accumulated amortization:		
Balance as at 1 January	**665,363**	584,885
Charge for the year	**401,610**	90,592
Foreign exchange translation movement	**314**	(10,114)
Balance as at 1 January	**1,067,287**	665,363
Net book value : At 31 December	**1,925,971**	652,373

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

6. INVESTMENT PROPERTY

	2024 SR	2023 SR
Cost as at 31 December	**5,125,000**	5,125,000
Carrying amount as at 31 December	**5,125,000**	5,125,000

6.1 Investment property comprises a land that is a vacant property situated in neighborhood of Al-Manarat in Jeddah in Kingdom of Saudi Arabia.

6.2 Measurement of fair Values

(i) Fair Value Hierarchy

The property is located in Kingdom of Saudi Arabia. Fair value of investment property was determined by external, independent property valuers (Ejadah Saudi real estate and Abaad real estate valuation), having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value has been calculated using the average market value of the property as determined by the two external valuers. Market value is the estimated amount for which as asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Market value of the investment property have been assessed using Market approach (Sales comparable). Based on the valuation reports, the fair value of the Company's investment property amounted to SR 10.7 million (31 December 2023: SR 10.55 million).

(ii) Valuation technique and significant unobservable inputs

Market comparison technique: The valuation model is based on market multiples derived from quoted prices of land comparable to the investee.

7. INVESTMENTS

	2024 SR	2023 SR
Investments at amortized cost (note 7.1)	**4,460,271**	3,480,352
Investments at Fair Value Through Profit or Loss ("FVTPL") (note 7.2)	**121,907,967**	116,718,191
	126,368,238	120,198,543

7.1 Investments at amortized cost:

	LOCALITY	2024 SR	2023 SR
Drakehouse (Murabaha)	UK	**1,460,271**	1,480,352
Investment in Sukuk	Saudi Arabia	**3,000,000**	2,000,000
		4,460,271	3,480,352

7.2 Investments at FVTPL

	2024 SR	2023 SR
Investment in private equities (note 7.2.2 and note 7.2.4)	**52,839,760**	51,778,501
Investments in mutual funds (note 7.2.2 and note 7.2.5)	**64,772,284**	61,163,824
Investments in other venture (note 7.2.3)	**4,295,923**	3,775,866
	121,907,967	116,718,191

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

7. INVESTMENTS (CONTINUED)

7.2.1 Movement in Investment in private equities:

	2024 SR	2023 SR
Balance as at 1 January	**51,778,501**	37,276,017
Additions during the year	**3,852,365**	34,533,942
Disposals during the year	**(1,194,690)**	(15,967,009)
Fair value adjustments for the year	**(1,596,416)**	(4,064,449)
Balance as at 31 December	**52,839,760**	51,778,501

7.2.2 Movement in Investment in mutual funds:

	2024 SR	2023 SR
Balance as at 1 January	**61,163,824**	60,899,830
Additions during the year	**39,360,375**	3,915,917
Disposals during the year	**(34,391,905)**	(1,883,539)
Fair value adjustments for the year	**(1,360,010)**	(1,768,384)
Balance as at 31 December	**64,772,284**	61,163,824

7.2.3 Investments in other venture is held in the name of a related party on behalf of the Group. The Group recorded a net gain of SR 0.57 million (2023: loss SR 0.7 million) in respect to the investment in other venture.

7.2.4 Breakdown of Investment in Private Equities:

	LOCALITY	PERCENTAGE OF HOLDING	2024 SR	PERCENTAGE OF HOLDING	2023 SR
Greycoat Street	UK	**1.81%**	**99,936**	1.81%	408,465
Drakehouse	UK	**8.34%**	**3,964,140**	7.43%	6,072,621
Industrial Portfolio	USA	**2.59%**	**5,407,027**	2.59%	5,526,880
Quest	Australia	**0.42%**	**43,205**	0.38%	47,298
Student Accommodation – USSA6P	USA	**2.77%**	**7,189,769**	2.77%	7,147,568
Industrial Portfolio – 30 Properties	USA	**2.63%**	**8,983,476**	2.63%	8,836,632
Arborcrest	USA	**0.18%**	**1,732,383**	0.19%	546,890
AIC Heartland	USA	**2.47%**	**4,402,187**	2.01%	3,765,127
10K Energy Drive	USA	**0.25%**	**71,585**	0.25%	177,559
Okmount JLL	USA	**3.07%**	**1,274,143**	3.07%	1,292,941
Blackrock	USA	**5.33%**	**6,763,733**	5.33%	4,122,257
London Square	UK	**13.24%**	**12,908,176**	14.07%	13,834,263
Balance as at 31 December			**52,839,760**		51,778,501

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

7. INVESTMENTS (CONTINUED)

7.2.5 Breakdown of Investment in Mutual Funds:

	LOCALITY	PERCENTAGE OF HOLDING	2024 SR	PERCENTAGE OF HOLDING	2023 SR
Ancile Fund	Luxembourg	**2.89%**	**14,540,822**	2.89%	14,549,918
Investcorp Gulf Institutional Private Equity Fund	USA	**0.50%**	**221,858**	0.50%	250,635
Investcorp Private Equity Fund	USA	**5.00%**	**19,877,062**	5.00%	21,997,124
Investcorp China IPO Fund	USA	**8.66%**	**1,897,840**	8.66%	1,911,128
Sidra Income Fund	Saudi Arabia	**3.31%**	**10,122,910**	2.96%	10,055,419
Sidra Residential Development Fund	Saudi Arabia	**13.56%**	**9,348,701**	13.58%	8,649,600
Sidra Asian Opportunity Fund VC	Asia	**1.17%**	**3,781,785**	9.19%	3,750,000
Mutajara Fund	Saudi Arabia	**1.87%**	**3,108,095**	-	-
Tala	Saudi Arabia	**93%**	**1,873,212**	-	-
Balance as at 31 December			**64,772,285**		61,163,824

7.2.6 Investments in Private Equities represents Group's investment in private equity via equity injection and additional funding in the form of shareholder loan that does not carry a fixed repayment or return. The Group does not intend to call the additional funding in the foreseeable future. The entities have been established as part of structures for onward investment in real estate properties held for income generation and development.

7.2.7 At the reporting date, the investee funds comprise of trade finance based in Luxembourg, Saudi Arabia. As for real estate funds they are domiciled in Jersey and Cayman Island.

7.2.8 Net fair value losses during the year 2024 amounting to SR 2.29 million (2023: loss of SR 6.5 million) resulted from a fair value loss of SR 2.06 million (2023: loss of SR 7.9 million) and a loss of SR 0.23 million (2023: gain of SR 1.5 million) resulted from foreign exchange translation.

8. RIGHT OF USE OF ASSETS

	2024 SR	2023 SR
Cost:		
Balance as at 1 January	**12,414,110**	12,317,177
Additions	**-**	6,417
Modification	**(88,505)**	-
Foreign exchange translation movement	**(62,915)**	90,516
Balance as at 31 December	**12,262,690**	12,414,110
Accumulated amortization:		
Balance as at 1 January	**5,451,272**	2,649,538
Charge for the year	**2,732,052**	2,766,766
Foreign exchange translation movement	**(39,638)**	34,968
Balance as at 31 December	**8,143,686**	5,451,272
Net book value:		
At 31 December	**4,119,004**	6,962,838

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

9. TRADE AND OTHER RECEIVABLES

	2024 SR	2023 SR
Trade receivables	**5,327,217**	817,935
Due from related parties – trade receivables	**1,974,285**	1,551,701
Accrued income*	**37,266,367**	22,646,224
Other receivable	**26,951,915**	9,358,345
Gross trade and other receivables	**71,519,784**	34,374,205
Less: Provision for bad debts	**(3,653,906)**	(2,442,622)
Net trade and other receivables	**67,865,878**	31,931,583

*Accrued income majorly represents the balances with related parties including the mutual funds managed by the Group.

Movements in the allowance for expected credit losses in respect of trade receivables (including the specific provision against accrued income) during the year was as follows:

	2024 SR	2023 SR
Balance at the beginning of the year	**2,442,622**	2,442,622
Charge for the year	**1,211,284**	-
Balance at the end of the year	**3,653,906**	2,442,622

10. PREPAYMENTS RECEIVABLES

	2024 SR	2023 SR
Prepayments	**2,700,573**	3,090,87

11. CASH AND CASH

	2024 SR	2023 SR
Cash in hand	**17,000**	17,820
Cash at bank on current account – local currency	**3,137,983**	13,220,819
Cash at bank on current accounts – foreign currency	**19,280,859**	17,366,487
	22,435,842	30,605,126

11.1 In addition to the cash at bank disclosed above, the Group has certain bank accounts wherein client money is being held in the fiduciary capacity.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

12. SHARE CAPITAL

On 30 November 2021 a letter was sent to the CMA to approve the transfer of ownership of Sidra Capital from Al Murjan Group Holding Limited to the ultimate shareholders of Al Murjan Group Holding Limited. This was merely a decision of the Shareholders to simplify the structure. The CMA approved this transaction on January 2023.

As at 31 December 2024 and 31 December 2023 the share capital of the Group amounting to SR 90,000,000 (2023: SR 90,000,000) is divided into 9,000,000 shares (2023: 9,000,000 shares) of SR 10 each (2023: SR 10 each):

	PERCENTAGE HOLDING	NO. OF SHARES	CAPITAL
Shuaa' Al Fayrooz for Trading and Services Company Limited	12.375%	1,113,750	11,137,500
Dar Tajah Global for Trading and Services Company Limited	17.325%	1,559,250	15,592,500
Dar Al Radhah Developed Company Limited	33.65%	3,028,500	30,285,000
Al Mann International for Development Company Limited	28.09%	2,528,100	25,281,000
Sheikh Abdulrahman Khalid Bin Mahfouz	6.56%	590,400	5,904,000
Sheikh Sultan Khalid Bin Mahfouz	1%	90,000	900,000
Talid Arabia Trading	1%	90,000	900,000
	100%	**9,000,000**	**90,000,000**

During the year ended 31 December 2023, the shareholders approved dividend distribution of SR 30,000,000 in the general assembly meeting held on 6 December 2023. During the year ended 31 December 2024, there was no dividend distribution approved.

13. STATUTORY RESERVE

In accordance with the Company's Articles of Association, the Group established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for dividend distribution.

14. EMPLOYEE'S END OF SERVICE BENEFITS

The Group operates an approved unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The amount recognized in the consolidated statement of financial position is determined as follows:

An independent actuarial valuation exercise has been conducted by the Group as at 31 December 2024 to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labor Law by using the Projected Unit Credit Method as required under International Accounting Standards 19: Employee Benefits.

	2024 SR	2023 SR
Balance at 1 January	**13,290,502**	10,911,848
Included in profit or loss		
Current service cost	**1,301,385**	1,268,159
Interest cost	**392,183**	293,130
Included in other comprehensive income		
Actuarial loss arising from:		
- financial assumptions	**1,693,568**	1,561,289
- experience adjustments	**1,053,266**	876,847
	2,519,033	312,680
	3,572,299	1,189,527
Benefits payable	**(5,128,283)**	-
Benefits paid	**(386,113)**	(372,162)
Balance at 31 December	**13,041,973**	13,290,502

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

14. EMPLOYEE'S END OF SERVICE BENEFITS (CONTINUED)

The expense is recognized in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2024 SR	2023 SR
Salaries and employees related expenses	1,301,385	1,268,159
Finance cost	392,183	293,130
	1,693,568	1,561,289

The following were the principal actuarial assumptions applied at the reporting date (expressed as weighted averages):

	2024 SR	2023 SR
Financial assumptions		
Discount rate	**5.25%**	4.60%
Future salary growth/ expected rate of salary increase	**7.25%**	6.60%
Demographic assumptions		
Mortality	**WHO SA19**	WHO SA19
Turnover (age wise)	**Heavy**	Heavy

Sensitivity analysis:
At the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2024		2023	
	INCREASE	**DECREASE**	INCREASE	DECREASE
Discount rate (0.5% movement)	**(356,883)**	**376,235**	(258,979)	273,769
Future salary growth (0.5% movement)	**336,127**	**(322,312)**	210,377	(201,609)

As at 31 December 2024, the weighted average duration of the defined benefit obligation is 5.61 years (31 December 2023: 6.27 years).

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

15. LEASE LIABILITY

	2024 SR	2023 SR
Lease liability – current portion	**1,752,024**	2,894,920
Lease liability – long term portion	**2,593,013**	3,303,532
Lease liability as at 31 December	**4,345,037**	6,198,452

Movement in the lease liability:

	2024 SR	2023 SR
As at 1 January	**6,198,452**	8,944,442
Additions during the year	**-**	6,417
Finance cost	**262,952**	373,359
Repayments made during the year	**(1,982,629)**	(3,191,969)
Foreign exchange translation movement	**(133,738)**	66,203
As at 31 December	**4,345,037**	6,198,452

The maturity analysis of lease liabilities is disclosed in note 26. The group used a discount rate of 4.46% for the lease contracts.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

16. TRADE AND OTHER PAYABLES

The expense is recognized in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2024 SR	2023 SR
Due to related parties (note 24)	**2,266,825**	1,006,316
Accounts payable	**5,872,561**	468,346
	8,139,386	1,474,662

17. ACCRUED EXPENSES

	2024 SR	2023 SR
Accrued staff cost	**759,164**	1,256,801
Other accrued expenses	**8,809,295**	8,931,215
	9,568,459	10,188,016

18. ZAKAT AND INCOME TAX

18.1 At 31 December, accrued Zakat and Tax comprise the following:

	2024 SR	2023 SR
Accrued zakat	**9,652,270**	7,194,047
Accrued income tax	**548,132**	-
	10,200,402	7,194,047

18.2 Zakat and tax charge for the year comprise of the following:

	2024 SR	2023 SR
Zakat charge	**3,859,512**	3,616,434
Tax Charge*	**556,221**	(10,553)
	4,415,733	3,605,881

18.3 Movement in accrued Zakat and income tax during the year ended 31 December is as follows:

	2024 SR	2023 SR
As at 1 January	**7,194,047**	5,641,065
Charge for the year	**4,415,733**	3,605,881
Payments during the year	**(1,401,290)**	(2,052,899)
Currency translation	**(8,088)**	-
As at 31 December	**10,200,402**	7,194,047

FINANCIAL STATEMENTS

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

18. ZAKAT AND INCOME TAX (CONTINUED)

18.4 The Company has filed Zakat returns up to the financial year ended 31 December 2023 with the Zakat, Tax, and Customs Authority ("ZATCA"), and has obtained Zakat certificate which is valid up to 30 April 2025.

18.5 For the years 2015, 2016, 2017, 2018 and 2019:

- ZATCA raised assessments for the years 2015, 2016, 2017, 2018 and 2019 with additional Zakat liability of SR 1,179,772, SR 1,369,837, SR 1,460,974, SR 1,469,892 and SR 2,294,815 respectively.
- The Company filed an objection against the assessments with ZATCA which were rejected. The Company filed an appeal against the ZATCA decisions with the Tax Violation and Dispute Resolution Committee (TVDRC) of the General Secretariate of Tax Committees (GSTC).
- The Company filed appeals against the TVDRC decision with the Appeal Committee for Tax Violations and Disputes Resolution (ACTVDR) of GSTC. The ACTVDR issued its decision partially agreeing with the company's appeal. Based on the ACTVDR decision ZATCA revised the additional zakat liability for the years 2015, 2016, 2017, 2018 and 2019 amounting to SAR 242,089.37 SAR 772,236.50, SAR 886,752.92, SR 1,081,605.01 and SR 964,426.10 respectively.
- The company has submitted a request to make installments for the additional zakat amount for the years 2015, 2016, 2017, 2018 and 2019, which has been accepted by the ZATCA. The company is currently in the process of settling these obligations through monthly payments, with a total amount of SAR 327,550.

18.6 For the year 2020:

- ZATCA raised assessments with additional zakat liability amounting to SR 1,727,431.10. The company agreed to settle the additional zakat liability.
- The company submitted a request for installment payment of the additional zakat amount for the year 2020, which was been accepted by the ZATCA. The company is currently in the process of settling these obligations through monthly payments, with a total amount of SAR 134,166.

18.7 For the years 2021, 2022 and 2023:

- Zakat declarations filed through the ZATCA portal and no assessment has been raised up to date.

19. SHORT TERM BORROWINGS

During the year ended 31 December 2024, the Company has signed a facility letter with a local bank for a limit of SR 100 million with a purpose to cover for investment opportunities. During the year, the Company's draw-downs on this facility amounted to SR 37,500,000 which was fully repaid during the year.

During the year ended 31 December 2024, the Company has signed a facility letter with a local for a limit of SR 20 million with a purpose to cover for investment opportunities. During the year, the Company's drawdowns on this facility amounted to SR 20 million which was fully repaid during the year.

During the year ended 31 December 2024, the Company has signed a facility letter with a local for a limit of SR 20 million with a purpose to cover for investment opportunities. During the year, the Company's drawdowns on this facility amounted to SR 20 million which has a maturity date of 23 March 2025.

Interest expense on these facilities during the year ended 31 December 2024 amounted to SR 1.8 million.

20. SALARIES AND EMPLOYEE RELATED EXPENSES

	2024 SR	2023 SR
Salaries and benefits	**43,478,854**	33,744,143
Employees' end of service benefits	**1,693,568**	1,561,289
Others	**9,088,209**	5,370,691
	54,260,631	40,676,123

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2024 SR	2023 SR
Office Rent, Utilities and Other expenses	**1,324,340**	2,131,770
Consultancy	**10,642,177**	14,287,557
Insurance	**1,133,322**	977,984
Travelling	**1,715,368**	2,423,607
IT and internet	**1,920,899**	1,096,402
Board and audit committee compensations	**2,054,000**	1,275,000
Others	**4,220,980**	2,395,799
	23,011,086	24,588,119

22. FOREIGN CURRENCY GAIN / (LOSS

During the year, the Group has recognized the foreign currency gains / (losses) on cash and cash equivalents, investments and trade and other receivables and payables.

23. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share have been computed by dividing the profit for the year attributable to the owners of the parent company by the number of shares outstanding during the year. As there are no diluted shares outstanding, basic and diluted earnings per share are identical.

The earnings per share calculation is given below:

	2024 SR	2023 SR
Profit for the year	**8,156,081**	6,187,716
Weighted average number of shares outstanding	**9,000,000**	9,000,000
Profit per share (Saudi Arabian Riyals) – Basic and Diluted	**0.91**	0.69

24. RELATED PARTY TRANSACTIONS

Transactions with the related parties mainly represent payments on behalf and loans to and from entities within the Group that are undertaken in the ordinary course of business on mutually agreed terms between the parties and approved by the management. Related parties also include the Shareholders, key management personnel and their close family members.

a) Due from related parties as at 31 December are comprised of the following:

NAME OF ENTITY	NATURE OF TRANSACTIONS	AMOUNT OF TRANSACTIONS		BALANCE AS AT	
		2024 SR	2023 SR	**2024 SR**	2023 SR
Al Murjan International Holding Company Limited	Expenses incurred on behalf of related party				
	Revenue generated from related party	**4,913,240**	4,280,663	**1,916,066**	1,551,701
Tawazon Al-Enjaz	Management Fees	**11,250,000**	11,250,000	**-**	-
Azalea Services (PTC) LTD.	Revenue generated from related party	**215,625**	300,000	**-**	-
Jersey	Management Fees	**11,250,000**	11,250,000	**-**	-
Sidra Income Fund	Management Fees	**8,595,603**	5,936,967	**-**	2,106,960
Sidra Capital Residential	Advisory Fee	**865,916**	581,349		140,052
Al Murjan Group Holding Co.		**640,406**	-	**58,219**	-
				1,974,285	3,798,713

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

24. RELATED PARTY TRANSACTIONS (CONTINUED)

b) Due to related parties as at 31 December are comprised of the following:

NAME OF ENTITY	NATURE OF TRANSACTIONS	AMOUNT OF TRANSACTIONS		BALANCE AS AT	
		2023 SR	2022 SR	**2023 SR**	2022 SR
Azalea Services (PTC) LTD. British Virgin Islands	Expenses incurred on behalf of related party	**3,809,667**	6,678,561	**2,266,825**	1,006,313
Al-Murjan Investment R.E. Development Co	Office rent	**810,993**	913,280	-	-
Key Rent Car Company	Car rental	**134,581**	91,654	-	-
				2,266,825	1,006,313

c) Transactions with key management personnel

	2024 SR	2023 SR
Short term employee benefits	**11,278,491**	12,876,261
Post-employment benefits	**3,821,595**	3,184,874
	15,100,087	16,061,135

Compensation to key management personnel includes salaries and contributions to post-employment

25.CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2024 (2023: nil).

26.FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and monitors financial risks. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive committee is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive committee to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the statement of financial position include cash and bank balances, accounts and other receivables, investments, accounts payable and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

26.FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates may affect future cash flows or the fair values of financial instruments. At the reporting date, the Group is not exposed to interest rate risk, except for its short term borrowings. A change in average SIBOR by 1% would have an impact on net income by SR 50,000.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates for its transactions principally in Saudi Riyals, US Dollars, Great Britain Pounds and Singapore Dollars. The Group's investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currently, such exposures are mainly related to exchange rate movements between foreign currencies against Great Britain Pounds and Singapore Dollars. Such fluctuations are recorded as a separate component of shareholders' equity in the accompanying consolidated financial statements. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly. Since the Saudi Arabian Riyal is pegged to the US dollar, accordingly, the Group is not exposed to significant foreign currency risk. As for the other currencies an increase / decrease of 5% would have an impact of 1.76 million.

Price risk
The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. The primary goal of the Group's investment in private equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by external advisers in this regard. Certain investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis. At the reporting date, a 10% (31 December 2023: 10%) change in the net asset values of the underlying investments would have increased or decreased the net income by SR 12.1 million (31 December 2023: SR 11.6 million).

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration of credit risk. To reduce exposure to credit risk, the Group has an approval process whereby credit limits are applied to its customers. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

a. Actual or expected significant adverse changes in business,
b. Actual or expected significant changes in the operating results of the counterparty,
c. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
d. Significant increase in credit risk on other financial instruments of the same counterparty,
e. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the consolidated statement of profit or loss and other comprehensive income.

SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

26.FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates.

With respect to credit risk arising from the other financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

a) Maximum exposure to credit risk at the reporting date:

Assets

	31 DECEMBER 2024	31 DECEMBER 2023
Financial investments (note 7)	**4,460,271**	3,480,352
Trade and other receivables (note 9)	**71,519,784**	34,374,205
Balances with banks (note 11)	**22,418,842**	30,587,306
	119,214,374	82,748,051

b) Analysis of financial assets

At 31 December 2024, the aging of financial assets is as follows:

Financial assets	**NEITHER PAST DUE NOR IMPAIRED**	**PAST DUE 30–1DAYS**	PAST DUE 90–31 DAYS	**PAST DUE OVER 90 DAYS**	TOTAL
Financial investments	**4,460,271**	**-**	-	**-**	4,460,271
Trade and other receivables	**XXXX**	**XXXX**	XXXX	**XXXX**	XXXX
Balances with banks	**22,418,842**	**-**	-	**-**	22,418,842
	XXXX	**XXXX**	XXXX	**XXXX**	XXXX

Credit risk (continued)

Financial assets	**NEITHER PAST DUE NOR IMPAIRED**	**PAST DUE 30–1 DAYS**	PAST DUE 90–31 DAYS	**PAST DUE OVER 90 DAYS**	TOTAL
Financial investments	**3,480,352**	**-**	-	**-**	3,480,352
Trade and other receivables	**XXXX**	**XXXX**	XXXX	**XXXX**	XXXX
Balances with banks	**30,587,306**	**-**	-	**-**	30,587,306
	XXXX	**XXXX**	XXXX	**XXXX**	XXXX

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The Group's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose, assets are managed with liquidity in perspective, maintaining a healthy balance of cash and bank balances. Moreover, the maturity profile of financial assets and liabilities is monitored on a regular basis to identify mismatches.

Analysis of financial liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2024 and 31 December 2023 based on contractual undiscounted repayment obligations. The contractual maturities of liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. Repayments which are subject to notice are treated as if notice were to be given immediately.

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SIDRA CAPITAL COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

26.FINANCIAL RISK MANAGEMENT (CONTINUED)

		CONTRACTUAL CASH FLOWS					
31 DECEMBER 2024	**CARRYING AMOUNT**	**ON DEMAND**	**LESS THAN 3 MONTHS**	**LESS THAN 3 MONTHS**	**1 TO 5 YEARS**	**OVER 5 YEARS**	**TOTAL**
Financial liabilities							
Lease liabilities	**4,345,037**	**-**	**-**	**1,932,890**	**2,922,030**	**-**	**4,854,920**
Borrowings	**20,000,000**	**-**	**-**	**20,333,301**	**-**	**-**	**20,333,301**
Accounts payable and other liabilities	**8,139,386**	**-**	**8,139,386**	**-**	**-**	**-**	**8,139,386**
Total undiscounted financial liabilities	**32,484,423**	**-**	**8,139,386**	**22,266,191**	**2,922,030**	**-**	**33,327,607**

		CONTRACTUAL CASH FLOWS					
31 DECEMBER 2024	CARRYING AMOUNT	ON DEMAND	LESS THAN 3 MONTHS	LESS THAN 3 MONTHS	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
Financial liabilities							
Lease liabilities	6,198,452	-	-	2,424,036	4,854,920	-	7,278,956
Accounts payable and	1,474,662	-	1,474,662	-	-	-	1,474,662
other liabilities	7,673,114						
Total undiscounted financial liabilities		FF -	1,474,662	2,424,036	4,854,920	-	8,753,618

27.CAPITAL MANAGEMENT

The Group objectives when managing capital are to comply with the capital requirements set by the Capital Market Authority (CMA) to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base.

The Capital Market Authority (CMA) has issued Prudential Regulations (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under Pillar I.

The CMA issued amendments to the Prudential Rules that came into effect on 1 April 2023 (corresponding to 10 Ramadhan 1444H). The requirements for Capital Adequacy as per the latest amendment differ from the prior requirements. Accordingly, the Company has calculated its minimum capital required and capital adequacy ratios for the year ended 2024 and the year ended 2023 as follows:

	2024 SR
Capital base:	
Tier I capital	**161,942,000**
Tier II capital	**-**
Total	**161,942,000**
Minimum capital requirement:	
Credit Risks	**681,983,000**
Market Risks	**68,179,000**
Operational Risks	**219,115,000**
Total	**969,277,000**
Surplus in Capital	**84,400,000**
Total ratio	**16.71%**

27.CAPITAL MANAGEMENT (CONTINUED)

	2023 SR
Capital base:	
Tier I capital	**163,243,000**
Tier II capital	**-**
Total	**163,243,000**
Minimum capital requirement:	
Credit Risks	**548,826,000**
Market Risks	**67,019,000**
Operational Risks	**207,754,000**
Total	
Surplus in Capital	**823,599,000**
Capital adequacy ratio (time)	**97,355,000**

28. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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 takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value:

	CARRYING AMOUNT		FAIR VALUE			
31 DECEMBER 2024	**FVTPL**	**AMORTISED COST**	**LEVEL1 SR**	**LEVEL2 SR**	**LEVEL3 SR**	**TOTAL SR**
Financial assets	**121,907,967**	**-**	**-**	**64,772,284**	**57,135,683**	**121,907,967**
Investments	**121,907,967**	**-**	**-**	**64,772,284**	**57,135,683**	**121,907,967**

	CARRYING AMOUNT		FAIR VALUE			
31 DECEMBER 2023	FVTPL	AMORTISED COST	LEVEL1 SR	LEVEL2 SR	LEVEL3 SR	TOTAL SR
Financial assets	116,718,191	-	-	61,163,824	55,554,367	116,718,191
Investments	116,718,191	-	-	61,163,824	55,554,367	116,718,191

During the year ended 31 December 2024 and 2023 there were no transfers between level 1, level 2 and level 3 fair value measurements.

(i) Valuation techniques and significant unobservable inputs
The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

28. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	INTER-RELATIONSHIP BETWEEN SIGNIFICANT UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENTS
Private equities and other venture investments	Investments in private equities and other venture are carried at fair value by taking the effective holding percentage of fair value of property less any third-party loans and losses incurred by SPVs. The market value of the property calculated under discounted cash flows method: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Expected future payments and discount rate	The estimated fair value would increase (decrease) if: the expected cash flows were higher (lower); or the risk-adjusted discount rate were lower (higher)
Mutual funds	The Investment in mutual funds are also carried at FVTPL and carried at NAV of the mutual fund of 31 December 2024 & 2023	Net assets of the mutual fund	The estimated fair value would increase (decrease) if: the expected cash flows were higher (lower)

29. ASSETS HELD UNDER FIDUCIARY CAPACITY

The Group holds assets on behalf of its customers. As the Group acts in a fiduciary capacity, these assets are not included in the consolidated statement of financial position. Following is the detail of assets held in a fiduciary capacity:

30. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events subsequent to the statement of financial position date which requires adjustments of or disclosure in the consolidated financial statements or notes thereto.

31. COMPARATIVE FIGURES

Certain of the prior year amounts have been reclassified to conform with the presentation in the current year.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Company's Board on 24 March 2025G, (corresponding to 24 Ramadhan 1446H).

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIDRA CAPITAL COMPANY (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Abdulaziz S. Alarifi
Certified Public Accountant
License No. (572)

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CR. 4030276644
Ernst & Young Professional Services (Professional LLC)

Jeddah: 26 Ramadhan 1446H
(26 March 2025G)