

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2024
together with the
Independent auditor's report

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2024

<u>Content</u>	<u>Pages</u>
Independent auditor's report	1 - 3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in shareholders' equity	6
Statement of cash flows	7
Notes to the financial statements	8 – 25

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF JOA CAPITAL COMPANY
A SAUDI CLOSED JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

OPINION

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

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2024;
- The statements of comprehensive income for the year then ended;
- The statement of changes in shareholders' equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

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

OTHER MATTER

The financial statements of the company for the year ended 31 December 2023 were audited by another auditor, who expressed a unmodified opinion dated 31 March 2024 corresponding to 21 Ramadan 1445.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF JOA CAPITAL COMPANY
A SAUDI CLOSED JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Article of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management;

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF JOA CAPITAL COMPANY
A SAUDI CLOSED JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**For PKF AI Bassam
Chartered Accountants.**



Ahmed Mohandis
Certified Public Accountant
License No. 477
Riyadh: 27 Ramadan 1446H
Corresponding to: 27 March 2025



JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Amounts in SAR)

	<i>Notes</i>	31 December 2024	31 December 2023
<u>ASSETS</u>			
Current assets			
Investment held at fair value through profit or loss (FVTPL)	5	2,026,013	1,271,813
Trade receivables		92,000	-
Prepayments and other debit balances	7	360,587	182,676
Due from related parties	6	320,894	3,433,630
Cash and cash equivalents	8	1,948,584	92,336
Total current assets		4,748,078	4,980,455
Non-current assets			
Property and equipment		25,922	6,826
Total non-current assets		25,922	6,826
Total assets		4,774,000	4,987,281
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities			
Due to related parties	6	950,744	404,141
Accrued expenses and other liabilities	9	787,481	200,037
Zakat payable	15	72,978	112,503
Total current liabilities		1,811,203	716,681
Non-current liabilities			
Employees end of service benefits		134,046	84,525
Total Non-current liabilities	11	134,046	84,525
Total liabilities		1,945,249	801,206
Shareholders' equity			
Share capital	10	4,000,000	4,000,000
(Accumulated losses) / Retained earnings		(1,277,576)	79,748
Statutory reserve		106,327	106,327
Total shareholders' equity		2,828,751	4,186,075
Total liabilities and shareholders' equity		4,774,000	4,987,281

The accompanying notes from 1 to 22 form an integral part of these financial statements.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF COMPREHENSIVE (LOSS) / INCOME
For the year ended 31 December 2024

(Amounts in SAR)

	<i>Notes</i>	<u>31 December</u> <u>2024</u>	<u>31 December</u> <u>2023</u>
Operating income			
Income from investment services and asset management	12	3,409,658	5,582,192
Unrealized loss on investment carried at (FVTPL)	5	(113,221)	(123,629)
Total operating income		<u>3,296,437</u>	<u>5,458,563</u>
Operating expenses			
Salaries and employee related expenses		(2,796,550)	(2,536,622)
Legal & professional expenses	13	(1,492,010)	(1,406,222)
Other expenses	14	(417,781)	(339,942)
Total operating expenses		<u>(4,706,341)</u>	<u>(4,282,786)</u>
Net operating (loss) / income		<u>(1,409,904)</u>	<u>1,175,777</u>
Other income		109,395	-
Net (loss) / income for the year before zakat		<u>(1,300,509)</u>	<u>1,175,777</u>
Zakat expense	15	(72,978)	(112,503)
Net (loss) / income for the year		<u>(1,373,487)</u>	<u>1,063,274</u>
Other comprehensive (loss) / income			
Income on re-measurement for employee defined benefits plan obligation		16,163	-
Total comprehensive (loss) / income for the year		<u>(1,357,324)</u>	<u>1,063,274</u>

The accompanying notes from 1 to 22 form an integral part of these financial statements.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2024
(Amounts in SAR)

	Share capital	(Accumulated losses)	Statutory reserve	Total
Balance as at 1 January 2024	4,000,000	79,748	106,327	4,186,075
Loss for the year	-	(1,373,487)	-	(1,373,487)
Other comprehensive income for the year	-	16,163	-	16,163
Total comprehensive loss for the year	-	(1,357,324)	-	(1,357,324)
Balance as at 31 December 2024	4,000,000	(1,277,576)	106,327	2,828,751

	Share capital	Retained earnings	Statutory reserve	Total
Balance as at 1 January 2023	4,000,000	(877,199)	-	3,122,801
Loss for the year	-	1,063,274	-	1,063,274
Other comprehensive income for the year	-	-	-	-
		1,063,274	-	1,063,274
Transfer to statutory reserve	-	(106,327)	106,327	-
Balance as at 31 December 2023	4,000,000	79,748	106,327	4,186,075

The accompanying notes from 1 to 22 form an integral part of these financial statements.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Amounts in SAR)

	<i>Notes</i>	31 December 2024	31 December 2023
Cash flows from operating activities			
Net (loss) / income for the period before zakat		(1,300,509)	1,175,777
<i>Adjustments for:</i>			
Depreciation		5,924	1,659
Unrealized loss from investment carried at (FVTPL)	5	113,220	123,629
Provision for employees' end of service benefits	11	89,533	84,525
Finance cost	11	6,359	-
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other debit balances	7	(177,911)	407,294
Trade receivables		(92,000)	(1,721,548)
Due from related parties	6	3,112,736	-
Due to related parties	6	546,603	(951,743)
Accrued expenses and other liabilities	9	587,444	(27,495)
Zakat paid	15	(112,503)	(25,296)
Employee defined benefits plan obligation paid	11	(30,208)	-
Net cash generated from / (used in) operating activities		2,748,688	(933,198)
Cash flows from investing activities			
Purchase of investments held at (FVTPL)	5	(867,420)	(266,621)
Proceeds from sale of investment held at (FVTPL)	5	-	644,397
Purchase of property and equipment		(25,020)	(1,825)
Net cash (used in) / generated from investing activities		(892,440)	375,951
Change in cash and cash equivalents		1,856,248	(557,247)
Cash and cash equivalents at the beginning of the year		92,336	649,583
Cash and cash equivalents at the end of the year	8	1,948,584	92,336

The accompanying notes from 1 to 22 form an integral part of these financial statements.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

1. GENERAL INFORMATION

JOA Capital Company ("the Company") is a Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010668660 dated 02/04/1442H (corresponding to 17/11/2020G). The registered address of the Company's head office is as follows:

6643 Al Ihsa Street
Eastern Ring Road
Riyadh 12815
Kingdom of Saudi Arabia

The Company was formed in accordance with Capital Market Authority ("CMA") letter No. 2-21219 dated 09/08/1442H (corresponding to 22 March 2021). The principal activities of the Company are dealing as a principal and agent, managing, arranging, and advising on financial securities.

2. BASIS OF PREPARATION

a) Statement of compliance

The accompanying financial statements for the year ended 31 December 2024 have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

b) Basis of measurement

These financial statements have been prepared on a going concern basis, historical cost basis are used, except for measurement of Investment at fair value through profit or loss which is measured at fair value and end of service benefits which are measured using projected unit credit method under IAS-19, using the accrual basis of accounting and the going concern concept.

c) Presentation and Functional Currency

These financial statements are presented in SAR, which is the company's functional and presentation currency.

d) Use of accounting estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Key areas where management has used estimates, assumptions or exercised judgements is as follows:

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.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

d) Use of accounting estimates and judgements (continued)

Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability assuming that the market participant acts in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing the categories at the end of each reporting period.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

3. BASIS OF PREPARATION (CONTINUED)

e) New standards, amendments to standards and interpretations

A number of new amendments to standards, enlisted below, are effective from 1 January 2024 but they do not have a significant effect on the Fund's financial statements:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The Company has not applied the following new IFRS Standards and amendments to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

3. BASIS OF PREPARATION (CONTINUED)

e) New standards, amendments to standards and interpretations (Continued)

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	<p>IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.</p> <p>IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.</p>
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	<p>IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.</p> <p>A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p>

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no significant impact on the financial statements of the Company in the period of initial application.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. The material accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2022. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective January 1, 2023 replacing, amending, or adding to the corresponding accounting policies set out in 2022 annual financial statements

4.1 Financial instruments

Financial assets

Initial recognition and measurement

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 amortized 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. 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.

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 interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (continued)

Financial assets (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Company commits to purchase or sell the asset.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes accounts receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

Derecognition

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 Company's statement of financial position) when:

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

When the Company 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (continued)

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company 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 Company could be required to repay.

ECL of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payables, accrued expenses and other current liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Out of the above, only the second category is applicable to the Company which is described hereunder:

Financial liabilities at amortised cost

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVIS where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income.

Subsequently, all special commission bearing financial liabilities other than those held at FVIS are measured at amortized cost.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (continued)

Derecognition

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

4.2 Revenue recognition

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company recognizes revenue when the amount can be reliably measured, and it is probable that future economic benefits will flow to the Company. The Company applies the following five-step approach of revenue recognition:

- Step 1 Identify the contract with the customer
- Step 2 Identify the separate performance obligations under the contract
- Step 3 Determine the transaction price
- Step 4 Allocate the transaction price to separate performance obligations
- Step 5 Recognise revenue when (or as) each performance obligation is satisfied.

Based on the above five steps the revenue recognition policy for asset management fees is based on a fixed percentage of net assets under management (“asset-based”), subject to applicable terms and conditions and service contracts with a venture capital fund. The Company attributes the revenue from management fees to the services provided during the period, because the fee relates specifically to the Company’s efforts to transfer the services for that period. Advisory services provided by the Company is recorded as per IFRS 15 when the performance obligation are satisfied.

Advisory fee income is recognised based on services rendered as being complete in accordance with the underlying contractual agreement using the five-step approach to revenue recognition as outlined above.

4.3 Taxes

Zakat

The Company is subject to zakat in accordance with the Regulations for Zakat, Tax and Customs Authority (“ZATCA”) as applicable in the Kingdom of Saudi Arabia. The Zakat charge is computed on the Zakat base and is charged to the statement of comprehensive income.

Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

Zakat is computed on the Saudi shareholders’ share of equity or net income using the basis defined under the zakat regulations.

Value added tax (“VAT”)

Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to ZATCA is included as part of other assets or other liabilities.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(Amounts in SAR)

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Statutory Reserve

In accordance with the By-laws of the Company, the Company is required to transfer 10% of net income to a statutory reserve until such reserve equals 30% of the paid-up capital as a minimum. This reserve is not available for distribution. 31 December 2024: 106,327 (31 December 2023 SR 106,327)

4.5 Employee Benefits

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

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

Defined benefit costs are categorized as follows:

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

The Company presents the first two components of defined benefit costs (i.e. service cost and interest expense) in profit or loss in relevant line items.

5. INVESTMENT HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (“(FVTPL)”)

31 December 2024	Number of units	Cost	Market value
<i>Funds managed by the company</i>	40	2,139,234	2,026,013
S3 Ventures Fund			
31 December 2023	Number of units	Cost	Market value
<i>Funds managed by the company</i>	27	1,395,443	1,271,813
S3 Ventures Fund			

The following is the movement in investment carried at (FVTPL):

	31 December 2024	31 December 2023
At the beginning of the year	1,271,813	1,773,219
Purchased during the year	867,420	266,621
Disposal during the year	-	(644,398)
Unrealized loss on investment carried at (FVTPL)	(113,220)	(123,629)
At the end of the year	2,026,013	1,271,813

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

6. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of business, the Company transacts with its related parties. The principal related parties of the Company are its Shareholders, the Board of Directors and the entities owned by the members of the Board of Directors. The details of transactions during the year ended 31 December 2024 and balances as at 31 December 2024 resulting from such transactions are as follows:

Related Party	Nature of transactions	Amount of transaction		Balance Receivable / (Payable)	
		For the year ended 31 December 2024	For the year ended 31 December 2023	31 December 2024	31 December 2023
S3 Ventures Fund	Capital Call	544,443	867,420	(544,443)	-
	Management fee	3,279,658	2,747,192	-	598,630
	Payment on behalf of fund	320,894	-	320,894	-
Jeal Al-Mustaqbal Investment Company (common shareholder)	Accrued consulting fees	2,835,000	-	-	2,835,000
	Payment on behalf of company	-	11,476	(404,141)	(404,141)
Yousef AlYousefi	Payment behalf of the company	2,160	-	(2,160)	-

7. PREPAYMENTS AND OTHER DEBIT BALANCES

	31 December 2024	31 December 2023
Professional fees	128,724	40,000
Prepaid expenses	92,540	110,176
Other assets	139,323	32,500
Total	360,587	182,676

8. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash at Bank – current accounts	1,948,584	92,336

Cash at Bank is held in current accounts with Banque Saudi Fransi, with no commissions earned from this account.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2024	31 December 2023
Accrued bonus expenses	250,000	70,000
VAT payables	177,947	39,701
Professional and outsourced fees	287,520	-
Other payable	72,014	90,335
	787,481	200,037

10. SHARE CAPITAL

On 31 December 2024, the Company's share capital comprised of 400,000 shares of SAR 10 each (31 December 2023: 400,000 shares of SAR 10 each). All issued shares are fully paid.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

11. EMPLOYEES END OF SERVICE BENEFITS

In accordance with the provisions of IAS 19 "Employee Benefits", management has carried out an exercise to assess the present value of its employees' defined benefit obligations at the date of statement of financial position, in respect of employees' end-of-service benefits payable under relevant local regulations and contractual arrangements. The following are the main actuarial assumptions used to calculate the end-of-service indemnity, which are as follows:

	31 December 2024	31 December 2023
Discount rate	5.50%	4.85%
Salaries increase rate	5.50%	4.85%

The movement in employees benefit liability plan is as follows:

	31 December 2024	31 December 2023
Opening balance of employees defined benefits plan obligations	84,525	-
<i>Charged to the Statement of profit or loss (P&L)</i>		
Current year cost	89,533	84,525
Financing interests	6,359	-
<i>Charged to the statement of other comprehensive income</i>		
Losses on re-measurement of defined employee benefit plan obligations	(16,163)	-
Paid during the year	(30,208)	-
Employees defined benefits plan obligations balance at end of year	134,046	84,525

The analysis of the quantitative sensitivity of assumptions affecting end-of-service benefit obligations as at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
Description	Value	Difference	Value	Difference
Basic assumptions				
Discount rate +0.5%	127,288	6,758	83,715	810
Discount rate -0.5%	141,328	7,282	93,699	9,174
Long term salary increases +0.5%	141,627	7,581	93,897	9,372
Long term salary increases -0.5%	126,955	7,091	83,493	1,093
Withdrawal rate +10%	128,933	5,113	84,517	8
Withdrawal rate -10%	139,533	5,487	92,806	8,281
Mortality rate +10%	133,960	86	88,454	3,929
Mortality rate -10%	134,133	87	88,563	4,038

The above sensitivity analysis was determined based on a method that extrapolates the effect on the end-of-service benefits obligation as a result of reasonable changes in key assumptions that occur at the end of the period for which the financial statements are prepared. Sensitivity analysis is based on a change in one of the main assumptions while keeping all other assumptions constant. The sensitivity analysis may not reflect actual changes in the end-of-service benefit obligation because it is unlikely that changes in assumptions will be isolated.

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

12. INCOME FROM INVESTMENT SERVICES AND ASSET MANAGEMENT

	31 December 2024	31 December 2023
Management fees	3,279,658	2,747,192
Subscription fees	130,000	-
Advisory services fees	-	2,835,000
Total	3,409,658	5,582,192

13. LEGAL AND PROFESSIONAL FEES

	31 December 2024	31 December 2023
Consultancy Fees	935,193	882,056
Admin Services	334,852	279,875
Other Fees	221,965	244,290
Total	1,492,010	1,406,222

14. OTHER EXPENSES

	31 December 2024	31 December 2023
Government fees, and CMA licensing fees	121,051	119,897
Insurance expenses	150,575	122,204
Other Expenses	146,155	97,841
Total	417,781	339,942

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

15. ZAKAT

a. Zakat status

The Company has filed its zakat return form date of inception up to the financial year ended 31 December 2023 with the Zakat, Tax and Custom Authority ("ZATCA"). Zakat return for the year ended 31 December 2024 will be submitted subsequent to the financial statement's issuance date. No assessment or queries have been received.

b. Zakat Base

The provision for zakat is calculated at the rate of 2.5% applied zakat base. Significant components of the Zakat base as at 31 December 2024 are as follows:

	31 December 2024	31 December 2023
Net (loss) / profit for the year	(1,300,509)	1,175,777
Adjustments to net profit / (loss)	-	111,530
Adjusted net (loss) / profit for the year (a)	(1,300,509)	1,287,307
Total additions to zakat base	4,000,000	4,000,000
Statutory Reserve	106,327	-
Accumulated losses	(1,277,576)	(877,199)
Non-current assets	25,921	
Non-current liabilities	(25,921)	(6,826)
Total additions (a)	2,828,751	-
Total zakat base (a-b)	2,828,751	3,115,975
Sub-total adjusted to number of days outstanding in the period		3,212,801
Minimum zakat base	(1,300,509)	4,500,108
Maximum zakat base	2,828,751	112,503
Sub-total adjusted to number of days outstanding in the period	29,246,405	-
Zakat expense at 2.5%	72,978	-
Provision for zakat	72,978	112,503

c. Provision of Zakat

Movement of zakat payable during the year is as follows:

	31 December 2024	31 December 2023
Opening balance	112,503	25,296
Charge for the year	72,978	112,503
Payments during the year	(112,503)	(25,296)
Closing balance	72,978	112,503

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

16. FINANCIAL INSTRUMENTS - FAIR VALUES

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. Fair value definition includes the assumption that the Company is a going concern, with no intention or requirement to significantly reduce its operations or execute transactions under unfavorable conditions.

Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

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

The following table presents the Company's financial assets and financial liabilities measured and recognized at fair value including their levels in the fair value hierarchy at 31 December 2024 on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<u>31 December 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Investments at (FVTPL)	-	-	2,026,013	2,026,013
	-	-	2,026,013	2,026,013
 <u>31 December 2023</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Financial assets				
Investments at (FVTPL)	-	-	1,271,813	1,271,813
	-	-	1,271,813	1,271,813

Investments at (FVTPL) includes investment in a private equity fund, the fair value of which is determined based on the Fund's latest reported net assets value as at the reporting date.

As at 31 December 2024, the Company's management assessed that the fair values of cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the reporting periods.

17. FINANCIAL RISK MANAGEMENT

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks

and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk, market risk and liquidity risk arising from its financial instruments.

17.1 Credit risk

Credit risk is the risk that one party to a financial instrument may fail to discharge its contractual obligation and cause the other party to incur a financial loss.

The maximum limit for exposure to credit risk for the components of financial statements at the reporting date is shown below:

	31 December 2024	31 December 2023
Cash and cash equivalents	1,948,584	92,336
Trade receivables	92,000	-
Due from related parties	320,894	3,433,630
Total exposure to credit risk	2,406,178	3,525,966

The company seeks to monitor credit risks by monitoring credit exposure, in addition to identifying and analyzing risks, setting appropriate limits and controls, monitoring risks and adhering to limits through reliable management information data in a timely manner. The company also takes the necessary measures to recover overdue debts. Moreover, it The company reviews the recoverable amount of all receivables and other assets on an individual basis at the end of the financial period in order to ensure that an adequate loss allowance is set aside for the non-recoverable amounts.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

17.2 Market risk

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Arabian Riyals and US Dollars during the year. As Saudi Arabian Riyal is pegged to US Dollar, therefore the Company is not exposed to currency risk.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices (other than as a result of foreign currency and commission rate movements), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company is exposed to price risk with respect to its investments in private equity fund units classified as (FVTPL).

17.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the company undertakes for the benefit of others.

To reduce the liquidity risk and associated losses which may affect the business of the Company, the company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The company avoids financing long-term capital requirements and its activities related to current accounts with related parties through short-term borrowings and transactions related to current accounts with related parties.

The Company has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

18. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIOS

The Company's business objective when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base. The Capital Market Authority has issued Prudential Rules (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, CMA prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology.

19. COMMITMENTS AND CONTINGENCIES

As at the reporting date, commitments in respect of the fund's capital calls are 544,443 SR (31 December 2023: SR Nil).

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

(Amounts in SAR)

20. SUBSEQUENT EVENTS

There are no events subsequent to the reporting period which require adjustment or disclosure to the financial statements.

21. COMPARATIVE FIGURES

Certain of the comparative period figures have been reclassified to conform with the current classification in the financial statements.

The changes made are as shown in the following table:

Item	Before adjustment	After adjustment
Statement of comprehensive income		
Common service expense	11,476	-
Other expenses	328,466	339,942
	<u>339,942</u>	<u>339,942</u>

22. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 25 March 2025, corresponding to 25 Ramadan 1446.