Offering Period: Two (2) days

Commencing **Wednesday 21/11/1445H (corresponding to 29/05/2024G)**

until the end of **Thursday 22/11/1445H (corresponding to 30/05/2024G)**

rasan

Rasan Information Technology Company Prospectus

A Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G), under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G).

Offering of twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, representing 30% of the capital of Rasan Information Technology Company post-Offering (equivalent to 32.3% of the Company's capital before the capital increase) for public subscription, at an Offer Price of thirty seven Saudi Riyals (SAR 37) per share.

Rasan Information Technology Company (hereinafter referred to as the "**Company**" or the "**Issuer**") is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G), under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G), and its registered address is 3413 Al Thoumamah Road, 8135 Qurtuba District, Riyadh - 13248, Kingdom of Saudi Arabia (hereinafter referred to as the "**Kingdom**").

The Company was established on 05/08/1437H (corresponding to 12/05/2016G) as a limited liability company with a fully paid-up capital of three million Saudi Riyals (SAR 3,000,000), divided into one thousand (1,000) cash shares with a fully paid nominal value of three thousand Saudi Riyals (SAR 3,000) per share, and is registered in Riyadh under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G). Increases in the Company's capital have been approved several times since its incorporation. The Company's capital was first increased pursuant to the Shareholders' resolution recorded in the Company's articles of association on 19/03/1443H (corresponding to 25/10/2021G), from three million Saudi Riyals (SAR 3,000,000) to twenty-five million, five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million, five hundred and fifty thousand (2,550,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share representing an increase of 750% in the Company's the capital. The full amount of the increase of twenty-two million five hundred thousand Saudi Riyals (SAR 22,500,000) was paid in cash by two new Shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, on their own behalf and equally between them on behalf of the other Shareholders in the Company, following which the shareholding of Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology in the Company's capital was 2.83% and 2.83% respectively, and the total shareholding of the other Shareholders of the Company – collectively – was 94.34% of the capital. The capital increase was made in conjunction with an investment round on 26/02/1443H (corresponding to 03/10/2021) led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) for the purpose of increasing the Company's capital as referenced above and for the purpose of acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, whose shares amounted to four hundred ninety-four thousand, seven hundred (494,700) one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the Company's capital, respectively, following the capital increase and purchase of Shares (for further details on the investment round, please refer to Section 4.1.2(d) "**The Investment Round and Increase in Capital and Structure Amendment (2021G)**" of this Prospectus). On 10/01/1444H (corresponding to 08/08/2022G), the Company was converted from a limited liability company into a closed joint-stock company under the name "**Rasan Information Technology Company**" pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G) with a fully paid-up capital of twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million five hundred and fifty thousand (2,550,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 21/12/1444H (corresponding to 09/07/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from twenty-five million and five hundred thousand Saudi Riyals (SAR 25,500,000) to seventy million five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million five hundred thousand (70,500,000) ordinary shares with a nominal value of one (SAR 1) per share representing an increase of approximately 176.5% in the Company's capital, through the capitalization of thirty-seven million three hundred and fifty thousand Saudi Riyals (SAR 37,350,000) from the retained earnings account and seven million six hundred and fifty thousand Saudi Riyals (SAR 7,650,000) from the statutory reserve account. In addition, the Extraordinary General Assembly resolved to reduce the nominal value of the Company's shares from ten Saudi Riyals (SAR 10) to one Saudi Riyal (SAR 1) through a forward split of seven million and fifty thousand (7,050,000) shares to seventy million five hundred thousand (70,500,000) shares. Thereafter, on 27/01/1445H (corresponding to 14/08/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from seventy million five hundred thousand Saudi Riyals (SAR 70,500,000) to seventy-five million eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 7.5% in the Company's capital, through the Offering of five million, three hundred thousand (5,300,000) new shares for public subscription. The Company's ownership structure has undergone several changes since its establishment on 05/08/1437H (corresponding to 12/05/2016G). At establishment, the Company's shares were owned by Muheideb Ali Mohammed AlMuheideb, who owned three hundred and seventy (370) shares, representing 37.00% of the capital; Suleiman Abdullah Suleiman AlFallaj, who owned one hundred and sixty-eight (168) shares, representing 16.80% of the capital; Mohammed Muheideb Ali AlMuheideb, who owned one hundred and thirty (130) shares, representing 13.00% of the capital; Thamer Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital; Abdulrahman Abdullah Abdulrahman Bin Aiban, who owned eighty-three (83) shares, representing 8.30% of the capital; Majed Abdullah Mohammed AlBawardi, who owned eighty-three (83) shares, representing 8.30% of the capital; and Moayad Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital. On 11/02/1439H (corresponding to 31/10/2017G), the Shareholder Majed Abdullah Mohammed AlBawardi transferred ownership of his entire shareholding, amounting to eighty-three (83) shares, representing 8.30% of the capital, to Suleiman Abdullah Suleiman AlFallaj, without consideration. On 10/08/1442H (corresponding to 23/03/2021G), the Shareholders Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj transferred the ownership of one hundred and forty (140) shares, representing 14.00% of the capital, and ten (10) shares, representing 1.00% of the capital, respectively, to Theib Hudeiban Ghallab AlMutairi, without consideration. Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj also transferred ownership of seven (7) shares, representing 0.70% of the capital, and fifty-nine (59) shares, representing 5.90% of the capital, respectively, to Ayman Abdullah Suleiman AlFallaj, without consideration. Moreover, Suleiman Abdullah Suleiman AlFallaj transferred fifty (50) shares, representing 5.00% of the capital, to Sami Muheideb Ali AlMuheideb, and sixty-six (66) shares, representing 6.60% of the capital, to Majed Abdullah Mohammed AlBawardi, without consideration. Furthermore, Muheideb Ali Mohammed AlMuheideb, Thamer Abdullah Suleiman AlFallaj, Moayad Abdullah Suleiman AlFallaj and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred one (1) share, representing 0.10% of the capital, seventeen (17) shares, representing 1.70% of the capital, seventeen (17) shares, representing 1.70% of the capital and seventeen (17) shares, representing 1.70% of the capital, respectively, to Fahad Ahmed Mohamed Abuhaimed, without consideration. In addition, Muheideb Ali Mohammed AlMuheideb transferred fifty-two (52) shares, representing 5.20% of the capital, to Abdulelah Mohammed Manei AlGhufaili, without consideration. On 19/03/1443H (corresponding to 25/10/2021), Suleiman Abdullah Suleiman AlFallaj, transferred forty (40) shares representing 4.0% of the Company's capital, and Thamer Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Ayman Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Abdulelah Mohammed Manei AlGhufaili transferred thirty-two (32) shares representing 3.2% of the capital, and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred fourteen (14) shares representing 1.4% of the capital, and Majed Abdullah Mohammed AlBawardi transferred fourteen (14) shares representing 1.4% of the capital, and Moayad Abdullah Suleiman AlFallaj transferred fourteen (14) shares representing 1.4% of the capital to the two (2) new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, with shares in the amount of one hundred sixty-six (166) shares and twenty-eight (28) shares, representing 16.57% and 2.83% of the Company's capital, respectively, in conjunction with an investment round of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) which included the purchase of shares representing 19.40% of the Company's capital from the current Shareholders for the two (2) new Shareholders and the increase in capital from three million Saudi Riyals (SAR 3,000,000) to twenty five million five hundred thousand Saudi Riyals (SAR 25,500,000). This resulted in a total shareholding of four hundred ninety-four thousand seven hundred (494,700) shares and one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the company's capital for Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, respectively, following the capital increase and purchase of Shares. On 10/01/1444H (corresponding to 08/08/2022G), Impact Funds for Financial Technology Company transferred ownership of nineteen thousand and ninety-eight (19,098) shares, representing 0.75% of the capital, to Assets Custody Development Impact Company for Communications and Information Technology, without consideration. Muheideb Ali Mohammed AlMuheideb also transferred two hundred and forty thousand, five hundred and sixty-six (240,566) shares, representing 9.43% of the capital, to a new shareholder in the Company, Samer Mohammed Raslan, without consideration.

As of the date of this Prospectus, the Company's capital is seventy million five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million five hundred thousand (70,500,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share. The Company's capital post-Offering will be seventy-five million eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million, eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, as a result of the Company's capital increase through the issue and Offering of five million, three hundred thousand (5,300,000) New Shares (representing 7.0% of the Company's capital post-Offering) for public subscription.

The initial public offering (hereinafter referred to as the "**Offering**") consists of offering twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares through (a) the sale of seventeen million, four hundred and forty thousand (17,440,000) ordinary shares of the Company's existing shares (hereinafter referred to as the "**Sale Shares**") as follows: (1) the sale of three million, two hundred and fifty-two thousand, five hundred and sixty (3,252,560) ordinary shares by Impact Funds for Financial Technology Company, representing approximately 4.3% of the Company's capital post-Offering; (2) the sale of two million, four hundred and sixty-seven thousand, seven hundred and sixty (2,467,760) ordinary shares by Theib Hudeiban Ghallab AlMutairi, representing approximately 3.3% of the Company's capital post-Offering; (3) the sale of two million, one hundred and thirty-eight thousand, one hundred and forty-four (2,138,144) ordinary shares by Muheideb Ali Mohammed AlMuheideb, representing approximately 2.8% of the Company's capital post-Offering; (4) the sale of one million, six hundred and forty-four thousand, five hundred and ninety-two (1,644,592) ordinary shares by Samer Mohammed Raslan, representing approximately 2.2% of the Company's capital post-Offering; (5) the sale of one million, one hundred and fifty-one thousand and forty (1,151,040) ordinary shares by Mohammed Muheideb Ali AlMuheideb, representing approximately 1.5% of the Company's capital post-Offering; (6) the sale of one million, one hundred and seventeen thousand, nine hundred and four (1,117,904) ordinary shares by Assets Custody Development Impact Company for Communications and Information Technology, representing approximately 1.5% of the Company's capital post-Offering; (7) the sale of eight hundred and fifty-four thousand, five hundred and sixty (854,560) ordinary shares by Fahad Ahmed Mohammed Abuhaimed, representing approximately 1.1% of the Company's capital post-Offering; (8) the sale of eight hundred and forty-two thousand, three hundred and fifty-two (842,352) ordinary shares by Majed Abdullah Mohammed AlBawardi, representing approximately 1.1% of the Company's capital post-Offering; (9) the sale of eight hundred and forty-two thousand, three hundred and fifty-two (842,352) ordinary shares by Moayad Abdullah Suleiman AlFallaj, representing approximately 1.1% of the Company's capital post-Offering; (10) the sale of eight hundred and forty-two thousand, three hundred and fifty-two (842,352) ordinary shares by Abdulrahman Abdullah Abdulrahman Bin Aiban, representing approximately 1.1% of the Company's capital post-Offering; (11) the sale of eight hundred and twenty-three thousand, one hundred and sixty-eight (823,168) ordinary shares by Sami Muheideb Ali AlMuheideb, representing approximately 1.1% of the Company's capital post-Offering; (12) the sale of three hundred and eighty-eight thousand, nine hundred and twelve (388,912) ordinary shares by Ayman Abdullah Suleiman AlFallaj, representing approximately 0.5% of the Company's capital post-Offering; (13) the sale of three hundred and eighty-eight thousand, nine hundred and twelve (388,912) ordinary shares by Suleiman Abdullah Suleiman AlFallaj, representing approximately 0.5% of the Company's capital post-Offering; (14) the sale of three hundred and eighty-eight thousand, nine hundred and twelve (388,912) ordinary shares by Thamer Abdullah Suleiman AlFallaj, representing approximately 0.5% of the Company's capital post-Offering; and (15) the sale of two hundred and ninety-six thousand, four hundred and eighty (296,480) ordinary shares by Abdulelah Mohammed Manei AlGhufaili, representing approximately 0.4% of the Company's capital post-Offering (hereinafter referred to as the "**Selling Shareholders**"); (b) the issue and sale of five million, three hundred thousand (5,300,000) ordinary New Shares (the Sale Shares and the New Shares are collectively referred to as the "**Offer Shares**" and each individually as an "**Offer Share**") at an offer price of thirty seven Saudi Riyals (SAR 37) per share, with a nominal value of one Saudi Riyal (SAR 1) per share, (hereinafter referred to as the "**Offer Price**"). The Sale Shares and the New Shares represent 23.0% and 7.0%, respectively, of the Company's total capital post-Offering, equivalent to 30% of the Company's capital post-Offering.

rasan.co

Subscription to the Offer Shares shall be limited to two tranches of investors (hereinafter referred to as the "**Investors**") as follows:

Tranche A: Participating Parties: This tranche comprises the parties entitled to participate in the book building process as specified under the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued by the Board of the Capital Market Authority (hereinafter referred to as the "**CMA**") pursuant to Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended by CMA Board Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G) (hereinafter referred to as the "**Book Building Instructions**") (such categories are collectively referred to hereinafter as the "**Participating Parties**") (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). Participating Parties will initially be allocated twenty-two million, seven hundred and forty thousand (22,740,000) Offer Shares, representing 100% of the total Offer Shares, and the final allocation will be made after the end of the subscription period for Individual Subscribers. In the event that Individual Subscribers (as defined in Tranche (B) below) subscribe for all of the Offer Shares allocated thereto, the Financial Advisors shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of twenty million, four hundred and sixty-six thousand (20,466,000) Offer Shares, representing 90% of the Offer Shares. The Financial Advisors, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors.

Tranche B: Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents (referred to collectively hereinafter as the "**Individual Subscribers**" and each an "**Individual Subscriber**", and together with the Participating Parties as the "**Subscribers**"). A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of two million, two hundred and seventy-four thousand (2,274,000) Offer Shares, representing 10% of the Offer Shares, shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all the Offer Shares allocated thereto, the Financial Advisors, in cooperation with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares to which they subscribed.

The Offering will be made to certain qualified foreign investors and foreign investors outside the United States by way of swap agreements in accordance with Regulation S issued under the United States Securities Act of 1933G, as amended (hereinafter referred to as the "**US Securities Act**"). The Offer Shares have not been, and will not be, registered under the US Securities Act or under any other law of the United States of America. This Offering does not constitute an invitation to sell shares or a solicitation to buy them in any country where this Offering is unlawful.

The entire Offering proceeds, after deduction of the Offering Expenses (hereinafter referred to as the "**Net Offering Proceeds**"), will be distributed and allocated as follows: (1) six hundred and forty five million, two hundred eighty thousand Saudi Riyals (SAR 645,280,000) will be distributed to the Selling Shareholders according to their respective ownership percentages in the Sale Shares; (2) one hundred and ninety six million and one hundred thousand Saudi Riyals (SAR 196,100,000) from the sale of the New Shares resulting from the capital increase for the purpose of the Offering (hereinafter referred to as the "**IPO Proceeds**") will be distributed to the Company to expand the Group's current operations and products, market and develop the Group's new products and finance the general purposes of the Group (for further information on the Offering proceeds, please refer to Section 8 "**Use of Offering Proceeds**" of this Prospectus).

The Offering has been fully underwritten by the Underwriters (for further information on the underwriting, please refer to Section 13 "**Underwriting**" of this Prospectus). Substantial Shareholders owning 5% or more of the Company's shares are prohibited from disposing of their shares for a period of six (6) months (hereinafter referred to as the "**Lock-up Period**") from the date trading of the Company's shares commences on the Saudi Stock Exchange (hereinafter referred to as "**Tadawul**" or the "**Exchange**"), as described on page (xvi) of this Prospectus.

The Company's Substantial Shareholders who own 5% or more of its Shares as of the date of this Prospectus are: (1) Impact Funds for Financial Technology Company, (2) Theib Hudeiban Ghallab AlMutairi, (3) Muheideb Ali Mohammed AlMuheideb, (4) Samer Mohammed Raslan, (5) Mohammed Muheideb Ali AlMuheideb and (6) Assets Custody Development Impact Company for Communications and Information Technology (hereinafter referred to as the "**Substantial Shareholders**"). Table 1.2 " **The Substantial Shareholders, their Shares and their Ownership Percentages Pre- and Post-Offering**" of this Prospectus shows the ownership percentages of the Substantial Shareholders in the Company's capital pre- and post-Offering. Following completion of the Offering, the Substantial Shareholders will collectively own 47.26% of the Company's shares and will thus retain a controlling interest.

The Offering Period will commence on Wednesday 21/11/1445H (corresponding to 29/05/2024G) and will continue for a period of two (2) days, up to and including the subscription closing day on Thursday 22/11/1445H (corresponding to 30/05/2024G) (hereinafter referred to as the "**Offering Period**"). Individual Subscribers may subscribe for the Offer Shares through any of the branches of the Receiving Agents listed on page (ix) of this Prospectus (hereinafter referred to as the "**Receiving Agents**") during the Offering Period or through the internet, telephone banking or automated teller machines (hereinafter referred to as "**ATMs**") or other electronic channels offered by the Receiving Agents to their customers (for further information, please refer to Section 17.3.2 "**Subscription by Individual Subscribers**" of this Prospectus). Participating Parties may subscribe for the Offer Shares through the Bookrunners during the Book Building process, which will take place prior to the Offering of the shares to Individual Subscribers.

Each Individual Subscriber must apply for a minimum of ten (10) Offer Shares and a maximum of one hundred thousand (100,000) Offer Shares. The minimum allocation per Individual Subscriber is ten (10) Shares. The balance of the Offer Shares, if any, will be allocated pro rata based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds two hundred and twenty-seven thousand (227,400) Subscribers, the Company will not guarantee the minimum allocation. In this case, the allocation will be made as deemed appropriate by the Financial Advisors, in coordination with the Company, using the discretionary allocation mechanism. Excess subscription monies (if any) will be refunded to Individual Subscribers without any charge or commission being withheld by the Receiving Agents. Announcement of final allocation and refund of excess subscription monies (if any) will be made no later than 29/11/1445G (corresponding to 06/06/2024G) (for further information, please refer to Section "**Key Dates and Subscription Procedures**" on page (xvii) and Section 17 "**Subscription Terms and Conditions**" of this Prospectus).

The Company has one class of ordinary shares. Each share entitles its holder to one vote, and each Shareholder (hereinafter referred to as a "**Shareholder**") has the right to attend and vote at the General Assembly meetings of the Company (hereinafter referred to as the "**General Assembly**"). No Shareholder benefits from any preferential voting rights. The Offer Shares will entitle holders to receive their portion of any dividends declared by the Company as of the date of this Prospectus (hereinafter referred to as the "**Prospectus**") and for subsequent financial years (for further information on the dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

Prior to the Offering, the Company's shares have not been previously listed or traded on any stock market in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offer of the shares, and an application to the Exchange for the listing of the shares. All required supporting documents have been submitted to the competent authorities. All requirements have been met and all approvals related to the Offering have been obtained, including this Prospectus. It is expected that trading of the shares will commence on the Exchange shortly after the final allocation of the Offer Shares and satisfaction of all relevant regulatory requirements (for further details, please refer to Section "**Key Dates and Subscription Procedures**" on page (xvii) of this Prospectus). Saudi Arabian nationals, non-Saudi Arabian nationals holding valid residency permits in the Kingdom, and companies, banks and investment funds established in the Kingdom or in GCC countries, as well as GCC nationals, will be permitted to trade in the shares after the shares are registered with the CMA and listed on the Exchange. Qualified foreign investors (hereinafter referred to as "**QFIs**") will be able to trade in the Company's shares in accordance with the Rules for Foreign Investment in Securities (as defined in Section 1 "**Definitions and Abbreviations**" of this Prospectus). Foreign strategic investors are also entitled to trade in the shares in accordance with the Rules for Foreign Investment in Securities (as defined in Section 1 "**Definitions and Abbreviations**" of this Prospectus). Furthermore, non-GCC nationals who are not residents in the Kingdom and non-GCC institutions incorporated outside the Kingdom (hereinafter referred to as "**Foreign Investors**") will be permitted to acquire an economic interest in the shares by entering into swap agreements with capital market institutions authorized by the CMA (hereinafter referred to as the "**Capital Market Institutions**") to buy and trade in shares listed on the Exchange for the benefit of Foreign Investors. Under such swap agreements, the Capital Market Institutions will be registered as the legal owner of such shares.

Persons who wish to subscribe for the Company's shares must carefully read and consider "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" contained in this Prospectus prior to making a decision to invest in the Offer Shares.

Lead Manager

السعودي الفرنسي كابيتال
Saudi Fransi Capital

Financial Advisors, Bookrunners and Underwriters

السعودي الفرنسي كابيتال
Saudi Fransi Capital

Morgan Stanley

Receiving Agents

البنك السعودي الفرنسي
Banque Saudi Fransi

مصرف الراجحي
alrajhi bank

This Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**" or the "**Authority**") and the application for listing of securities in compliance with the requirements of the Listing Rules of the Saudi Stock Exchange. The Directors, whose names appear in this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange bear no responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is dated 18/11/1445H (corresponding to 26/05/2024G).


It Offers
Performance
Monitoring
تأميني
treza

Important Notice

This Prospectus contains detailed information relating to the Company and the Offer Shares. When submitting an application for the Offer Shares, Participating Parties and Individual Subscribers will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which are available by visiting the websites of the Company (www.rasan.co), the CMA (www.cma.org.sa) the Exchange (www.saudiexchange.sa) or the website of the or the Financial Advisors, Saudi Fransi Capital (www.sfc.sa) and Morgan Stanley Saudi Arabia (www.morganstanleysaudiarabia.com).

The Company has appointed Saudi Fransi Capital and Morgan Stanley Saudi Arabia as its financial advisors (hereinafter referred to as the "**Financial Advisors**"), bookrunners (hereinafter referred to as the "**Bookrunners**") and underwriters (hereinafter referred to as the "**Underwriters**") in connection with the Offering of the Offer Shares described in this Prospectus. The Company has also appointed Saudi Fransi Capital as the Lead Manager (hereinafter referred to as the "**Lead Manager**").

This Prospectus includes information that has been presented in accordance with the Rules on the Offer of Securities and Continuing Obligations (hereinafter referred to as the "**OSCOs**") issued by the CMA. The Directors, whose names appear on page (iv), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable inquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, a substantial portion of the information in this Prospectus which is relevant to the markets and industry in which the Company operates is derived from external sources. While neither the Company nor the Selling Shareholders, Directors or any of the Advisors whose names appear on pages (vii) and (viii) of this Prospectus have any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified. Accordingly, no representation or assurance is made with respect to the accuracy or completeness of any such information.

The information included in this Prospectus as of the date hereof is subject to change. In particular, the actual financial position of the Company and value of the shares may be adversely affected by future developments, such as inflation factors, interest rates, taxation or any economic, political or other factors, over which the Company has no control (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). Neither the issuance of this Prospectus nor any verbal, written or printed communication in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise, affirmation or representation regarding future earnings, results or events.

This Prospectus should not be regarded as a recommendation on the part of the Company, the Board of Directors, the Selling Shareholders, the Receiving Agents or any of the Advisors to subscribe for the Offer Shares. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making a decision to invest in the Offer Shares, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA-licensed financial advisor in relation to subscribing for the Offer Shares to consider the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some Investors but not others. Prospective investors should not rely on a third party's decision whether to invest as a basis for their own examination of investment opportunity and such Investor's individual circumstances.

Subscription for the Offer Shares shall be limited to two tranches of Investors as follows:

Tranche (A) Participating Parties: This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Tranche (B) Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the Offer Shares by any person in any jurisdiction in which the law in force does not permit such person to make such offer or solicitation. The Offering will be made outside the United States by way of offshore transactions based on the relevant securities regulations.

Moreover, it is expressly prohibited to distribute this Prospectus or to sell the Offer Shares to any person outside the Kingdom, other than to QFIs and certain other Foreign Investors pursuant to swap agreements, provided that the relevant regulations and directives are taken into account. The Company, the Selling Shareholders and the Financial Advisors request recipients of the Prospectus to inform themselves of all regulatory restrictions related to the Offering and the sale of Offer Shares and to observe all such restrictions. Each Individual Subscriber and Participating Party should read this Prospectus in full and seek professional advice from a CMA-licensed financial advisor and from their own attorneys, accountants and professional advisors concerning the various statutory, tax, regulatory and economic considerations relating to their investment in the Offer Shares, and they will personally bear the fees associated with such advice. Neither the Company nor the Selling Shareholders or Financial Advisors make any assurance that profits will be achieved.

Market and Industry Data

The information and data contained in Section 3 "**Market and Industry Data**" of this Prospectus are derived from the market study prepared on 26/01/1445H (corresponding to 13/08/2023G) by the Market Consultant, PricewaterhouseCoopers Chartered Accountants (hereinafter referred to as the "**Market Consultant**").

PricewaterhouseCoopers Chartered Accountants is an independent firm providing strategic market research services to a wide range of clients. It was founded in 2013G, and its headquarters are located at King Fahd Road, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia.

The Directors believe that the information and data herein which has been obtained from third-party sources, including the market study prepared by the Market Consultant, are reliable. However, such information and data has not been independently verified by the Company, the Directors, the Advisors (except the Market Study Advisor) or the Selling Shareholders, and therefore none of the aforementioned bears any liability for the accuracy or completeness of such information or data.

Neither the Market Consultant nor any of its shareholders, directors or their relatives have any shares or interest of any kind in the Company or its Subsidiaries. The Market Consultant has given and, as of the date of this Prospectus, has not withdrawn its written consent to the use of the market research data in the form and manner set out in this Prospectus.

Financial Information

The audited consolidated financial statements of the Company and its Subsidiaries (referred to hereinafter as the "**Group**") for the financial year ended 31 December 2020G and the accompanying notes thereto have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") for small and medium enterprises endorsed in the Kingdom and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (hereinafter referred to as "**IFRS-KSA for SMEs**") and have been audited by Ernst & Young Professional Services (Professional LLC) (hereinafter referred to as the "**Auditor**"). The Group's audited consolidated financial statements for the financial years ended 31 December 2021G and 2022G and the accompanying notes thereto have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (hereinafter referred to as "**IFRS-KSA**") and have been audited by the Auditor. The Group's unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2023G and the accompanying notes thereto have been prepared in accordance with IAS 34 (Interim Financial Reporting) as endorsed in the Kingdom. These financial statements were relied upon for the purpose of the information and data included in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and other sections of this Prospectus. The financial information for the financial year ended 31 December 2020G which is presented in this Prospectus has been derived from the comparative financial information for the financial year ended 31 December 2020G included in the audited consolidated financial statements for the financial year ended 31 December 2021G. The Group's financial statements have been included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus. The Group publishes its financial statements in Saudi Riyals.

Certain financial and statistical information contained in this Prospectus has been rounded to the nearest integer. Therefore, if the figures contained in the tables are added up, the total may not correspond to what is mentioned in the Prospectus.

Forecasts and Forward-looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used, and consequently, no representation or warranty is made with respect to the accuracy or completeness of any such forecasts or estimates. The Company confirms that, to the best of its knowledge, all due diligence has been taken in preparing the statements contained in this Prospectus.

Certain forecasts and statements contained in this Prospectus constitute or may be considered "forward-looking statements". Such forward-looking statements can generally be identified through their use of forward-looking words such as "plans", "intends", "proposes", "estimates", "believes", "expects", "expected", "may", "could", "likely", "possibly", "will", "would" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of the Company's actual future performance. Many factors could cause the actual results, performance or results of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The key risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). Should one or more of these factors materialize or any of the forecasts or forward-looking statements contained in this Prospectus prove to be incorrect or inaccurate, the actual results of the Company and its Subsidiaries may differ materially from those described in this Prospectus.

Subject to the requirements of the OSCOs, the Company must submit a supplementary prospectus if, at any time after the publication of this Prospectus and before the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in any material information contained in this Prospectus or any document required by the OSCOs; or (b) the occurrence additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, uncertainties and estimates, the forward-looking events and circumstances discussed in this Prospectus may not occur in the way the Company expects, or at all. Subscribers should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Definitions and Abbreviations

For an explanation of certain terms and abbreviations included in this Prospectus, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus.

Presentation of Figures in the Prospectus

This Prospectus has been prepared using Arabic numerals, namely 1, 2, 3, 4, 5, 6, 7, 8, 9 and 0. Certain figures are presented as decimals, whereby a decimal point is placed to the right of the decimal place with the base value. Each digit to the right of this decimal point has a base value of one-tenth of the value of the previous digit to the left. Accordingly, the number 123.4 represents the number one hundred and twenty-three and four-tenths.

General Provisions

Certain figures and percentages in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, Hijri dates are mentioned along with their corresponding Gregorian dates. The Hijri calendar is prepared based on the upcoming lunar cycles, however the beginning of each month is determined by the actual observation and sighting of the moon. For such reason, conversions between the Hijri calendar and the Gregorian calendar are often subject to discrepancies of one or a few days. In addition, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Prospectus.

rasan

Corporate Directory

Board of Directors

Table (1.1): The Company's Board of Directors

No.	Name	Position	Nationality	Age	Status	Direct Ownership (%)(1)		Indirect Ownership (%)(1)		Date of Appointment(2)
						Pre-Offering	Post-Offering	Pre-Offering(3)	Post-Offering(3)	
1	Majed Abdullah Mohammed AlBawardi	Chairman	Saudi	44 years	Independent	4.83%	3.38%	-	-	06/01/1444H (corresponding to 04/08/2022G)
2	Abdulaziz Abdulrahman Mohammed AlOmran (4)	Vice Chairman	Saudi	46 years	Non-executive	-	-	2.04%	1.43%	06/01/1444H (corresponding to 04/08/2022G)
3	Mohammed Muheideb Ali AlMuheideb (4)	Director	Saudi	45 years	Non-executive	6.60%	4.62%	-	-	06/01/1444H (corresponding to 04/08/2022G)
4	Theib Hudeiban Ghallab AlMutairi (4)	Director	Saudi	58 years	Non-executive	14.15%	9.91%	-	-	06/01/1444H (corresponding to 04/08/2022G)
5	Abdulrahman Abdullah Abdulrahman Bin Aiban	Director	Saudi	51 years	Independent	4.83%	3.38%	-	-	06/01/1444H (corresponding to 04/08/2022G)
6	Ayman Abdullah Suleiman AlFallaj(4)	Director	Saudi	41 years	Non-executive	2.23%	1.56%	-	-	06/01/1444H (corresponding to 04/08/2022G)
7	Fahad Ahmed Mohammed Abuhaimed	Director	Saudi	50 years	Independent	4.90%	3.44%	-	-	22/03/1444H (corresponding to 17/10/2022G)
8	Basma Abdulrahman Abdullah AlSunaidi(4)	Director	Saudi	32 years	Non-executive	-	-	0.10%	0.07%	06/01/1444H (corresponding to 04/08/2022G)
9	Moayad Abdullah Suleiman AlFallaj (4)	Managing Director	Saudi	42 years	Executive	4.83%	3.38%	-	-	21/12/1444H (corresponding to 09/07/2023G)

(1) Note: The ownership percentages are rounded to the nearest integer.

(2) The dates listed in this table are the dates of appointment of the Directors to the current session of the Board. The respective biographies of the Directors state the dates of their appointment to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus).

(3) The indirect ownership of the Directors is as a result of the following:

- Abdulaziz Abdulrahman Mohammed AlOmran owns 8.86% of the units of Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company. He also owns 6.13% of the units of Impact Growth Fund, which has beneficial ownership of 6.41% of the Company's capital before the Offering through Assets Custody Development Impact Company for Communications and Information Technology.
- Basma Abdulrahman Abdullah AlSunaidi owns 0.51% of the units of the Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company.

(4) Article 19(c) of the Corporate Governance Regulations provides the following circumstances which negate, for example and without limitation, the independence requirement for an Independent Director:

- if he/she holds 5% or more of the Shares of the Company or any other company within its Group; or is a relative of who owns such percentage;
- if he/she is a relative of any Director of the Company, or any other company within the Company's Group;
- if he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's Group;
- if he/she is a Director of any company within the Group of the Company for which he/she is nominated to be a Director;

- if he/she is an employee or used to be an employee, during the preceding two (2) years, of the Company or a company within its Group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its Group, such as external auditors or main suppliers during the preceding two (2) years;
- if he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account;
- if the Director receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the Board or any of its committees, whichever is less;
- if he/she engages in a business where he competes with the Company, or conducting businesses in any of the Company's activities; or
- if he/she served for more than nine (9) years, consecutive or inconsecutive, as a Director of the Company.

Further, the aforementioned Directors are considered non-independent due to the following:

- Abdulaziz Abdulrahman Mohammed AlOmran represents Impact Funds for Financial Technology Company, which is a Shareholder in the Company, with a shareholding of 18.65% pre-Offering, and Assets Custody Development Impact Company for Communications and Information Technology, which is a Shareholder in the Company, with a shareholding of 6.41% pre-Offering.
- Mohammed Muheideb Ali AlMuheideb has an indirect interest in the technical support services agreement concluded between the Company and the Insurance House Company (IHC), in his capacity as the owner of 60% of the capital of IHC. He also has an indirect interest in the transactions concluded between the Company and Arabian Company For Travelers Services, in his capacity as the owner of 100% of the capital of Arabian Company For Travelers Services.
- Theib Hudeiban Ghallab AlMutairi owns 14.15% of the Company's shares pre-Offering.
- Ayman Abdullah Suleiman AlFallaj has an indirect interest in the agreement concluded between the Company and Thiqah Business Services in his capacity as CEO of Thiqah Business Services.
- Basma Abdulrahman Abdullah AlSunaidi represents Impact Funds for Financial Technology Company, which is a Shareholder in the Company, with an 18.65% shareholding pre-Offering, and Assets Custody Development Impact Company for Communications and Information Technology, which is a Shareholder in the Company, with a shareholding of 6.41% pre-Offering.
- Moayad Abdullah Suleiman AlFallaj is one of the Company's Senior Executives in his capacity as Managing Director and CEO.

Source: The Company

Company Address

Rasan Information Technology Company

3413 Al Thoumamah Road, 8135 Qurtuba District
Riyadh - 13248
Kingdom of Saudi Arabia
Tel: +966 11 482 6283
Fax: +966 11 482 6283
Website: www.rasan.co
Email: ircare@rasan.co

Company Representatives

Abdulaziz Abdulrahman Mohammed AlOmran

Vice Chairman
3413 Al Thoumamah Road, 8135 Qurtuba District
Riyadh - 13248
Kingdom of Saudi Arabia
Tel: +966 504 58450
Fax: +966 11 482 6283
Website: www.rasan.co
Email: Aziz@impact46.sa

Moayad Abdullah Suleiman AlFallaj

Managing Director and CEO
3413 Al Thoumamah Road, 8135 Qurtuba District
Riyadh - 13248
Kingdom of Saudi Arabia
Tel: +966 553 44589
Fax: +966 11 482 6283
Website: www.rasan.co
Email: Malfallaj@rasan.co

Board Secretary

Zaki Mohammed Hassan Al Ismail

3413 Al Thoumamah Road, 8135 Qurtuba District
Riyadh - 13248
Kingdom of Saudi Arabia
Tel: +966 55 313 0007
Fax: +966 11 482 6283
Website: www.rasan.co
Email: zalismail@rasan.co

Stock Exchange

Saudi Tadawul Group (Tadawul)

Tawuniya Towers - North Tower
King Fahd Road - Al Olaya 6897
Unit No. 15
Riyadh 3388-12211
Kingdom of Saudi Arabia
Tel: +966 11 92000 1919
Fax: +966 11 218 9133
Website: www.saudiexchange.sa
Email: csc@saudiexchange.sa

Depository Center

Securities Depository Center Company (Edaa)

King Fahd Road - Al Olaya 6897
Unit No. 11
Riyadh 12211 - 3388
Kingdom of Saudi Arabia
Tel: +966 92002 6000
Fax: +966 11 218 9133
Website: www.edaa.com.sa
Email: cc@edaa.com.sa

Advisors

Financial Advisor, Lead Manager, Bookrunner and Underwriter
Saudi Fransi Capital King Fahd Road Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.sfc.sa Email: rasan.ipo@fransicapital.com.sa
Financial Advisor, Bookrunner and Underwriter
Morgan Stanley Saudi Arabia King Saud Street Al Rashid Tower - Floor 10 P.O. Box 66633, Riyadh 11586 Kingdom of Saudi Arabia Tel: +966 11 2187000 Fax: +966 11 2187003 Website: www.morganstanley.com Email: Ineqsy@morganstanley.com
Legal Advisor to the Company
The Law Firm of Latham & Watkins King Fahd Road Al-Tatweer Towers - 7th Floor, Tower 1 P.O. Box 17411, Riyadh 11484 Kingdom of Saudi Arabia Tel: +966 11 2072500 Fax: +966 11 2072577 Website: www.lw.com Email: projecttiger2023.lwteam@lw.com
Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters
White & Case for Advocacy and Legal Consulting The Business Gate Building, No. 26, Zone C Airport Road P.O. Box 1080, Riyadh 11431 Kingdom of Saudi Arabia Tel: +966 (11) 4167300 Fax: +966 (11) 4167399 Website: www.whitecase.com Email: wcprojecttiger@whitecase.com

Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters for the Offering outside the Kingdom of Saudi Arabia
White & Case LLP 5 Old Broad Street London, EC2N 1DW United Kingdom Tel: +44 20 7532 1000 Fax: +44 20 7532 1001 Website: www.whitecase.com Email: wcprojecttiger@whitecase.com
Financial Due Diligence Advisor
PricewaterhouseCoopers Chartered Accountants King Fahd Road P.O. Box 8282, Riyadh 11482 Kingdom of Saudi Arabia Tel: +966 11 211 0400 Fax: +966 11 211 0401 Website: www.pwc.com/middle-east Email: mer_project_tiger@pwc.com
Auditor
Ernst & Young Professional Services (Professional LLC) King Fahd Road P.O. Box 2732, Riyadh 11461 Kingdom of Saudi Arabia Tel: +966 11 2159898 Fax: +966 11 2734730 Website: www.ey.com/en_sa Email: ey.ksa@sa.ey.com
Market Consultant
PricewaterhouseCoopers Chartered Accountants King Fahd Road P.O. Box 8282, Riyadh 11482 Kingdom of Saudi Arabia Tel: +966 11 211 0400 Fax: +966 11 211 0401 Website: www.pwc.com/middle-east Email: mer_project_tiger@pwc.com

Notice:

As of the date of this Prospectus, all of the above-mentioned Advisors and the Auditor have given and have not withdrawn their written consent to the inclusion of and reference to their names, logos, statements and reports, as applicable, in the context in which the appear in this Prospectus. None of the Advisors, the Auditor, or their employees forming the engagement team serving the Company, or any of their relatives have any shareholding or interest of any kind in the Company as of the date of this Prospectus which would impair their independence.

Receiving Agents

Banque Saudi Fransi
King Saud Road
P.O. Box 56006, Riyadh 11554
Kingdom of Saudi Arabia
Phone: +966 920000579
Fax: +966 11 402 7261
Website: www.alfransi.com.sa
Email: Fransiplusadmin@alfransi.com.sa

Alrajhi Bank
King Fahad Road - Al Muruj District
Riyadh 11411
Kingdom of Saudi Arabia
Tel: +966 (11) 828 2515
Fax: +966 (11) 279 8190
Website: www.alrajhibank.com.sa
E-mail: contactcenter1@alrajhibank.com.sa

rasan

Offering Summary

This Offering summary is intended to provide a brief overview of the information on the Offering contained in this Prospectus. As such, it does not contain all the information that may be important to prospective investors in making a decision to invest in Offer Shares. Accordingly, Subscribers should read and review this Prospectus in full, and any decision to invest in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered before deciding to invest in the Offer Shares. Subscribers should not rely solely on this summary.

Company Name, Description and Incorporation	Rasan Information Technology Company is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G), under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G), and its registered address is 3413 Al Thoumamah Road, 8135 Qurtuba District, Riyadh - 13248, Kingdom of Saudi Arabia. The Company was established on 05/08/1437H (corresponding to 12/05/2016G) as a limited liability company with a fully paid-up capital of three million Saudi Riyals (SAR 3,000,000), divided into one thousand (1,000) cash shares with a fully paid nominal value of three thousand Saudi Riyals (SAR 3,000) per share, and is registered in Riyadh under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G). Increases in the Company's capital have been approved several times since its incorporation. The Company's capital was first increased pursuant to the Shareholders' resolution recorded in the Company's articles of association on 19/03/1443H (corresponding to 25/10/2021G), from three million Saudi Riyals (SAR 3,000,000) to twenty-five million, five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million, five hundred and fifty thousand (2,550,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share representing an increase of 750% in the Company's the capital. The full amount of the increase of twenty-two million five hundred thousand Saudi Riyals (SAR 22,500,000) was paid in cash by two new Shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, on their own behalf and equally between them on behalf of the other Shareholders in the Company, following which the shareholding of Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology in the Company's capital was 2.83% and 2.83% respectively, and the total shareholding of the other Shareholders of the Company – collectively – was 94.34% of the capital. The capital increase was made in conjunction with an investment round on 26/02/1443H (corresponding to 03/10/2021) led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) for the purpose of increasing the Company's capital as referenced above and for the purpose of acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, whose shares amounted to four hundred ninety-four thousand, seven hundred (494,700) one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the Company's capital, respectively, following the capital increase and purchase of Shares (for further details on the investment round, please refer to Section 4.1.2(d) "**The Investment Round and Increase in Capital and Structure Amendment (2021G)**" of this Prospectus). On 10/01/1444H (corresponding to 08/08/2022G), the Company was converted from a limited liability company into a closed joint-stock company under the name "**Rasan Information Technology Company**" pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G) with a fully paid-up capital of twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million five hundred and fifty thousand (2,550,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 21/12/1444H (corresponding to 09/07/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from twenty-five million and five hundred thousand Saudi Riyals (SAR 25,500,000) to seventy million five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million five hundred thousand (70,500,000) ordinary shares with a nominal value of one (SAR 1) per share representing an increase of approximately 176.5% in the Company's capital, through the capitalization of thirty-seven million three hundred and fifty thousand Saudi Riyals (SAR 37,350,000) from the retained earnings account and seven million six hundred and fifty thousand Saudi Riyals (SAR 7,650,000) from the statutory reserve account. In addition, the Extraordinary General Assembly resolved to reduce the nominal value of the Company's shares from ten Saudi Riyals (SAR 10) to one Saudi Riyal (SAR 1) through a forward split of seven million and fifty thousand (7,050,000) shares to seventy million five hundred thousand (70,500,000) shares. Thereafter, on 27/01/1445H (corresponding to 14/08/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from seventy million five hundred thousand Saudi Riyals (SAR 70,500,000) to seventy-five million eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 7.5% in the Company's capital, through the Offering of five million, three hundred thousand (5,300,000) new shares for public subscription. The Company's ownership structure has undergone several changes since its establishment on 05/08/1437H (corresponding to 12/05/2016G). At establishment, the Company's shares were owned by Muheideb Ali Mohammed AlMuheideb, who owned three hundred and seventy (370) shares, representing 37.00% of the capital; Suleiman Abdullah Suleiman AlFallaj, who owned one hundred and sixty-eight (168) shares, representing 16.80% of the capital; Mohammed Muheideb Ali AlMuheideb, who owned one hundred and thirty (130) shares, representing 13.00% of the capital; Thamer Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital; Abdulrahman Abdullah Abdulrahman Bin Aiban, who owned eighty-three (83) shares, representing 8.30% of the capital; Majed Abdullah Mohammed AlBawardi, who owned eighty-three (83) shares, representing 8.30% of the capital; and Moayad Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital. On 11/02/1439H (corresponding to 31/10/2017G),

Company Name, Description and Incorporation	the Shareholder Majed Abdullah Mohammed AlBawardi transferred ownership of his entire shareholding, amounting to eighty-three (83) shares, representing 8.30% of the capital, to Suleiman Abdullah Suleiman AlFallaj, without consideration. On 10/08/1442H (corresponding to 23/03/2021G), the Shareholders Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj transferred the ownership of one hundred and forty (140) shares, representing 14.00% of the capital, and ten (10) shares, representing 1.00% of the capital, respectively, to Theib Hudeiban Ghallab AlMutairi, without consideration. Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj also transferred ownership of seven (7) shares, representing 0.70% of the capital, and fifty-nine (59) shares, representing 5.90% of the capital, respectively, to Ayman Abdullah Suleiman AlFallaj, without consideration. Moreover, Suleiman Abdullah Suleiman AlFallaj transferred fifty (50) shares, representing 5.00% of the capital, to Sami Muheideb Ali AlMuheideb, and sixty-six (66) shares, representing 6.60% of the capital, to Majed Abdullah Mohammed AlBawardi, without consideration. Furthermore, Muheideb Ali Mohammed AlMuheideb, Thamer Abdullah Suleiman AlFallaj, Moayad Abdullah Suleiman AlFallaj and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred one (1) share, representing 0.10% of the capital, seventeen (17) shares, representing 1.70% of the capital, seventeen (17) shares, representing 1.70% of the capital and seventeen (17) shares, representing 1.70% of the capital, respectively, to Fahad Ahmed Mohamed Abuhaimed, without consideration. In addition, Muheideb Ali Mohammed AlMuheideb transferred fifty-two (52) shares, representing 5.20% of the capital, to Abdulelah Mohammed Manei AlGhufaili, without consideration. On 19/03/1443H (corresponding to 25/10/2021), Suleiman Abdullah Suleiman AlFallaj, transferred forty (40) shares representing 4.0% of the Company's capital, and Thamer Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Ayman Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Abdulelah Mohammed Manei AlGhufaili transferred thirty-two (32) shares representing 3.2% of the capital, and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred fourteen (14) shares representing 1.4% of the capital, and Majed Abdullah Mohammed AlBawardi transferred fourteen (14) shares representing 1.4% of the capital, and Moayad Abdullah Suleiman AlFallaj transferred fourteen (14) shares representing 1.4% of the capital to the two (2) new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, with shares in the amount of one hundred sixty-six (166) shares and twenty-eight (28) shares, representing 16.57% and 2.83% of the Company's capital, respectively, in conjunction with an investment round of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) which included the purchase of shares representing 19.40% of the Company's capital from the current Shareholders for the two (2) new Shareholders and the increase in capital from three million Saudi Riyals (SAR 3,000,000) to twenty five million five hundred thousand Saudi Riyals (SAR 25,500,000). This resulted in a total shareholding of four hundred ninety-four thousand seven hundred (494,700) shares and one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the company's capital for Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, respectively, following the capital increase and purchase of Shares. On 10/01/1444H (corresponding to 08/08/2022G), Impact Funds for Financial Technology Company transferred ownership of nineteen thousand and ninety-eight (19,098) shares, representing 0.75% of the capital, to Assets Custody Development Impact Company for Communications and Information Technology, without consideration. Muheideb Ali Mohammed AlMuheideb also transferred two hundred and forty thousand, five hundred and sixty-six (240,566) shares, representing 9.43% of the capital, to a new shareholder in the Company, Samer Mohammed Raslan, without consideration (for further information on the Company's ownership structure pre- and post-Offering, please refer to Section 4.1.2 "**Corporate History and Evolution of the Company's Ownership Structure and Share Capital** " of this Prospectus).

Company Activities	The Group's activities involve offering several products and platforms to individual customers, corporate customers and SMEs within the FinTech sector. The Group's business segments include the following four (4) main segments, in addition to its new business segment: • **Tameeni Motor:** Tameeni Motor is an online motor insurance aggregation platform which provides individual customers with a one-stop shop for motor insurance products through Tameeni Company. Tameeni Motor enables individual customers to instantly generate and compare quotes for motor insurance products from insurance companies, purchase their policy of choice by making an online payment and renew their insurance policies using the features provided through Tameeni Motor. Tameeni Motor is integrated with the systems of partnering insurance companies, payment gateways and data providers, which enables the Group to provide customers with a seamless experience that requires minimal data entry; • **Tameeni Health:** Tameeni Health is an online health insurance aggregation platform which provides its targets customers, namely SMEs, with a one-stop shop for health insurance products for their employees and dependents, through Tameeni Company. Tameeni Health enables SMEs to instantly generate and compare quotes for health insurance products, purchase their policy of choice by making an online payment, and renew their insurance policies using the features provided through Tameeni Health. Tameeni Health is integrated with the systems of partnering insurance companies, payment gateways and data providers, which enables the Group to provide customers with a seamless experience that requires minimal data entry; • **Leasing:** The leasing segment offers Treza, provided by the Company, a software product that integrates systems of banks and leasing companies with those of motor insurance companies allowing banks and leasing companies to electronically retrieve, compare, issue policies and manage motor insurance products for their finance leased vehicles through integration with the systems of insurance companies for the purpose of issuing policies and making financial settlements between banks and insurance companies. The Group provides the necessary technical solutions in the form of software, in addition to technical support. Treza is available through two (2) channels: (i) the direct channel where Treza is available to banks and leasing companies directly; and (ii) the Broker Channel, where Treza is made available to clients of brokers; • **Online Auction:** The online auction segment is offered via Awal Mazad, an online auction platform provided by the Company for salvaged, repossessed and used vehicles. It connects banks, leasing companies, rental companies and insurance companies selling salvaged, repossessed and used vehicles with potential buyers such as individuals, used vehicle dealers and licensed scrap traders. Awal Mazad offers an optimized search function and enables buyers to submit online bids and participate in auctions for the vehicle of their choice by making an online payment; and • **R Solutions:** - R2: The Group launched the latest technical software to analyze data and monitor portfolio performance, as well as models and solutions for anticipating business models in the insurance sector under the name of R2 in the third quarter of 2023G. The Group, through product R2, targets insurers as the end customer. The program was developed by insurance professionals with extensive experience to deliver integrated solutions that combine the capabilities of a business intelligence platform with a pricing modeling program, enabling customers to reduce costs and streamline actuarial processes, as well as providing the most significant addition by providing executive management with a defined path to profitable growth. - R3: The Group also launched solutions for data analysis, business intelligence and predictive pricing model building, which was optionally launched under the name R3 in the third quarter of 2023G through Treza for an additional fee. The Group is targeting banks and financial institutions through R3 solutions. The R3 solutions enable the integration of business intelligence programs with rental sector data, including relevant information and comparisons and the possibility of introducing predictive pricing for the rental sector.
	In accordance with the Company's Bylaws, the Company's activities comprise the following: 1- designing and programing special software; 2- application development; 3- fintech solutions; 4- provision of infrastructure for web hosting, data processing services, and related activities; 5- electronic publishing; 6- publishing of ready-made software; and 7- provision of marketing services on behalf of others.
	In accordance with the Company's Commercial Registration, the Company's activities comprise the following: 1- designing and programing special software; 2- provision of infrastructure for web hosting, data processing services, and related activities; 3- electronic publishing; 4- publishing of ready-made software; 5- analysis of systems; 6- providing short message service (SMS) services; and 7- provision of marketing services on behalf of others.

Subsidiaries

The Company has five (5) subsidiaries, namely:

1- **Awal Mozawadah Information Technology LLC,** a limited liability company established and existing in the Kingdom of Saudi Arabia under Commercial Registration No. 1010627669, dated 24/06/1441H (corresponding to 18/02/2020G), with a capital of one hundred thousand Saudi Riyals (SAR 100,000), wholly owned by the Company (hereinafter referred to as "**Awal Mozawadah Company**").

2- **Tameeni Electronic Insurance Brokerage Limited,** a limited liability company established and existing in the Kingdom of Saudi Arabia under Commercial Registration No. 1010838913, dated 12/04/1444H (corresponding to 06/11/2022G), with a capital of five hundred thousand Saudi Riyals (SAR 500,000), wholly owned by the Company (hereinafter referred to as "**Tameeni Company**").

3- **Treza LLC,** a limited liability company established in the Kingdom of Saudi Arabia under Commercial Registration No. 1010867990, dated 21/08/1444H (corresponding to 13/03/2023G), with a capital of five hundred thousand Saudi Riyals (SAR 500,000), wholly owned by the Company (hereinafter referred to as "**Treza**").

4- **Rasan Software House LLC,** a limited liability company established and existing in the United Arab Emirates under Commercial Registration No. 1411638, dated 28/06/1438H (corresponding to 27/03/2017G), with a capital of three hundred thousand Emirati Dirhams (AED 300,000), wholly owned by the Company (hereinafter referred to as "**Rasan - Dubai**").

5- **Rasan LLC,** a limited liability company established and existing in the Arab Republic of Egypt under Commercial Registration No. 137619, dated 15/11/1440H (corresponding to 18/07/2019G), with a capital of one hundred thousand Egyptian Pounds (EGP 100,000). The Company owns 99% of the capital of Rasan LLC - Egypt. The remaining 1% is registered in the name of Moayad Abdullah Suleiman AlFallaj on behalf of the Company while the Company is the actual owner thereof (for further details, please refer to Section 4.1.5(c) "**Rasan LLC – Egypt**" of this Prospectus) (hereinafter referred to as "**Rasan LLC - Egypt**").

Substantial Shareholders

The Company's Substantial Shareholders who directly own 5% or more of the Company's Shares are: (1) Impact Funds for Financial Technology Company, (2) Theib Hudeiban Ghallab AlMutairi, (3) Muheideb Ali Mohammed AlMuheideb, (4) Samer Mohammed Raslan, (5) Mohammed Muheideb Ali AlMuheideb and (6) Assets Custody Development Impact Company for Communications and Information Technology. There are no shareholders with indirect ownership of 5% or more of the Company's shares. The following table shows the number of shares of the Substantial Shareholders and their ownership percentages in the Company pre- and post-Offering:

Table (1.2): The Substantial Shareholders, their Shares and their Ownership Percentages Pre- and Post-Offering

No.	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Percentage	No. of Shares	Total Nominal Value (SAR)	Percentage
1.	Impact Funds for Financial Technology Company	13,148,250	13,148,250	18.65%	9,895,690	9,895,690	13.06%
2.	Theib Hudeiban Ghallab AlMutairi	9,975,750	9,975,750	14.15%	7,507,990	7,507,990	9.91%
3.	Muheideb Ali Mohammed AlMuheideb	8,643,300	8,643,300	12.26%	6,505,156	6,505,156	8.58%
4.	Samer Mohammed Raslan	6,648,150	6,648,150	9.43%	5,003,558	5,003,558	6.60%
5.	Mohammed Muheideb Ali AlMuheideb	4,653,000	4,653,000	6.60%	3,501,960	3,501,960	4.62%
6.	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	4,519,050	6.41%	3,401,146	3,401,146	4.49%
Total		**47,587,500**	**47,587,500**	**67.50%**	**35,815,500**	**35,815,500**	**47.26%**

Source: The Company

Capital of the Company

Seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000), fully paid pre-Offering. The Company's capital will be seventy-five million, eight hundred thousand Saudi Riyals (SAR 75,800,000) post-Offering.

Total Number of Company's Shares

Seventy million, five hundred thousand (70,500,000) fully paid ordinary shares pre-Offering. The number of Company's shares post-Offering will be seventy-five million, eight hundred thousand (75,800,000) ordinary shares.

Nominal Value per Share

One Saudi Riyal (SAR 1) per share.

rasan

Offering	The initial public offering of twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, through (1) the sale of seventeen million, four hundred and forty thousand (17,440,000) ordinary shares of the Sale Shares by the Selling Shareholders and (2) the issue and sale of five million and three hundred thousand (5,300,000) new ordinary shares (which together represent 30% of the Company's capital post-Offering) for public subscription at an Offer Price of thirty seven Saudi Riyals (SAR 37) per share.
Total Number of Offer Shares	Twenty-two million, seven hundred and forty thousand (22,740,000) fully paid ordinary shares.
Percentage of Offer Shares to the Company's Capital	The Offer Shares represent 30% of the Company's shares post-Offering (and 32.3% of the Company's shares before the capital increase).
Offer Price	Thirty seven Saudi Riyals (SAR 37).
Total Value of the Offering	Eight hundred and forty one million, three hundred and eighty thousand Saudi Riyals (SAR 841,380,000).
Use of Offering Proceeds	The entire Offering proceeds, amounting to eight hundred and forty one million, three hundred and eighty thousand Saudi Riyals (SAR 841,380,000) (after deduction of all expenses and costs related to the Offering, which are estimated at forty million and four hundred thousand Saudi Riyals (SAR 40,400,000), exclusive of VAT, will be distributed and allocated as follows: (1) six hundred and forty five million, two hundred and eighty thousand Saudi Riyals (SAR 645,280,000) will be distributed to the Selling Shareholders according to their respective ownership percentages in the Sale Shares; and (2) the IPO Proceeds amounting to one hundred and ninety six million, one hundred thousand Saudi Riyals (SAR 196,100,000) will be distributed to the Company to expand the Group's current operations and products, market and develop the Group's new products and finance the general purposes of the Group (for further information on the Offering proceeds, please refer to Section 8 "**Use of Offering Proceeds**" of this Prospectus).
Number of Offer Shares to be Underwritten	Twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares.
Total Underwritten Offering Amount	Eight hundred and forty one million, three hundred and eighty thousand Saudi Riyals (SAR 841,380,000).
Target Investor Categories	Subscription for the Offer Shares shall be limited to two tranches of Investors as follows: **Tranche (A): Participating Parties:** This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). **Tranche (B): Individual Subscribers:** This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents.
Total Number of Offer Shares Available for Each Category of Target Investors	
Number of Offer Shares Available for Participating Parties	Twenty-two million, seven hundred and forty thousand (22,740,000) Offer Shares, representing 100% of the total number of Offer Shares. In the event that Individual Subscribers subscribe for all the Offer Shares allocated thereto, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of twenty million, four hundred and sixty-six thousand (20,466,000) Offer Shares, representing 90% of the total number of Offer Shares.
Number of Offer Shares Available for Individual Subscribers	A maximum of two million, two hundred and seventy-four thousand (2,274,000) Offer Shares, representing 10% of the total Offer Shares.
Subscription Method for Each Target Investor Category	
Subscription Method for Participating Parties	Participating Parties may participate in the book-building process by filling out the Bid Forms which will be made available to them by the Bookrunners during the book-building process. Upon initial allocation, the Bookrunners will provide Subscription Application Forms to Participating Parties to be completed in accordance with the instructions mentioned in Section 17 "**Subscription Terms and Conditions**" of this Prospectus.
Subscription Method for Individual Subscribers	Subscription application forms will be made available by the Receiving Agents during the Offering Period. Subscription Application Forms must be completed in accordance with the instructions mentioned in Section 17 "**Subscription Terms and Conditions**" of this Prospectus and submitted to one of the branches of the Receiving Agents. Individual Subscribers may also subscribe through the internet, telephone banking or ATMs of any of the Receiving Agents offering any or all such services to their clients, provided that (a) the Individual Subscriber has a bank account with a the Receiving Agents that offers such services, (b) there have been no changes in the personal information of the Individual Subscriber since their subscription in a recent initial public offering, and (c) Individual Subscribers who are not Saudi or GCC nationals must have an account at a Capital Market Institution that offers such services.

Minimum Number of Offer Shares that can be Subscribed for by Each Target Investor Category	
Minimum Number of Offer Shares that can be Subscribed for by Participating Parties	One hundred thousand (100,000) shares.
Minimum Number of Offer Shares that can be Subscribed for by Individual Subscribers	Ten (10) shares.
Minimum Subscription Amount for Each Target Investor Category	
Minimum Subscription Amount for Participating Parties	Three million seven hundred thousand Saudi Riyals (SAR 3,700,000).
Minimum Subscription Amount for Individual Subscribers	Three hundred and seventy Saudi Riyals (SAR 370).
Maximum Number of Offer Shares that can be Subscribed for by Each Target Investor Category	
Maximum Number of Offer Shares that can be Subscribed for by Participating Parties	Three million, seven hundred and eighty-nine thousand, nine hundred and ninety-nine (3,789,999) shares.
Maximum Number of Offer Shares that can be subscribed for by Individual Subscribers	One hundred thousand (100,000) shares.
Maximum Subscription Amount for Each Target Investor Category	
Maximum Subscription Amount for Participating Parties	One hundred and forty million two hundred and twenty nine thousand nine hundred and sixty three Saudi Riyals (SAR 140,229,963).
Maximum Subscription Amount for Individual Subscribers	Three million seven hundred thousand Saudi Riyals (SAR 3,700,000).
Method of Allocation and Refund of Excess Subscription Monies (if any) for Each Target Investor Category	
Allocation Method and Refund of Excess Subscription Monies for Participating Parties	The initial allocation will be made as the Financial Advisors deem appropriate in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors. Final allocation of the Offer Shares to Participating Parties shall be made through the Financial Advisors upon completion of the subscription period for Individual Subscribers. The number of Offer Shares to be initially allocated to Participating Parties is twenty-two million, seven hundred and forty thousand (22,740,000) shares, representing 100% of the total number of Offer Shares, including nine million, ninety six thousand (9,096,000) shares representing 40% of the total number of Offer Shares which shall be provisionally allocated to public funds. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Financial Advisors shall have the right, in coordination with the Company, to reduce the number of shares allocated to Participating Parties to a minimum of twenty million, four hundred and sixty-six thousand (20,466,000) shares, representing 90% of the total Offer Shares upon completion of the subscription period for Individual Subscribers.
Allocation Method for Individual Subscribers	Allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than Tuesday, 27/11/1445H (corresponding to 04/06/2024G). The minimum allocation per Individual Subscriber is ten (10) shares, and the maximum allocation per Individual Subscriber is one hundred thousand (100,000) shares. The remaining Offer Shares (if any) will be allocated pro rata based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds two hundred and twenty-seven thousand, four hundred (227,400), the Company will not guarantee the minimum allocation. In such case, the allocation of the Offer Shares to Individual Subscribers will be determined at the discretion of the Company and the Financial Advisors (for further information, please refer to Section 17 "**Subscription Terms and Conditions**" of this Prospectus).
Refund of Excess Subscription Monies (if any)	The Lead Manager and the relevant Receiving Agent, as applicable, will notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers in full, without any commissions or deductions, and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. Announcement of the final allocation and refund of excess subscription monies (if any) will be made no later than Thursday 29/11/1445H (corresponding to 06/06/2024G).

Offering Period:	The Offering Period will commence on Wednesday 21/11/1445H (corresponding to 29/05/2024G) and will remain open for a period of two (2) days, up to and including the closing day on Thursday 22/11/1445H (corresponding to 30/05/2024G).
Entitlement to Dividends	Holders of Offer Shares will be entitled to their portion of any dividends declared and paid by the Company as of the date of this Prospectus and for subsequent financial years (for further information, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).
Voting Rights	The Company has one class of ordinary shares. None of the shares carry any preferential voting rights and each share entitles its holder to one vote. Each Shareholder has the right to attend and vote at General Assembly meetings and may delegate another Shareholder who is not a Director to attend General Assembly meetings on their behalf (for further information on voting rights, please refer to Section 12.3 "**Summary of the Company's Bylaws**" of this Prospectus).
Restrictions on the Shares (Lock-up Period)	The Substantial Shareholders are subject to a lock-up period of six (6) months from the date on which trading of the Company's shares commences on the Exchange. During the Lock-up Period, the Substantial Shareholders may not dispose of any of their shares. After the end of the Lock-up Period, the Substantial Shareholders may dispose of their shares without prior approval from the CMA.
Shares Previously Listed by the Company	Prior to the Offering, there has been no public market for the Company's shares in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offering of the shares in accordance with the OSCOs and an application to the Exchange for admission to listing in accordance with the Listing Rules. All relevant approvals required to conduct the Offering have been granted and all supporting documents requested by the CMA have been obtained. Trading of the shares is expected to commence on the Exchange shortly after final allocation of the Offer Shares (for further information, please refer to the "**Key Dates and Subscription Procedures**" section on page (xvii) of this Prospectus.
Risk Factors	There are certain risks related to investment in the Offer Shares. These risks can be categorized as follows: 1- Risks related to the Group's business and operations. 2- Risks related to the market, industry and regulatory environment. 3- Risks related to the Offer Shares. These risks are described in Section 2 ("**Risk Factors**") of this Prospectus and should be considered carefully prior to making an investment decision in relation to the Offer Shares.
Offering Expenses	The expenses and costs related to the Offering will be fully borne by the Selling Shareholders and the Company and will be deducted from the Offering Proceeds pro rata, based on the number of Offer Shares that will be sold or issued by each of them, respectively. The Offering Expenses are estimated at approximately forty million and four hundred thousand Saudi Riyals (SAR 40,400,000), exclusive of VAT, including the fees of the Financial Advisors, Lead Manager, Bookrunners, Underwriters, Legal Advisors to the Company, Legal Advisors to the Underwriters, Auditor, Market Consultant, Financial Due Diligence Advisor and Receiving Agents, in addition to marketing, printing, distribution, translation and other expenses related to the Offering.
Underwriters	**Saudi Fransi Capital** King Fahd Road Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.sfc.sa Email: rasan.ipo@fransicapital.com.sa
	Morgan Stanley Saudi Arabia King Saud Street Al Rashid Tower - Floor 10 P.O. Box 66633, Riyadh 11586 Kingdom of Saudi Arabia Tel: +966 11 2187000 Fax: +966 11 2187003 Website: www.morganstanley.com Email: Ineqsy@morganstanley.com

Note: The "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be carefully considered prior to making a decision to invest in the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Key Dates

Table (1.3): Expected Offering Timetable

Event	Date
Bidding and book-building period for Participating Parties	A period of five (5) days commencing on Sunday 04/11/1445H (corresponding to 12/05/2024G) until the end of Thursday 08/11/1445H (corresponding to 16/05/2024G).
Subscription period for Individual Subscribers	A period of two (2) days commencing on Wednesday 21/11/1445H (corresponding to 29/05/2024G) until the end of Thursday 22/11/1445H (corresponding to 30/05/2024G).
Deadline for submission of Subscription Application Forms for Participating Parties based on the number of provisionally allocated Offer Shares	Thursday 15/11/1445H (corresponding to 23/05/2024G).
Deadline for payment of subscription monies for Participating Parties based on the number of provisionally allocated Offer Shares	Monday 19/11/1445H (corresponding to 27/05/2024G).
Deadline for submission of Subscription Application Forms and payment of subscription monies for Individual Subscribers	Thursday 22/11/1445H (corresponding to 30/05/2024G).
Announcement of final allocation of Offer Shares	Tuesday 27/11/1445H (corresponding to 04/06/2024G).
Refund of excess subscription monies (if any)	Thursday 29/11/1445H (corresponding to 06/06/2024G).
Expected date of commencement of trading on the Exchange	Trading of the Company's shares on the Exchange is expected to commence after fulfillment of all relevant statutory requirements. Trading will be announced on the website of the Saudi Exchange (www.saudiexchange.sa).

Note: The above timetable and dates therein are indicative. Actual dates will be communicated through announcements appearing on the websites of the Saudi Exchange (www.saudiexchange.sa), the Company (www.rasan.co) and the Financial Advisors, Saudi Fransi Capital (www.sfc.sa) and Morgan Stanley Saudi Arabia (www.morganstanleysaudiarabia.com).

How to Apply for the Offering

Subscription for the Offer Shares shall be limited to two tranches of Investors as follows:

A. Participating Parties:

This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Participating Parties can obtain Bid Forms from the Bookrunners during the book-building process and Subscription Application Forms from the Bookrunners after initial allocation. The Bookrunners shall, after the approval of the CMA is obtained, offer the Offer Shares to Participating Parties during the book-building period only. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to any of the Bookrunners, which represents a legally binding agreement between the Company and the Participating Party submitting the application.

B. Individual Subscribers:

This tranche comprises of Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents. A subscription made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proven to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

Subscription Application Forms will be provided by the Receiving Agents to Individual Subscribers during the Offering Period. Individual Subscribers can also subscribe through the internet, telephone banking, or ATMs of any of the Receiving Agents that provide any or all such services to Individual Subscribers who have previously participated in a recent subscription, provided that the following requirements are satisfied:

- The Individual Subscriber has a bank account at any Receiving Agent that offers such services.
- There have been no changes in the personal information or data of the Individual Subscriber (the removal or addition of a family member) since they last participated in a recent initial public offering.
- Individual Subscribers who are not Saudi or GCC nationals must have an account at a Capital Market Institution that offers such services.

Subscription Application Forms must be completed in accordance with the instructions set out in Section 17 "**Subscription Terms and Conditions**" of this Prospectus. Each applicant must complete all relevant items of the Subscription Application Form. The Company reserves the right to reject any Subscription Application, in part or in whole, in the event that any of the Offering terms and conditions are not met. Subscription Applications cannot be amended or withdrawn once submitted. Upon submission, a Subscription Application Form is considered a binding agreement between the relevant subscriber and the Company (for further information, please refer to Section 17 "**Subscription Terms and Conditions**" of this Prospectus).

Excess subscription monies, if any, will be refunded to the primary Investor's account held with the Receiving Agents from which the subscription value was initially debited, without any commissions or deductions by the Lead Manager or the Receiving Agents. Excess subscription monies shall not be refunded in cash or to third-party accounts.

For further information regarding subscription by Individual Subscribers or Participating Parties, please refer to Section 17 "**Subscription Terms and Conditions**" of this Prospectus.

Summary of Key Information

This summary is intended to provide a brief overview of the information contained in this Prospectus and does not include all the information which may be important to prospective investors and must be taken into consideration before deciding to invest in the Offer Shares. Accordingly, persons who wish to subscribe for the Offer Shares must read and review this Prospectus in full. Any decision to invest in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered before deciding to invest in the Offer Shares. Subscribers should not rely solely on this summary.

Overview of the Company

Rasan Information Technology Company is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G), under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G), and its registered address is 3413 Al Thoumamah Road, 8135 Qurtuba District, Riyadh - 13248, Kingdom of Saudi Arabia.

The Company was established on 05/08/1437H (corresponding to 12/05/2016G) as a limited liability company with a fully paid-up capital of three million Saudi Riyals (SAR 3,000,000), divided into one thousand (1,000) cash shares with a fully paid nominal value of three thousand Saudi Riyals (SAR 3,000) per share, and is registered in Riyadh under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G). Increases in the Company's capital have been approved several times since its incorporation. The Company's capital was first increased pursuant to the Shareholders' resolution recorded in the Company's articles of association on 19/03/1443H (corresponding to 25/10/2021G), from three million Saudi Riyals (SAR 3,000,000) to twenty-five million, five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million, five hundred and fifty thousand (2,550,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share representing an increase of 750% in the Company's the capital. The full amount of the increase of twenty-two million five hundred thousand Saudi Riyals (SAR 22,500,000) was paid in cash by two new Shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, on their own behalf and equally between them on behalf of the other Shareholders in the Company, following which the shareholding of Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology in the Company's capital was 2.83% and 2.83% respectively, and the total shareholding of the other Shareholders of the Company – collectively – was 94.34% of the capital. The capital increase was made in conjunction with an investment round on 26/02/1443H (corresponding to 03/10/2021) led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) for the purpose of increasing the Company's capital as referenced above and for the purpose of acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, whose shares amounted to four hundred ninety-four thousand, seven hundred (494,700) one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the Company's capital, respectively, following the capital increase and purchase of Shares (for further details on the investment round, please refer to Section 4.1.2(d) "**The Investment Round and Increase in Capital and Structure Amendment (2021G)**" of this Prospectus). On 10/01/1444H (corresponding to 08/08/2022G), the Company was converted from a limited liability company into a closed joint-stock company under the name "**Rasan Information Technology Company**" pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G) with a fully paid-up capital of twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million five hundred and fifty thousand (2,550,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 21/12/1444H (corresponding to 09/07/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from twenty-five million and five hundred thousand Saudi Riyals (SAR 25,500,000) to seventy million five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million five hundred thousand (70,500,000) ordinary shares with a nominal value of one (SAR 1) per share representing an increase of approximately 176.5% in the Company's capital, through the capitalization of thirty-seven million three hundred and fifty thousand Saudi Riyals (SAR 37,350,000) from the retained earnings account and seven million six hundred and fifty thousand Saudi Riyals (SAR 7,650,000) from the statutory reserve account. In addition, the Extraordinary General Assembly resolved to reduce the nominal value of the Company's shares from ten Saudi Riyals (SAR 10) to one Saudi Riyal (SAR 1) through a forward split of seven million and fifty thousand (7,050,000) shares to seventy million five hundred thousand (70,500,000) shares. Thereafter, on 27/01/1445H (corresponding to 14/08/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from seventy million five hundred thousand Saudi Riyals (SAR 70,500,000) to seventy-five million eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 7.5% in the Company's capital, through the Offering of five million, three hundred thousand (5,300,000) new shares for public subscription. The Company's ownership structure has undergone several changes since its establishment on 05/08/1437H (corresponding to 12/05/2016G). At establishment, the Company's shares were owned by Muheideb Ali Mohammed AlMuheideb, who owned three hundred and seventy (370) shares, representing 37.00% of the capital; Suleiman Abdullah Suleiman AlFallaj, who owned one hundred and sixty-eight (168) shares, representing 16.80% of the capital; Mohammed Muheideb Ali AlMuheideb, who owned one hundred and thirty (130) shares, representing

13.00% of the capital; Thamer Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital; Abdulrahman Abdullah Abdulrahman Bin Aiban, who owned eighty-three (83) shares, representing 8.30% of the capital; Majed Abdullah Mohammed AlBawardi, who owned eighty-three (83) shares, representing 8.30% of the capital; and Moayad Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital. On 11/02/1439H (corresponding to 31/10/2017G), the Shareholder Majed Abdullah Mohammed AlBawardi transferred ownership of his entire shareholding, amounting to eighty-three (83) shares, representing 8.30% of the capital, to Suleiman Abdullah Suleiman AlFallaj, without consideration. On 10/08/1442H (corresponding to 23/03/2021G), the Shareholders Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj transferred the ownership of one hundred and forty (140) shares, representing 14.00% of the capital, and ten (10) shares, representing 1.00% of the capital, respectively, to Theib Hudeiban Ghallab AlMutairi, without consideration. Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj also transferred ownership of seven (7) shares, representing 0.70% of the capital, and fifty-nine (59) shares, representing 5.90% of the capital, respectively, to Ayman Abdullah Suleiman AlFallaj, without consideration. Moreover, Suleiman Abdullah Suleiman AlFallaj transferred fifty (50) shares, representing 5.00% of the capital, to Sami Muheideb Ali AlMuheideb, and sixty-six (66) shares, representing 6.60% of the capital, to Majed Abdullah Mohammed AlBawardi, without consideration. Furthermore, Muheideb Ali Mohammed AlMuheideb, Thamer Abdullah Suleiman AlFallaj, Moayad Abdullah Suleiman AlFallaj and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred one (1) share, representing 0.10% of the capital, seventeen (17) shares, representing 1.70% of the capital, seventeen (17) shares, representing 1.70% of the capital and seventeen (17) shares, representing 1.70% of the capital, respectively, to Fahad Ahmed Mohamed Abuhaimed, without consideration. In addition, Muheideb Ali Mohammed AlMuheideb transferred fifty-two (52) shares, representing 5.20% of the capital, to Abdulelah Mohammed Manei AlGhufaili, without consideration. On 19/03/1443H (corresponding to 25/10/2021), Suleiman Abdullah Suleiman AlFallaj, transferred forty (40) shares representing 4.0% of the Company's capital, and Thamer Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Ayman Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Abdulelah Mohammed Manei AlGhufaili transferred thirty-two (32) shares representing 3.2% of the capital, and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred fourteen (14) shares representing 1.4% of the capital, and Majed Abdullah Mohammed AlBawardi transferred fourteen (14) shares representing 1.4% of the capital, and Moayad Abdullah Suleiman AlFallaj transferred fourteen (14) shares representing 1.4% of the capital to the two (2) new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, with shares in the amount of one hundred sixty-six (166) shares and twenty-eight (28) shares, representing 16.57% and 2.83% of the Company's capital, respectively, in conjunction with an investment round of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) which included the purchase of shares representing 19.40% of the Company's capital from the current Shareholders for the two (2) new Shareholders and the increase in capital from three million Saudi Riyals (SAR 3,000,000) to twenty five million five hundred thousand Saudi Riyals (SAR 25,500,000). This resulted in a total shareholding of four hundred ninety-four thousand seven hundred (494,700) shares and one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the company's capital for Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, respectively, following the capital increase and purchase of Shares. On 10/01/1444H (corresponding to 08/08/2022G), Impact Funds for Financial Technology Company transferred ownership of nineteen thousand and ninety-eight (19,098) shares, representing 0.75% of the capital, to Assets Custody Development Impact Company for Communications and Information Technology, without consideration. Muheideb Ali Mohammed AlMuheideb also transferred two hundred and forty thousand, five hundred and sixty-six (240,566) shares, representing 9.43% of the capital, to a new shareholder in the Company, Samer Mohammed Raslan, without consideration.

Principal Activities of the Company

The principal activities of the Company are concentrated in the financial technology (FinTech) sector. In accordance with its Bylaws, the Company's principal activities include:

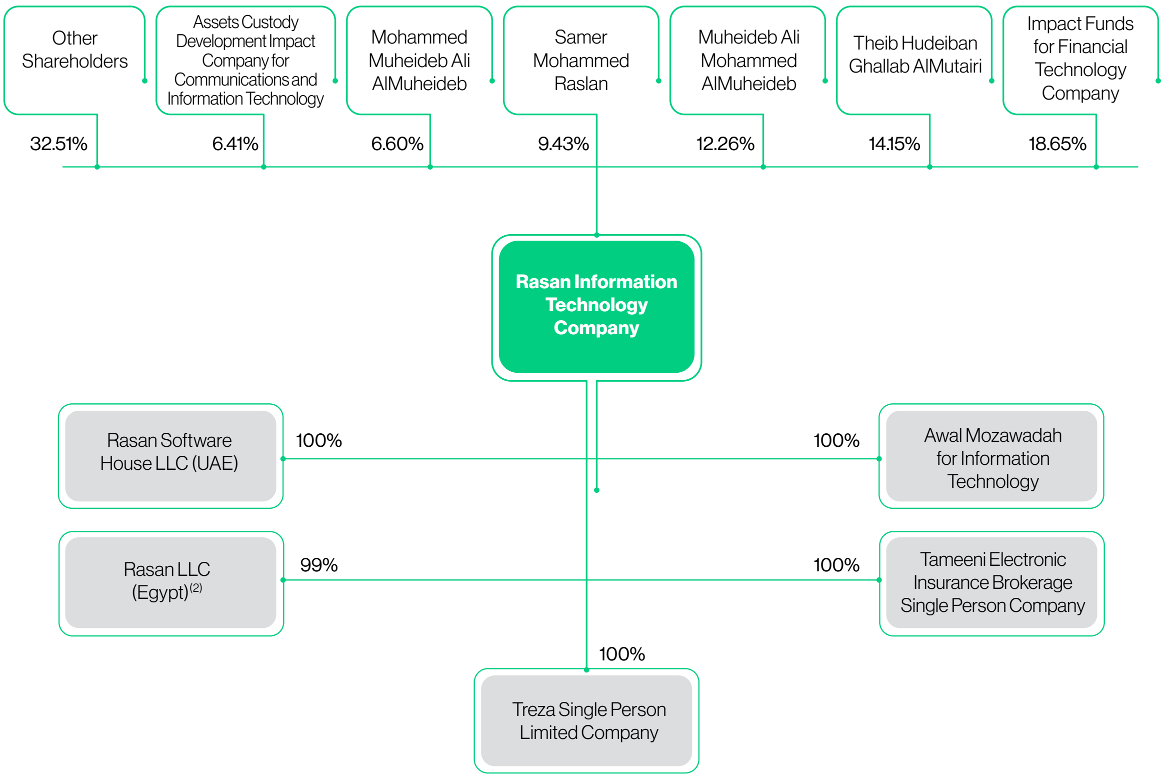
1- designing and programing special software;
2- application development;
3- fintech solutions;
4- provision of infrastructure for web hosting, data processing services, and related activities;
5- electronic publishing;
6- publishing of ready-made software; and
7- provision of marketing services on behalf of others.

In accordance with the Company's Commercial Registration, the Company's principal activities include:

1- designing and programing special software;
2- provision of infrastructure for web hosting, data processing services, and related activities;
3- electronic publishing;
4- publishing of ready-made software;
5- analysis of systems;
6- providing short message service (SMS) services; and
7- provision of marketing services on behalf of others.

Ownership Structure of the Company

Figure (1): Ownership Structure of the Company(1)



(1) The above figures are rounded to the nearest integer.

(2) 1% of Rasan LLC – Egypt has been registered in the name of Moayad Abdullah Suleiman AlFallaj on behalf of the Company, while the Company is the actual owner thereof (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus). It is worth noting that the nominee arrangement has not been documented through a written agreement between the Company and Moayad Abdullah Suleiman AlFallaj (for further details, please see Section 2.1.50 "**Risks related to the nominee arrangement in Egypt**" of this Prospectus).

Source: The Company

The Group's Vision, Mission and Core Values

The Group's Vision

Accelerate digital adoption.

The Group's Mission

To simplify customers' access to financial services by offering competitive and pioneering digital solutions.

The Group's Core Values

- **Simplicity:** Expanding its success story by relying on technology to provide simple and clear products to its broad customer base.
- **Innovation:** Offering innovative and unprecedented solutions in the insurance technology (InsurTech) and broader financial technology (FinTech) markets in the Kingdom and the MENA region.
- **Sustainability:** Promoting sustainable socio-economic growth in line with the Kingdom's Vision 2030 and broader Middle East.
- **Customer Centric:** Constantly putting customers at the center of any decision offering customized solutions while delivering value for stakeholders.
- **Financial Inclusion:** Ensuring the right to information through effective communication with each individual, taking into account the varying levels of financial literacy among customers.

Strengths and Competitive Advantages of the Group

The Group's key strengths and competitive advantages are as follows:

- Massive and growing total addressable market supported by sustainable regulatory legislation, leveraging secular trends of accelerated FinTech disruption in the Kingdom.
- Undisputed leading market position across product propositions.
- Future-proof proprietary tech stack, allowing continued innovation, scalability and operating leverage, including attractive technology-enabled proposition for customers, insurances and leasing partners.
- Trusted partner of choice, building a FinTech ecosystem with unique brand recognition and experience, translating into superior customer engagement.
- Attractive financial model with strong unit economics.
- Multiple avenues of future sustainable growth.
- Founder-led Executive Management team with unique track record of growth, innovation and execution.

The Group's Strategy

The Group's strategy aims to reinforce its competitive position in the FinTech industry. During the years 2019G to 2022G, the Group expanded rapidly and has identified a set of strategic themes to outline its future growth ambitions. The Group has established comprehensive initiatives under each pillar and has designed a clear plan of action to achieve its objectives. These pillars are outlined below as follows:

a- Maintaining and Growing Market Leadership in Existing Businesses and Other Core Segments

The Group plans to protect and grow its current leading market position across its product offerings and maintain focus and agility against the evolving FinTech landscape Today, the Group has leading market positions across its four main business segments, namely Tameeni Motor, with a market share of 44.5% in terms of gross written premiums for the motor insurance market for individuals as of 2022G, and the leasing segment, with a market share in the Kingdom of approximately 60.0% as of the year 2022G. The Group aims to protect and grow its market leadership across its four main business segments by (i) increasing policies penetration and capturing uninsured vehicles in the Kingdom which represent 48.6%% of vehicles in the Kingdom as of 2022G; (ii) increasing the rate of customers renewing their insurance policies; (iii) converting third-party insurance policy holders to comprehensive (COMP) motor insurance, which yields higher commissions; and (iv) building new partnerships with banks and leasing companies and introducing add-on services through the Treza platform, which allows banks and finance companies to integrate their systems with the systems of the relevant insurance companies. The additional services referred to include an insurance claim tracking service, an after-sales services portal for leasing customers, and an online store for vehicle accessories and services.

The Group holds a strong position in the Tameeni health insurance sector and is working to grow the volume of its business by (1) increasing the number of SME customers by attracting users and acquiring a larger number of customers; (2) increasing the rate of customers renewing their insurance policies; and (3) offering Tameeni Health to corporate customers.

The Group is also working on enhancing the performance and scalability of Awal Mazad by building new partnerships, optimizing efficiency and improving brand awareness.

This part of the strategy is primarily focused on protecting and building on the Group's existing market share with a view to strengthening its financial and operational performance, raising brand awareness and streamlining operations to enable a best-in-class experience for its customers.

b- Creating Growth Opportunities across the Insurance Value Chain and Adjacent Sectors

Part of the Group's strategy is to build new opportunities to target high margin products, create unique value propositions for its customers, and accelerate value creation in the insurance sector by (i) addressing the gaps in the insurance value chain; (ii) offering new customers ease of purchase; and (iii) generating a larger footprint in the insurance landscape.

The insurance sector remains to be a core market for the Group. It aims to maximize its growth potential through expanding into adjacent verticals by providing life, general, other insurance vertical products. Moreover, the Group plans to create further opportunities expanding across the value chain by introducing product development, pricing, underwriting and claims management solutions for insurance companies.

Since the launch of Tameeni Motor in 2017G, the Group has been continuously growing its product portfolio. For example, the Group is working on launching a number of products at the end of 2023G, including a medical malpractice product and a travel insurance product which offers a digital platform which individuals can use to issue insurance products after comparing offerings from a large network of insurance companies. (for further details, please refer to Section 4.4.5 "**Overview of the Group's New Product Offering**" of this Prospectus).

c- Diversification and Innovation across Existing and New FinTech Verticals

The Group has a stringent criterion when considering undertaking investments and implementing product diversification initiatives. These identified parameters include (i) attractive return on investments; (ii) selecting opportunities for market disruption to create unique value propositions for its customers; (iii) ease of implementation and execution; (iv) assessment of synergies with existing products and capabilities within the Group's ecosystem; (v) geographic focus primarily in the GCC region; and (vi) alignment with the Kingdom's Vision 2030G ambitions in relation to FinTech.

- Innovation and product diversification: The Group aims to contribute to the Kingdom's Vision 2030G ambitions to grow the number of FinTech players operating in the Kingdom to 525 companies in the year 2030G from 147 in the year 2022G, and thereby increase the FinTech sector's GDP contribution from approximately SAR 2.0 billion in the year 2022G to SAR 13 billion in the year 2030G.

  The Group plans to capitalize on its existing infrastructure to complement its existing products, create opportunities across the FinTech value chain and innovate in new digital markets, payments and online marketplaces for financial products while targeting the Group's existing and new customers. As part of its ongoing innovation initiatives, the Group plans to launch a financial services product to leverage the customer base of Tameeni and Treza.
- Expansion of geographic footprint: After achieving scale in the core markets, the Group intends to identify adjacent markets with attractive value propositions and enter new geographies to unlock growth opportunities. The Group could potentially diversify its current geographic footprint in new markets across GCC states via inorganic growth through mergers and acquisitions.

Market and Industry Overview

a- Macroeconomic Overview

The Kingdom's macroeconomic growth prospects are strong, with the real GDP expected to grow at a CAGR of 4.6% between 2023G and 2027G as the Kingdom moves towards diversifying and expanding its economy. Continued capital investments supported by the Government's strong commitment to implementing Vision 2030G through entities such as the Public Investment Fund, the National Development Fund and the Tourism Development Fund, inter-alia, will help reinforce growth in the SME, institutional and government sectors.

Moreover, structural diversification of the economy away from oil, stronger domestic demand and accelerated progress in executing economic development projects across various non-oil sectors will contribute to the Kingdom's growth story.

b- Insurance Industry Overview

The Kingdom's insurance industry recorded strong growth of 26.9% in 2022G compared to 2021G, with gross written premiums increasing from SAR 42.0 billion in 2021G to SAR 53.4 billion in 2022G, in line with the strong performance of the macroeconomy and greater insurance depth. The insurance sector in the Kingdom is expected to grow to SAR 66.7 billion in 2023G, reflecting a growth rate of 25.1% compared to 2022G. It is estimated that the increase in insurance premiums will be largely driven by growth in the motor insurance sector, followed by health insurance. The depth of insurance in the Kingdom as a percentage of GDP reached 1.3% in 2022G and is expected to reach 1.9% by 2027G. The depth of insurance in the Kingdom is expected to increase through a shift in customer perception, increased awareness of the benefits of insurance products and more favorable regulatory reforms. It should also be noted that a new entity has been established under the name of the Insurance Authority in order to raise the contribution of the insurance sector to the economy, increase job creation, and encourage investment. The Insurance Authority exercises all the powers and responsibilities related to the insurance sector that were previously exercised prior to the decision to establish the Insurance Authority by the Saudi Central Bank (SAMA) and the Council of Health Insurance (CHI), according to a transitional plan. It is also anticipated that a new insurance system will be issued. Until then, the laws, regulations, rules and directives issued by SAMA and CHI related to regulating the insurance sector will remain in force.

c- Motor Insurance

Motor insurance in the Kingdom is the second largest activity type after health insurance and is valued at SAR 10.3 billion, constituting 19.4% of the gross written premiums in 2022G. In 2023G, the number of motor insurance policies increased following the announcement of electronic monitoring of violations related to insurance validity by the Traffic Department in August 2023G. Based on recent trends, motor insurance premiums are projected to increase by 41.3% compared to 2022G, reaching SAR 14.6 billion in 2023G. Moreover, gross written premiums for motor insurance are expected to grow at a CAGR of 8.8% between 2023G and 2027G. In absolute terms, gross written premiums are expected to increase from SAR 14.6 billion in 2023G to SAR 20.5 billion by 2027G, supported by increases in new vehicle sales, the prices of motor insurance policies and the percentage of vehicles insured as a result of compulsory vehicle insurance legislation by regulators.

Third-party motor insurance products represented 53% of the gross written premiums for motor insurance in 2022G. In 2023G, there was a significant increase in the number of policies for third-party liability insurance products, driven by the implementation of motor insurance. Additionally, the price of Comprehensive Motor Insurance premiums charged by insurance companies increased significantly in the second half of 2022G and in 2023G. Due to the significant increase in prices and the price-sensitive nature of customers, gross written premiums for comprehensive policies are expected to grow at a lower CAGR of 7.9% (between 2023G-2027G), compared to a CAGR of 9.6% for third-party insurance policies (2023G-2027G).

Digital innovation in selling vehicle insurance products is a key aspect for increasing depth and improving customer experience. Electronic insurance aggregators captured 68.5% of the motor insurance market for individuals in 2022G and are expected to capture 80% by 2027G, driven by easy access to various insurance products, transparency, a user-friendly process and rapid transformation that will enable customers to ultimately make more informed choices in an efficient manner. Motor insurance for individuals accounted for an estimated 53.6% of the motor insurance market as of 2023G. The share of motor insurance policies for individuals purchased through electronic insurance aggregators has increased since the launch of electronic insurance aggregation platforms in the Kingdom. Tameeni was the market leader in the field of electronic insurance aggregation in 2022G. Gross written premiums of SAR 2.4 billion accounted for a significant 44.6% share of motor insurance premiums for individuals in the Kingdom in 2022G and are projected to reach 47.0% in 2023G. In 2022G, Tameeni captured a 65.0% share of the motor insurance market for individuals compared to its competitors in the electronic insurance aggregation sector.

d- Health Insurance

Health insurance is the largest activity type in terms of gross written premiums (SAR 31.8 billion) in the Kingdom, representing 59.7% of gross written premiums. In 2022G, gross written premiums for health insurance increased at a CAGR of 12.3% between 2019G and 2022G. The growth in gross written premiums in 2022G was significantly higher at 26.8% compared to 2021G, driven by increased customer awareness of insurance products following the COVID-19 pandemic.

Health insurance premiums are expected to reach SAR 39.8 million in 2023G, at a growth rate of approximately 25.0% compared to 2022G, largely driven by increased premiums as a result of a rise in medical expenses and higher claims utilization. Gross written premiums for health insurance are expected to grow at a CAGR of approximately 8.9% between 2023G and 2027G, increasing from SAR 39.8 billion in 2023G to SAR 57.9 billion by 2027G. The main growth drivers are the increase in population as well as the increasing number of expatriates in the country, increased awareness of the benefits of health insurance protection and the Government's efforts to increase utilization of health insurance facilities in the private sector.

Direct sales channels dominated the health insurance distribution network in 2022G, representing 60.0% of health insurance gross written premiums. It is expected that the digital distribution channel will lead to greater penetration in the health insurance market in the future, particularly in the individuals and SME categories. The share of electronic insurance aggregators in the SME health insurance category is expected to grow from 6.3% in 2022G to 33.0% by 2027G.

e- Medical Malpractice

The malpractice insurance market was estimated at SAR 321 million in 2022G and is expected to grow at a CAGR of 10.0% between 2023G and 2027G to SAR 560 million, driven by the latest regulations introduced by the Saudi Central Bank (SAMA) in 2022G, which specify the minimum coverage that medical practitioners must obtain to cover medical malpractice claims.

f- Travel Insurance

Travel insurance in the Kingdom witnessed a steady recovery post-pandemic due to the easing of travel restrictions and the subsequent increase in the frequency of travel. Following a recovery in international travel in the wake of the COVID-19 pandemic, growth in travel insurance premiums is estimated to increase at a CAGR of 10.0%, from SAR 44 million in 2023G to SAR 65 million in 2027G.

g- Reinsurance

Reinsurance companies share insurance policy risks with insurance providers. Gross written premiums for reinsurance within the general insurance category are expected to increase at a CAGR of 8.0% (between 2023G-2027G), reaching SAR 10.3 billion by 2027G. The general insurance industry is characterized by a lower retention rate ranging between 20-25%, with a value of SAR 7.0 billion in 2022G. This provides significantly higher reinsurance opportunities than the health and motor insurance sectors which have retention rates of over 95% each.

h- Claims Management

Claims management relates to the administrative and technical aspects of processing claims for customers. Claims in the motor insurance sector increased in 2022G due to an increase in the number of insured vehicles post-pandemic and an increase in the volume of accidents. Loss rates in motor insurance increased from 82.5% in 2021G to 91.5% in 2022G. There is significant opportunity in the motor insurance sector to implement cost-cutting solutions in order to reduce loss rates and achieve greater efficiencies.

i- Insurance Platforms for Leased Vehicles in the Kingdom (a subcategory of motor insurance)

Vehicles are financed by banks and non-banking finance companies for retail and large corporate customers through a lease-to-own contract, usually for a period of five years. Specialized third-party companies are able to offer an integrated platform for banks and leasing companies to help them provide quotes from multiple insurance companies in real time. Linking with the operating systems of lending companies provides a seamless experience when purchasing and renewing insurance policies and reduces processing time. There are three specialist platforms, including the Treza platform, that offer insurance services with price comparison platforms. As of 2022G, Treza has a leading market share of 60.0% of the total insurance premiums for finance leased vehicles within the individuals category, which is expected to reach 62.0% in 2023G, with a total addressable market of approximately SAR 2.5 billion for this sector.

The number of vehicles purchased from banks or finance companies under finance lease contracts in the individuals category was estimated at approximately 874,458 in 2022G. The number of leased vehicles is expected to grow at a CAGR of 5.7%, from 916 thousand vehicles in 2023G to 1,147 thousand vehicles in 2027G. A steady increase in the number of leased vehicles can be expected due to a rise in the working population, a growing number of expatriates, infrastructure development, an increase in the number of tourists and other initiatives as part of the Vision 2030 program. Gross written premiums for new and renewed insurance policies for finance leased vehicles in the individuals category are expected to grow at a CAGR of 7.9% between 2023G and 2027G. Gross written premiums are projected to reach SAR 3.3 billion in 2023G and SAR 4.4 billion by 2027G.

j- Vehicle Loans

Vehicle loans witnessed a decline of 6.6% between 2019G and 2022G, primarily due to a decline in the volume of vehicle sales as a result of the impact of the pandemic and the global semiconductor supply chain shortage, which led to a reduced supply of vehicles in the market. Further, vehicle loans increased to SAR 26.7 billion in 2023G and vehicle loans are expected to recover in the Kingdom at a growth rate of 4.6% (between 2023G and 2027G) to reach SAR 32.1 billion by 2027G, driven by increased discretionary spending, an increase in female drivers contributing to increased vehicle sales volumes and the increased trend of digitization in the lending process.

k- Sale of Repossessed Vehicles, Salvaged Vehicles and Rental Company Cars in the Kingdom

Banks and financial leasing companies sell vehicles that are repossessed due to customers failing to repay loans. Insurance companies sell vehicles for their write-off value after they have been declared a total loss following an accident. Vehicle rental companies sell old vehicles from their fleet in order to replace them with new vehicles. These vehicles are auctioned through various channels and platforms. There are physical and online auction channels for the sale of used vehicles in any condition.

The Company operates a specialized online platform called Awal Mazad for businesses, including banks, financial leasing companies, insurance companies and car rental companies, to offer their vehicles for auction. The Company is still in its early stages and has significant potential to capture market share from traditional auction channels. The market size of the opportunity was estimated at approximately 112 thousand vehicles in 2023G and is expected to increase to approximately 149 thousand vehicles by 2027G.

rasan

Summary of Financial Information

The selected financial information and key performance indicators of the Company set out below should be read in conjunction with the information provided in Section 2 "**Risk Factors**" and Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus, the Group's audited consolidated financial statements for the financial year ended 31 December 2020G and the accompanying notes thereto, which were prepared in accordance with IFRS-KSA for SMEs, the Group's audited consolidated financial statements for the financial years ended 31 December 2021G and 2022G and the accompanying notes thereto, which were prepared in accordance with IFRS-KSA, and the Group's unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2023G and the accompanying notes thereto, which were prepared in accordance with IAS 34 (Interim Financial Reporting) as endorsed in the Kingdom, and as included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus, in addition to all other financial information contained in other parts of this Prospectus, before making a decision to invest in the Offer Shares. Investment decisions must not be based solely on this summary.

Table (1.4): Summary of Financial Information and KPIs for the Financial Years Ended 2020G, 2021G and 2022G and the Nine-Month Period Ended 30 September 2023G

SAR '000	FY Ended 31 December			Nine-Month Period Ended 30 September	
	2020G (Audited)	2021G (Audited)	2022G (Audited)	2022G (Unaudited)	2023G (Unaudited)
Income Statement					
Revenue from contracts with customers	43,369	86,899	162,491	106,314	186,389
Cost of revenue	(21,102)	(26,049)	(60,596)	(34,848)	(77,034)
Gross profit	22,267	60,850	101,895	71,465	109,356
General and administrative expenses	(18,714)	(21,279)	(47,928)	(26,487)	(57,307)
Marketing expenses	(2,986)	(6,526)	(12,199)	(6,123)	(13,407)
Operating profit	567	33,044	41,769	38,855	38,642
Financing costs	(83)	(685)	(1,595)	(1,260)	(232)
Other revenue (expenses), net	398	4,427	(2,459)	74	2
Income before Zakat	882	36,786	37,715	37,670	38,412
Zakat	(310)	(1,506)	(3,305)	(2,479)	(2,410)
Net income for the year	572	35,280	34,409	35,191	36,002
Statement of Financial Position					
Current assets	7,641	58,418	92,452	-	207,964
Non-current assets	16,507	28,083	41,222	-	53,522
Total assets	24,149	86,501	133,674	-	261,486
Current liabilities	39,014	21,920	53,096	-	143,660
Non-current liabilities	2,637	24,286	6,108	-	6,846
Total liabilities	41,651	46,206	59,203	-	150,506
Shareholders' equity	(17,503)	40,294	74,471	-	110,980
Total liabilities and Shareholders' equity	24,149	86,501	133,674	-	261,486
Statement of Cash Flows					
Cash from operating activities	4,897	25,170	65,658	31,640	47,546
Net cash used in investing activities	(5,452)	(14,348)	(21,558)	(13,015)	(20,725)
Net cash (used in) from financing activities	(381)	22,025	(1,748)	(1,057)	(1,423)
Bank and cash balances at the end of the year	2,414	35,278	77,397	52,772	103,478

SAR '000	FY Ended 31 December			Nine-Month Period Ended 30 September	
	2020G (Audited)	2021G (Audited)	2022G (Audited)	2022G (Unaudited)	2023G (Unaudited)
KPIs					
Gross profit margin(1)	51.3%	70.0%	62.7%	67.2%	58.7%
Net profit margin(2)	1.3%	40.6%	21.2%	33.1%(5)	19.3%(5)
Return on equity(3)	(3.3%)	309.6%	60.0%	60.8%	38.8%(5)
Days sales outstanding(4)	14	28	20	24	25
Gross written premiums (SAR '000)	1,363,918	2,200,737	4,241,697	2,897,943	4,809,722
Number of policies (in thousands)	1,909	2,549	3,274	2,462	3,173

Source: The audited consolidated financial statements for the financial years ended 2021G and 2022G, the interim financial statements for the nine-month period ended 30 September 2023G and management information.

(1) Gross profit margin is calculated by dividing the gross profit for the financial year by the revenue for the same financial year.

(2) Net profit margin is calculated by dividing the net profit for the financial year by the revenue for the same period.

(3) Return on equity is calculated by dividing the net profit for the financial year by the average Shareholders' equity (using the previous and current year-end balances).

(4) Days sales outstanding (by trade receivables) for the financial years ended 31 December 2020G, 2021G and 2022G is calculated by dividing the average (using the previous and current year-end balances) of total trade receivables (trade only) by revenue (for the previous 12-month period) multiplied by 360. Days sales outstanding (by trade receivables) for the nine-month period ended 30 September 2023G (using the previous year-end and current period balances) is calculated by dividing the total trade receivables (trade only) by revenue (for the previous nine-month period) multiplied by 270.

(5) The data referred to includes the Offering Expenses (for further information on the Offering Expenses, please refer to Section 14 "**Offering Expenses**" of this Prospectus).

rasan

Summary of Risk Factors

Below is a summary of the risk factors related to investing in the Offer Shares. However, this summary does not contain all the information that may be important to Investors. Accordingly, Subscribers should read and review this Prospectus in full, and any decision to invest in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered before deciding to invest in the Offer Shares. Subscribers should not rely solely on this summary.

2.1 Risks Related to the Group's Business and Operations

2.1.1 Risks related to the valuation of intangible assets

2.1.2 Risks related to the change in accounting treatment

2.1.3 Risks related to the Group's limited operational history in an evolving industry subject to continuous developments

2.1.4 Risks related to the Group's inability to grow in the future at historical rates and manage growth effectively

2.1.5 Risks related to reliance on strategic partnerships with insurance companies

2.1.6 Risks related to reliance of the leasing segment on key customers and broker

2.1.7 Risks related to the concentration of the Group's revenues

2.1.8 Risks related to the availability of the Group's platforms and products and failures of its electronic systems

2.1.9 Risks related to the investment in IT systems and in-house software developers

2.1.10 Risks related to reliance on third-party providers

2.1.11 Risks related to reliance on third-party platforms and smartphone operating systems

2.1.12 Risks related to using open source technologies in developing the Group's platforms and products

2.1.13 Risks related to online payment and payment processing by third-party providers

2.1.14 Risks related to integration with third parties' platforms and systems

2.1.15 Risks related to the inability to retain and attract customers

2.1.16 Risks related to search engine optimization and online user traffic

2.1.17 Risks related to pricing methods for the Group's services

2.1.18 Risks related to reliance of the Group's business on the insurance market

2.1.19 Risks related to the Group's reputation, brand and publicity

2.1.20 Risks related to mistaken association or attribution of user experience with the insurance company to the Group, and vice versa

2.1.21 Risks related to the Group's customer service and quality of services offered

2.1.22 Risks related to data protection and cyberattacks

2.1.23 Risks related to innovation, technological advancement and research and development

2.1.24 Risks related to the Group's inability to implement its growth strategy successfully, on time or at all

Table of Contents

List of Tables

List of Exhibits


rasan

rasan

1. Definitions and Abbreviations

Advisors	The Company's advisors in relation to the Offering whose names appear on pages (vii) and (viii) of this Prospectus.
AED or Emirati Dirham	The Emirati Dirham, the official currency of the United Arab Emirates.
Affiliate	Any person who Controls another person or is Controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, Control could be direct or indirect.
Al Rajhi Bank	Al Rajhi Banking & Investment Corporation.
Arab Republic of Egypt or Egypt	The Arab Republic of Egypt.
Audited Consolidated Financial Statements for the Financial Year Ended 31 December 2020G	The Group's audited consolidated financial statements for the financial year ended 31 December 2020G and the accompanying notes thereto, prepared in accordance with the IFRS-KSA for SMEs and audited by the Auditor.
Audited Consolidated Financial Statements for the Financial Year Ended 31 December 2021G	The Group's audited consolidated financial statements for the financial year ended 31 December 2021G and the accompanying notes thereto, prepared in accordance with IFRS-KSA and audited by the Auditor.
Audited Consolidated Financial Statements for the Financial Year Ended 31 December 2022G	The Group's audited consolidated financial statements for the financial year ended 31 December 2022G and the accompanying notes thereto, prepared in accordance with IFRS-KSA and audited by the Auditor.
Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2021G and 2022G	The audited consolidated financial statements for the financial year ended 31 December 2021G and the audited consolidated financial statements for the financial year ended 31 December 2022G.
Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2021G, 2022G and 2023G	The audited consolidated financial statements for the financial year ended 31 December 2021G, the audited consolidated financial statements for the financial year ended 31 December 2022G and the audited consolidated financial statements for the financial year ended 31 December 2023G.
Auditor	Ernst & Young Professional Services (Professional LLC).
Awal Mazad	The Group's Awal Mazad platform.
Awal Mozawadah Company	Awal Mozawadah for Information Technology Single Person Company is a Saudi single person limited liability company with Commercial Registration No. 1010627669, dated 24/06/1441H (corresponding to 18/02/2020G), a capital of one-hundred thousand Saudi Riyals (SAR 100,000), and is wholly by the Company.
Azm Company	Azm FinTech.
Azm Company Services Agreement	The electronic payment portal services agreement entered into between Tameeni Company and Azm Company on 16/11/1444H (corresponding to 05/06/2022G).
Bid Form	The bid form to be used by Participating Parties to bid for the Offer Shares during the Book-Building Period. This term includes, when applicable, the appended bid form when the price range is changed.
Board or Board of Directors	The Company's Board of Directors.
Board Secretary	The secretary of the Company's Board of Directors.
Book Building Instructions	The Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued pursuant to the CMA Board Resolution No. 2-94-2016G, dated 15/10/1437H (corresponding to 20/07/2016G), as amended by CMA Board Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G).
Bookrunners	Saudi Fransi Capital and Morgan Stanley Saudi Arabia.
Broker Channel	One of the two (2) channels of Treza, whereby banks and leasing companies who are customers of relevant brokers are provided with a web-based software as a service (SaaS) platform product by the Group, which enables banks and leasing companies to integrate their systems with the systems of the relevant insurance companies.
Business Day	Any day (with the exception of Fridays, Saturdays and official holidays) on which the Receiving Agents is open for business in the Kingdom.
Buy-now-pay-later Platforms	Electronic platforms which enable customers to purchase merchandise on credit at the point of sale using deferred payments via installments, without a credit card.
Bylaws	The Company's Bylaws approved by the General Assembly.
Capital Market Institution	A Capital Market Institution authorized by the CMA to engage in securities business.
CEO	The chief executive officer of the Company.

CGRs or Corporate Governance Regulations	The Corporate Governance Regulations issued by CMA Board Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), pursuant to the Companies Law, as amended by CMA Board Resolution No. 5-8-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
Chairman or Chairman of the Board of Directors	The chairman of the Company's Board of Directors.
CMA	The Capital Market Authority of the Kingdom.
CML or Capital Market Law	The Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
Companies Law	The Companies Law promulgated by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G).
Comprehensive Motor Insurance or COMP	A motor insurance policy that covers damages suffered by the insured party, the insured vehicle and other passengers, in addition to damages suffered by a third party.
Control	Pursuant to the definition stated in the Glossary of Defined Terms Used in the CMA Regulations, "**control**" means the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (i) holding 30% or more of the voting rights in a company and (ii) having the right to appoint 30% or more of the members of the administrative staff. The term "**controlling**" shall be construed accordingly.
Corporate Customers	The Group's corporate customers (excluding SMEs).
Direct Channel	One of the two (2) channels of Treza, whereby banks and leasing companies are provided with a white label custom software as a service (SaaS) product by the Group, which enables banks and leasing companies to integrate their systems with the systems of the relevant insurance companies.
Directors	Members of the Company's Board of Directors.
EGP or Egyptian Pound	The Egyptian Pound, the official currency of the Arab Republic of Egypt.
E-Payment Portal Services Agreement	The electronic payment portal services agreement entered into between the Company and the Saudi National Bank on 28/03/1444H (corresponding to 24/10/2022G).
Extraordinary General Assembly	An extraordinary general assembly of Shareholders convened in accordance with the Company's Bylaws.
Financial Advisors	Saudi Fransi Capital and Morgan Stanley Saudi Arabia.
Financial Statements	The Group's financial statements for the period covered in this Prospectus are the audited consolidated financial statements for the financial years ended 31 December 2020G, 2021G and 2022, and the Group's unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2023G.
Financial Year	The financial year of the Company, starting on 1 January to 31 December of each calendar year.
FinTech	Financial technology.
Foreign Investors	Non-GCC individuals who are not residents in the Kingdom and non-GCC institutions incorporated outside the Kingdom who are permitted to invest indirectly to obtain the economic benefit of the Offer Shares by entering into swap agreements with Capital Market Institutions.
Foreign Strategic Investors (FSIs)	A foreign legal entity aiming to acquire a strategic interest in listed companies in accordance with the Rules for Foreign Investment in Securities. "**Strategic interest**" refers to the direct ownership percentage in the listed company's shares, through which the owner aims to contribute to enhancing the financial or operating performance of the listed company.
G	The Gregorian calendar.
GCC	The Cooperation Council for the Arab States of the Gulf, whose member states are the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar and the United Arab Emirates.
General Assembly	An Extraordinary General Assembly or Ordinary General Assembly, and "**General Assembly**" shall mean any general assembly of the Company.
Government	The government of the Kingdom of Saudi Arabia, and the term "**governmental**" shall be construed accordingly.
H	The Hijri calendar.
HyperPay Company	HyperPay Information Systems Technology Company.
HyperPay Company Services Agreement	The electronic payment services agreement entered into between Tameeni Company and HyperPay Company on 25/11/1444H (corresponding to 14/06/2023G).
IFRs or Investment Funds Regulations	The Investment Funds Regulations (IFRs) issued by CMA Board Resolution No. 1-219-2006, dated 03/12/1427H (corresponding to 24/12/2006G), as amended by the CMA Board Resolution No. 2-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G).

IFRS-KSA	The International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA.
IFRS-KSA for SMEs	The International Financial Reporting Standards (IFRS) for SMEs endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements approved by SOCPA.
IHC	Insurance House Company.
Implementing Regulations of the Companies Law	The Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by CMA Board Resolution No. 8-127-2016, dated 16/01/1438H (corresponding to 17/10/2016G), as amended by CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G).
Individual Customers	The Group's retail customers.
Individual Subscribers	Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares in the names of her minor children, on the condition that she proves she is the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom and GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents.
Information Technology or IT	The use of any computers, data storage, networking and other hardware, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data.
Installment Payment Service Provision Agreement	The agreement entered into between the Company and Tabby Company on 11/05/1443H (corresponding to 15/12/2021G) for the provision of installment payment services.
Insurance Aggregator	A company licensed by the Saudi Central Bank (SAMA) to practice insurance aggregation activities using electronic means to purchase insurance products by insured parties, and compare price quotes and coverage provided by insurance companies, and facilitating the completion the sale and purchase of policies.
Insurance Broker	A juristic entity that negotiates with the insurance company in order to conduct insurance services for policyholders in return for compensation.
InsurTech	Insurance technology.
InsurTech Rules	The InsurTech Rules issued pursuant to the resolution of the Governor of SAMA, dated 08/01/1445H (corresponding to 26/07/2023G), based on the powers vested in SAMA under the Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32, dated 02/06/1424H (corresponding to 31/07/2003G), as amended by Royal Decree No. M/30, dated 27/05/1434H (corresponding to 08/04/2013G), and as amended by Royal Decree No. M/12 dated 23/01/1443H (corresponding to 21/08/2021G) and its Implementing Regulations issued pursuant to the Resolution of the Minister of Finance No. 1/596, dated 01/03/1425H (corresponding to 20/04/2004G).
Interim Financial Statements for the Nine-Month Period Ended 30 September 2023G	The Group's unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2023G and the accompanying notes thereto, prepared in accordance with IAS 34 (Interim Financial Reporting) endorsed in the Kingdom and reviewed by the Auditor.
IPO Proceeds	An amount of one hundred and ninety six million and one hundred thousand Saudi Riyals (SAR 196,100,000) received from the sale of New Shares resulting from the Company's capital increase for the purpose of the Offering.
Labor Law	The Labor Law promulgated by Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Lead Manager	Saudi Fransi Capital.
Legal Advisor	The Law Firm of Latham & Watkins.
List of Defined Terms Used in CMA Regulations	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to the CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), amended by the CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G).
Listing	Admission of the Company's shares to listing on the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 1-108-2022, dated 23/03/1444H (corresponding to 19/10/2022G).
Lock-up Period	The period during which Substantial Shareholders are subject to a lock-up of six (6) months, commencing from the date the Company's shares are traded on the Exchange. During such period, the Substantial Shareholders may not dispose of any of their shares.
Market Consultant	PricewaterhouseCoopers Chartered Accountants.
Market Study	The Market Study prepared by PricewaterhouseCoopers Chartered Accountants.
Material Subsidiaries	a- Tameeni Company. b- Rasan – Dubai. c- Rasan LLC – Egypt.

MHRSD or Ministry of Human Resources	The Ministry of Human Resources and Social Development in the Kingdom.
MoC or Ministry of Commerce	The Ministry of Commerce in the Kingdom.
Monsha'at	The Small and Medium Enterprises General Authority.
Najm Company	Najm for Insurance Services Company.
Naqla Company Agreement	The agreement entered into between the Company and Naqla Audiovisual Media Production Company on 02/04/1444H (corresponding to 27/10/2022G) for the organization of media campaigns and the production of account content.
Net Offering Proceeds	The Offering proceeds after deduction of the Offering Expenses.
New Shares	Five million, three hundred thousand (5,300,000) new shares to be issued and sold by the Company in connection with the Offering.
NourNet Connection Agreement	The NourNet connection agreement concluded between the Company and NourNet Company on 01/05/1443H (corresponding to 05/12/2021G).
Offer Price	Thirty seven Saudi Riyals (SAR 37) per share.
Offer Shares	Twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, consisting of Sale Shares and New Shares, representing 30% of the Company's capital post-Offering (and 32.3% of the Company's capital before the capital increase).
Offering	Offering of twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, representing 30% of the Company's capital post-Offering (equivalent to 32.3% of the Company's capital prior to the capital increase), for public subscription on the Exchange.
Offering Period	The Offering Period will commence on Wednesday 21/11/1445H (corresponding to 29/05/2024G), and will remain open for two (2) days up to and including the closing day on Thursday 22/11/1445H (corresponding to 30/05/2024G).
Official Gazette	Umm Al-Qura newspaper, the official gazette of the Kingdom of Saudi Arabia.
Ordinary General Assembly	An ordinary general assembly of Shareholders convened in accordance with the Company's Bylaws.
OSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
Participating Parties	The parties entitled to participate in the book-building process, namely: a- Public and private funds that invest in securities listed on the Exchange, if permissible according to the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Fund Regulations and the Book Building Instructions; b- Capital Market Institutions authorized by the CMA to deal in securities as principals, in compliance with the provisions set forth in the Prudential Rules when submitting the Bid Form; c- Clients of a Capital Market Institution authorized by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book Building Instructions; d- Legal persons permitted to open an investment account in the Kingdom and an account with the Securities Depository Center. e- Foreign legal persons permitted to invest on the Exchange on which the Company's shares will be listed, in accordance with the rules for listed companies' investment in securities listed on the Exchange stipulated in CMA Circular No. 05158/6, dated 11/08/1435H (corresponding to 09/06/2014G), issued pursuant to CMA Board Resolution No. 9-28-2014, dated 20/07/1435H (corresponding to 19/05/2014G). f- Government entities, any supranational authority recognized by the CMA or the Exchange or any other stock exchange recognized by the CMA or the Securities Depository Center. g- Government-owned companies, whether investing directly or through a private portfolio manager; h- GCC companies and GCC funds, if permissible according to the terms and conditions of such funds; and i- Qualified Foreign Investors (QFIs). A final beneficiary with legal capacity who is a party to a swap agreement concluded with an authorized Capital Market Institution in accordance with the terms and conditions of swap agreements.
Payment Gateway	An electronic system for processing payments.
Platform	An electronic system for the delivery and exchange of information.
Prospectus	This Prospectus prepared by the Company in connection with the Offering.

Public	Persons other than the following: a- Affiliates of the Issuer; b- Substantial Shareholders of the Issuer; c- Directors and Senior Executives of the Issuer; d- directors and senior executives of the Affiliates of the Issuer; e- directors and senior executives of the Substantial Shareholders of the Issuer; f- any Relatives of the persons referred to in 1, 2, 3, 4 or 5 above; g- any company Controlled by any person referred to in 1, 2, 3, 4, 5 or 6 above; and persons acting in concert with a collective shareholding of 5% or more of the class of shares to be listed.
QFI	A qualified foreign investor with legal capacity in accordance with the Rules for Foreign Investment in Securities.
Rasan – Dubai	Rasan Computer Systems Design Limited is a limited liability company established and existing in the United Arab Emirates, registered under Commercial Registration No. 1411638, dated 28/06/1438H (corresponding to 27/03/2017G), with a capital of three hundred thousand Emirati Dirhams (AED 300,000), and is wholly owned by the Company.
Rasan LLC – Egypt	Rasan LLC is an Egyptian limited liability company registered under Commercial Registration No. 137619, dated 15/11/1440H (corresponding to 18/07/2019G), with a capital of one-hundred thousand Egyptian Pounds (EGP 100,000). The Company owns 99% of Rasan LLC – Egypt, and the remaining 1% is owned by Moayad Abdullah Suleiman AlFallaj.
Receiving Agents	The receiving agents whose names are listed on page (ix) of this Prospectus.
Regulation S	Regulation S of the US Securities Act of 1933G, as amended.
Related Party	The term "**Related Party**" or "**Related Parties**" in this Prospectus and in accordance with the Glossary of Defined Terms Used in the CMA Regulations includes the following: a- Affiliates of the Issuer; b- Substantial Shareholders of the Issuer; c- Directors and Senior Executives of the Issuer; d- directors and senior executives of the Affiliates of the Issuer; e- directors and senior executives of the Substantial Shareholders of the Issuer; f- any Relatives of the persons referred to in a, b, c, d or e above; and g- any company controlled by any person referred to in a, b, c, d, e, or f above.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations, this term includes: a- Fathers, mothers, grandfathers, grandmothers and their ancestors. b- Children, grandchildren and their descendants. c- Siblings, maternal and paternal half-siblings; and d- Husbands and wives.
Repossessed Vehicles	Vehicles sold by banks and leasing companies after being repossessed from lessees, due to the failure of the lessee to uphold contractual obligations, such as failure to make due payments, as may be permitted by the relevant contractual provisions.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G).
Sale Shares	Seventeen million, four hundred and forty thousand (17,440,000) ordinary shares of the Company's existing shares to be sold by the Selling Shareholders in connection with the Offering.
Salvaged Vehicles	Vehicles sold by insurance companies after being deemed impractical and futile to repair and declaring such vehicle a total loss. This assessment generally follows severe damage due to an accident, a natural disaster or other circumstances.
SAR or Saudi Riyal	The Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
Security Service Provision Agreement	The agreement entered into between the Company and Security Matterz on 01/04/1444H (corresponding to 26/10/2022G) for the provision of managed security operations center services.

Selling Shareholders	The Selling Shareholders as of the date of this Prospectus are: 1- Impact Funds for Financial Technology Company. 2- Theib Hudeiban Ghallab AlMutairi. 3- Muheideb Ali Mohammed AlMuheideb. 4- Samer Mohammed Raslan. 5- Mohammed Muheideb Ali AlMuheideb. 6- Assets Custody Development Impact Company for Communications and Information Technology. 7- Fahad Ahmed Mohammed Abuhaimed. 8- Majed Abdullah Mohammed AlBawardi. 9- Moayad Abdullah Suleiman AlFallaj. 10- Abdulrahman Abdullah Abdulrahman Bin Aiban. 11- Sami Muheideb Ali AlMuheideb. 12- Ayman Abdullah Suleiman AlFallaj. 13- Suleiman Abdullah Suleiman AlFallaj. 14- Thamer Abdullah Suleiman AlFallaj. 15- Abdulelah Mohammed Manei AlGhufaili.
Senior Executives or Executive Management	Any natural person assigned, individually or jointly with others, by the Company's Board of Directors or by a Director to oversee and manage tasks and who reports directly to the Board of Directors, a Director or the CEO.
Shareholders	Any holder of shares in the Company.
Shares	Any fully paid ordinary share of the Company with a nominal value of one Saudi Riyal (SAR 1).
SME Customers	The Group's SME customers.
SMEs	Micro, small and medium enterprises.
SNB Agreement	The general services agreement entered into between the Company and the Saudi National Bank (formerly the National Commercial Bank) on 12/03/1442H (corresponding to 01/11/2020G) to support the provision of an electronic platform and for the provision of technical and technological support.
SOCPA	The Saudi Organization for Chartered and Professional Accountants in the Kingdom (formerly the Saudi Organization for Certified Public Accountants (SOCPA)).
Software	A set of instructions, data or programs used to operate computers and execute specific tasks.
Stock Exchange, the Exchange or Tadawul	The Saudi Exchange Company.
Subscribers or Investors	They include Participating Parties and Individual Subscribers.
Subscription Application Form	The subscription application form that Individual Subscribers and Participating Parties (as applicable) must complete in order to subscribe to the Offer Shares.
Subsidiaries	a- Awal Mozawadah Company. b- Tameeni Company. c- Treza Company. d- Rasan – Dubai. e- Rasan LLC – Egypt.
Substantial Shareholders	Any person holding 5% or more of the Company's capital.
Swap Agreements	Agreements under which non-GCC individual investors who are not residents in the Kingdom and non-GCC institutions incorporated outside the Kingdom are permitted to invest indirectly in shares through Capital Market Institutions licensed by the CMA in order to acquire the economic benefits of shares.
Tabby Company	Tabby Saudi for Communication and IT.
Takamol Company	Takamol Business Solutions.
Tamara Company	Nakhla Information Systems Technology Company.
Tamara Company Services Agreement	The agreement entered into between the Company and Tamara Company on 19/01/1444H (corresponding to 18/08/2022G).
Tameeni Company	Tameeni Electronic Insurance Brokerage Single Person Company is a Saudi single person limited liability company with Commercial Registration No. 1010838913, dated 12/04/1444H (corresponding to 06/11/2022G), a capital of five-hundred thousand Saudi Riyals (SAR 500,000), and is wholly by the Company.

Tameeni Health	The Group's Tameeni Health platform.
Tameeni Motor	The Group's Tameeni Motor platform.
The Company or Issuer	Rasan Information Technology Company.
The Group	The Company and its Subsidiaries.
The Kingdom or KSA	The Kingdom of Saudi Arabia.
Third Party Insurance With Additional Coverage or TPL+	A motor insurance policy that which offers coverage for third-party liability motor insurance, in addition to coverage for certain damages to the insured party pursuant to the terms and provisions of the relevant policy.
Third-Party Liability Motor Insurance or TPL	A compulsory motor insurance policy that covers the damage caused by the insured party's vehicle to a third party and does not cover the damage inflicted on the insured party or their vehicle. It is the minimum coverage required to operate and drive vehicles in the Kingdom.
Treza	The Group's Treza product.
Treza Company	Treza Single Person Limited Company is a Saudi single person limited liability company under Commercial Registration No. 1010867990, dated 21/08/1444H (corresponding to 13/03/2023G), with a capital of five-hundred thousand Saudi Riyals (SAR 500,000), and is wholly by the Company.
Underwriters	Saudi Fransi Capital and Morgan Stanley Saudi Arabia.
Underwriting Agreement	The underwriting agreement entered into between the Company, the Selling Shareholders and the Underwriters in connection with the Offering.
United Arab Emirates or UAE	The United Arab Emirates.
US Securities Act	The US Securities Act of 1933G, as amended.
Used Vehicles	Vehicles sold by vehicle rental companies as the last step of the vehicle lifecycle for the purpose of rental activities, after releasing such vehicle from its operations.
Value-Added Insurance Products	Products offered on Tameeni Motor by specific insurance companies, which generally include additional coverage to TPL.
ZATCA	The Zakat, Tax and Customs Authority of the Kingdom.

2. Risk Factors

Prospective investors should carefully consider all information provided in this Prospectus, particularly the following risks, prior to deciding to invest in the Offer Shares. The risks described below are those that the Company currently believes could affect the Company and the subsidiaries (the "**Group**") and any investment in the Offer Shares. The risks described below do not necessarily comprise all the risks affecting the Group or associated with an investment in the Offer Shares. There may be additional risks and uncertainties that are not currently known to the Group, or that the Directors currently believe to be immaterial. The occurrence of any such risks may materially and adversely affect the Group's business, financial condition, results of operations and prospects, the trading price of the Shares and the Company's ability to pay dividends, which may cause investors to lose all or a portion of their investment in the Shares.

The Directors confirm that, to the best of their knowledge and belief, there are no material risks, other than those mentioned in this Section, that may affect investors' decisions to invest in the Shares as at the date of this Prospectus. All prospective investors willing to subscribe to the Offer Shares should conduct an assessment of the risks and benefits of such investment and Offer Shares, in general, and the economic and regulatory environment in which the Group operates, in particular.

An investment in the Offer Shares under this Prospectus involves high risks and may be appropriate only for those investors who are able to evaluate the risks of such investment and who have sufficient resources to bear any loss resulting from such investment. Prospective investors who have doubts about which actions to take should refer to a financial advisor licensed by the CMA for advice about investing in the Offer Shares.

The risks described below are not presented in order of priority, based on their importance or expected effect on the Group. There may be additional risks that the Group is currently not aware of, or that it currently believes to be immaterial, which may in the future have the same effects or consequences stated in this Prospectus. Accordingly, the risks described in this Section or in any other section of this Prospectus may not: (a) include all of the risks that may affect the Group or its operations, activities, assets or the markets in which it operates and/or (b) include all of the risks relating to the investment in the Offer Shares.

2.1 Risks Related to the Group's Business and Operations

2.1.1 Risks related to valuation of intangible assets

The Group relies on the international accounting standard IAS 38 in its accounting treatment of intangible assets and has, as a result, capitalized development costs (which mainly consist of the salaries of its employees who are part of its developer team) in accordance with the aforementioned standard in the amount of SAR 3.9 million, SAR 11.1 million, SAR 16.2 million and SAR 14.5 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. In accordance with IAS 38, the Group has also recorded amortization of intangible assets in the amount of SAR 3.5 million, SAR 4.6 million, SAR 6.6 million and SAR 5.9 million in the financial years 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively.

It is worth noting that the disapplication of the international standard referred to above by the Group and the capitalization and amortization of relevant costs, and recording such costs as direct costs in the income statement, may lead to a negative impact on its profits before Zakat in the amount of SAR (0.4) million, SAR (6.5) million, SAR (9.6) million and SAR (8.6) million in the financial years ended 31 December 2020G, 2021G and 2022G, and the nine-month period ended 30 September 2023G, respectively. Such amounts represents the difference between the capitalized value and the amortization value during the referenced periods, respectively, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.2 Risks related to the change in accounting treatment

Historically, the Group acted as a technical service provider providing access to Tameeni Motor and Tameeni Health as a technical solution to IHC, who acted as a partnering insurance broker licensed by SAMA and who in turn operated Tameeni Motor and Tameeni Health pursuant to an intellectual property rights and technical services license agreement and a technical support agreement. The Group has since established a wholly owned subsidiary in November 2022G, Tameeni Company, which obtained the requisite SAMA e-brokerage license in May 2023G for the purpose of operating Tameeni Motor and Tameeni Health and providing insurance aggregation services to its customers on an independent basis. Tameeni Company operates as a SAMA regulated entity for the purpose of the Group's Tameeni business segment (for further details, please refer to section 2.1.45 "**Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company**" of this Prospectus). As a result, the Group underwent a change in the accounting treatment with respect to the increase in cost – along with relevant revenues – for the operation of Tameeni Company during the fourth quarter of the financial year ended 31 December 2022G, as a result of the Group's strategy to provide its services through Tameeni Company independently, without relying on an intermediary party. This has led to an increase in sales accompanied by an increase in sales costs in the amount of SAR 9.5 million and SAR 20.9 million in the fourth quarter of the financial year ended 31 December 2022G and the nine-month period ended 30 September 2023G, respectively. Further, the increase in sales also resulted in an increase in recorded revenues in an amount equal to the increase in sales costs during the same periods, respectively. The increase in costs – in general – and the increase in the volume of revenues of the same value will result in a decrease in profit margins, without impacting the recorded net profits, which will have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

2.1.3 Risks related to the Group's limited operational history in an evolving industry subject to continuous developments

The Group launched its first business segment and largest revenue contributor, Tameeni Motor, in 2017G. Revenues generated by Tameeni Motor amounted to SAR 40.4 million, SAR 63.3 million, SAR 99.7 million and SAR 113.6 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, accounting for 93.1%, 72.9%, 61.3% and 60.9% of the Group's total revenues in the same periods, respectively. The Group has since expanded the number of business segments it operates and has experienced rapid growth over the following few years in terms of the number of platforms and products with the introduction of three (3) additional business segments, namely Tameeni Health, the online auction segment and the leasing segment, in 2019G, 2019G and 2020G, respectively. Revenues generated by Tameeni Health amounted to SAR 1.4 million, SAR 5.5 million, SAR 28.0 million and SAR 30.7 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, accounting for 3.1%, 6.3%, 17.2% and 16.5% of the Group's total revenues in the same periods, respectively. Revenues generated by the leasing segment amounted to SAR 0.3 million, SAR 17.0 million, SAR 32.8 million and SAR 39.0 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, accounting for 0.7%, 19.5%, 20.2% and 20.9% of the Group's total revenues in the same periods, respectively. Revenues generated by the online auction segment amounted to SAR 1.3 million, SAR 1.1 million, SAR 2.1 million and SAR 2.7 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, accounting for 3.1%, 1.3%, 1.3% and 1.5% of the Group's total revenues in the same periods, respectively (for further details on the Group's business segments, please refer to Section 4.4 "**Overview of the Group's Business Segments**" of this Prospectus). Nonetheless, the Group's short operating history in the evolving and developing financial technology ("**FinTech**") industry may result in risks and challenges that limit the Group's ability to accurately evaluate its business and future progress, particularly in light of the risks and challenges it faces, which include, but are not limited to, the following:

- Accurately predict the Group's revenues or plan future operating expenses.
- Effectively competing with current or future competitors.
- Successfully growing and expanding in the existing markets or entering new markets.
- Anticipating economic changes and changes in the markets in which the Group operates and responding thereto in a suitable and appropriate manner.
- Developing a high-performance and scalable technology infrastructure that can efficiently and reliably deal with increased usage and the introduction of new features and services.
- Actively engaging with the latest technologies and techniques used in the FinTech industry.
- Managing the rapid growth and development of the employees and operations, and recruiting and retaining talent.
- Maintaining and growing insurance policy renewal rates.
- Actively expanding the Group's customer base, including micro, small and medium enterprises (hereinafter referred to as "**SMEs**") in connection with Tameeni Health.
- Efficiently managing growth of the Group's business segments, platforms and product offerings, customer base and information technology ("**IT**") systems.
- Effectively retaining its talent and attracting additional resources, as necessary.

If the Group is unable to properly manage the challenges and risks it faces, including the challenges described above, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects. In addition, given the limited historical financial data and the Group's limited business in a continuously growing and evolving market and industry, any forecasts regarding the Group's future revenues or expenses may not be as accurate as if the Group had a longer operating history or was operating in another market or industry. If the Group's estimates about any of the risks or challenges it faces, upon which it builds its plans and operations, are found to be inaccurate or if the Group does not address those risks and challenges successfully, the results of operations may significantly differ from those expected by the Group, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.4 Risks related to the Group's inability to grow in the future at historical rates and manage growth effectively

The Group witnessed rapid growth since it started its operations in 2017G. The Group has seen its revenues increase from SAR 43.4 million in the financial year ended 31 December 2020G to SAR 162.5 million in the financial year ended 31 December 2022G, at a compounded annual growth rate ("**CAGR**") of 93.6% during the same period. The Group's revenues also witnessed growth from SAR 106.3 million to SAR 186.4 million, respectively, in the nine-month period ended 30 September 2022G and the nine-month period ended 30 September 2023G, with a growth rate of 75.3% during such period. However, the growth rate of revenue and financial performance may not be indicative of the Group's future performance. The Group's revenues and profits may not continue to grow in line with its historical rates and the Group may not be able to achieve such growth rate in the future. Furthermore, the Company may not be able to execute its expansion plans in a manner that achieves revenue growth (for more details on the Company's expansion plans, please refer to Section 2.1.24 "**Risks related to the Group's inability to implement its growth strategy successfully, on time or at all**" and 2.1.25 "**Risks related to expansion outside the Kingdom**" of this Prospectus). The Group's growth rate may decrease in the future due to several factors, including, but not limited to, slowing demand for the Group's platforms or products, its inability to charge higher commission rates to customers, its inability to sufficiently grow its current business segments or expand to new business segments, its inability to sufficiently increase the number of its platforms, products, customers or partners, higher competition in the market resulting in a decline in the Group's market share, overall market growth with the Group being unable to take advantage of growth opportunities, higher costs of the Group's business, increase in investments made by the Group, which may not result in higher revenues or growth, or the overall slowdown in the growth of the FinTech industry and the transition from web-based methods to traditional methods for purchasing insurance policies or purchasing of used vehicles. The decrease in the Group's growth rate will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group has witnessed a growth in the number of employees and customers of the Group. The number of employees increased from 110 employees as of 31 December 2020G to 312 employees as of 30 September 2023G and the Group's customer base increased from 3.0 million customers served in 31 December 2020G to 7.5 million customers served in 30 September 2023G. Consequently, the Group's operations witnessed a significant expansion, which leads to significant pressure on the Group's management to properly manage such growth, including in terms of the operational and financial infrastructure. The Group's ability to manage rapid growth depends on its success in integrating business, recruiting new employees, expanding its operational and financial infrastructure, improving internal control systems and training and developing employees. If the Group is unable to manage its growth properly, this will affect its operational activities, the quality of its platforms and products and the efficiency of operations, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.5 Risks related to reliance on strategic partnerships with insurance companies

Tameeni Electronic Insurance Brokerage Single Person Company ("**Tameeni Company**") operates two (2) of the Group's business segments, namely Tameeni Motor and Tameeni Health, under which it offers online insurance aggregation platforms that provide individual customers, corporate customers and SMEs with a one-stop shop for motor and health insurance products (for further details on Tameeni Motor and Tameeni Health, please refer to Section 4.3 "**Overview of the Group's Business**" of this Prospectus). As of 30 September 2023G, Tameeni Motor offers motor insurance products from a total of twenty-four (24) insurance companies and Tameeni Health offers health insurance products from a total of twelve (12) insurance companies, whose systems are integrated with Tameeni Company's systems in order to allow customers to compare insurance products and policies before purchasing their policies of choice. Tameeni Company charges commissions and/or fees against each purchase made through Tameeni Motor and Tameeni Health. The Group's revenues from Tameeni Motor represented approximately 93.1%, 72.9%, 61.3% and 60.9% of the Group's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, and revenues from Tameeni Health represented approximately 3.1%, 6.3%, 17.2% and 16.5% of the Group's total revenues in the same periods, respectively. Tameeni Company entered into eight (8) agreements with various insurance companies to offer their products on Tameeni Motor and Tameeni Health, the terms of which are generally one (1) year, automatically renewable, and provide the parties with a number of termination rights. Certain such agreements may be terminated by the insurance companies for convenience, in accordance with the provisions of the respective agreements (for further details on the agreements with insurance companies, please refer to Section 12.4 "**Material Agreements**" of this Prospectus). Tameeni Company's revenues rely on maintaining its relationship with insurance companies, the ability to integrate their systems with its systems and the availability of insurance products from various insurance companies on Tameeni Motor and Tameeni Health. Therefore, Tameeni Company's inability to retain its strategic partnerships and arrangements with insurance companies and the integration of their systems with its systems, due to the termination or inability to renew its contractual arrangement on favorable terms, or at all, or the inability to successfully and efficiently integrate its systems to that of the relevant insurance company, or the inability of such insurance companies to consistently and continuously provide insurance products to offer on Tameeni Motor and Tameeni Health, will impact the availability of the products of such insurance company on Tameeni Motor and Tameeni Health, which may result in a reduction in demand for the Group's platforms and its revenues. This, in turn, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

rasan

It is also worth noting that insurance companies are subject to applicable laws, regulations and continuing obligations, including the regulations and requirements issued by the Saudi Central Bank ("**SAMA**") relating to obtaining approvals for offered insurance products, maintaining statutory deposits and reserves, and ensuring compliance of third-party service providers with relevant laws and regulations, implementation of which is expected to be supervised by the Insurance Authority as part of the transitional plan to transfer all powers and responsibilities related to the insurance sector that were previously exercised prior to the resolution to establish the Insurance Authority by SAMA and the Council of Health Insurance to the Insurance Authority (for further details, please see Section 2.2.1 "**Risks related to the regulatory environment and changes thereto**" of this Prospectus). In addition, insurance products offered by medical insurance companies under Tameeni Health are also subject to the supervision of the Council of Health Insurance ("**CHI**"), which imposes an additional set of regulations and procedures on medical insurance companies. Failure to observe the applicable SAMA and CHI regulations, requirements and procedures may result in penalties on insurance companies, including monetary fines, restricting such companies from admitting new customers and/or withdrawal of relevant licenses and approvals, which, if imposed on Tameeni Company's partnering insurance companies, will limit product offering on Tameeni Motor and Tameeni Health and customers' ability to sufficiently compare quotes from various insurance companies, which will negatively impact user experience, customer conversion and demand (for further details, please refer to Section 2.1.18 "**Risks related to reliance of the Group's business on the insurance market**" of this Prospectus). This, as a result, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.6 Risks related to reliance of the leasing segment on key customers and broker

The Group's leasing segment offers Treza, which is a software product that integrates systems of banks and leasing companies with those of motor insurance companies allowing banks and leasing companies to electronically retrieve, compare, issue policies and manage motor insurance products for their leased vehicles through integration with insurance companies' systems in order to issue policies and make financial settlements between banks and insurance companies (for further details on the leasing segment and Treza, please refer to Section 4.4.3 "**Leasing**" of this Prospectus). Treza is available through two (2) channels: (a) the direct channel where Treza is available to banks and leasing companies directly; and (b) the Broker Channel, where Treza is made available to clients of SAMA-licensed brokers. The Group charges fixed fees from banks and leasing companies (in the direct channel) or brokers (in the Broker Channel) based on the volume of policies purchased through Treza. The Group's revenues from the leasing segment, all of which were generated through Treza, represented approximately 0.7%, 19.5%, 20.2% and 20.9% of the Group's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. Specifically, revenues from Treza's direct channel represented approximately 0.7%, 11.1%, 10.8% and 9.3% of the Group's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. Furthermore, revenues from Treza's Broker Channel represented approximately nil, 8.4%, 9.4% and 11.6% of the Group's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively.

As of 30 September 2023G, the Group has entered into two (2) technical services agreements with two (2) banks with respect to Treza's direct channel, and one (1) technical support services agreement with one (1) broker, which is IHC, which is the only customer of Treza's Broker Channel (for further details on the agreements with insurance companies, please refer to Section 12.4 "**Material Agreements**" of this Prospectus). It is worth noting that the Company concluded a new agreement with IHC for the provision of technical support services in relation to the Treza product on 10/05/1445H (corresponding to 24/11/2023G), upon termination of the previous agreement and the annexes thereof, which previously organized the relationship between the Group and IHC with respect to the Tameeni and Tameeni Health platforms as well as the Treza product (for further information regarding the previous contractual relation between the Group and IHC, please refer to Section 2.1.45 "**Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company**", and for further information regarding the agreement concluded with IHC with respect to technical support services related to the Treza product, please refer to Section 12.4.1(a) "**Technical support services agreement with Insurance House Company (IHC) in connection with the Treza Product**" of this Prospectus). The terms of such agreements with the relevant banks and IHC range between two (2) and five (5) years and provide the parties with a number of termination rights. Certain such agreements may be terminated by customers for convenience, in accordance with the provisions of the respective agreements. The leasing segment and Treza depend heavily on maintaining the Group's relationship with the relevant banks and IHC to be able to generate revenues through Treza's direct and Broker Channels. Therefore, the Group's inability to retain its current agreements with the relevant banks and IHC, due to the termination by any party of the respective contractual agreement, the inability to renew its contractual arrangement on favorable terms, or at all, or the inability to attract new customers for Treza's direct or Broker Channel will impact Treza's operations, which may result in a reduction in demand for the Group's services and its revenues within the leasing segment. In addition, through both Treza's direct and Broker Channels, leasing companies and brokers contract directly with insurance companies and outsource the technical integration and connectivity between their systems to the Group through Treza, and Treza does not have a direct contractual relationship with insurance companies. The inability of the Group's customers to maintain their relationships with insurance companies will affect the availability of their products through Treza, which would result in reduction in demand for the Group's services and its revenues in the leasing segment. The occurrence of any of such factors would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, pursuant to the technical services agreement with IHC in connection with the Treza product, Treza serves banks and leasing companies who are customers of IHC. As of 30 September 2023G, Treza has two (2) banks utilizing Treza through its direct channel and twenty (20) banks and leasing companies utilizing Treza through its Broker Channel pursuant to the technical services agreement with IHC. Revenues from Treza's Broker Channel represented nil, 43.3%, 46.4% and 55.5% of Treza's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G. As such, if the Group is unable to maintain its relationship with IHC for any reason or if IHC's brokerage license is suspended, revoked or cancelled by SAMA for any reason, the Group will lose all of its revenues from Treza's Broker Channel and may not be able to find alternative brokers to offer Treza to on favorable terms or at all, which will negatively affect the Group's revenues in general and specifically within the leasing segment. This, as a result, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.7 Risks related to the concentration of the Group's revenues

a- Geographic concentration

As of 30 September 2023G, the Group operates four (4) main business segments that serve individual customers, corporate customers and SMEs, in the Kingdom. As a result, the Group generated all of its revenues from its activities in the Kingdom in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. The Group and its operations are managed from its head office in Riyadh in the Kingdom and supported with two (2) cost centers in the UAE and Egypt. Therefore, the Group is particularly vulnerable to any risks that it may experience in the Kingdom, UAE and Egypt compared to competitors with larger and more diversified global operations, given that the Group and its operations are inherently more exposed to any economic, commercial or geopolitical events, developments or conditions in the Kingdom, UAE and Egypt which may include, but are not limited to, natural disasters, epidemics, pandemics, weather conditions, labor market disruptions, government actions, regulatory changes and acts of terrorism. Accordingly, the occurrence of any such event that negatively affect or disrupt the Group's operations would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

b- Concentration of the Group's revenues on products provided by key insurance companies

The Group's revenues rely heavily on products provided by key insurance companies, in terms of number and types of policies and commissions applied to the price of such policies. In fact, revenues generated from products provided by the top five (5) key insurance companies represented 58.1%, 44.4%, 45.0% and 41.0% of the Group's total revenues for the years ended 31 December 2020G, 2021G, 2022G and the nine-month period ended 30 September 2023G, respectively. In the event that any or all of the key insurance companies decide to suspend or discontinue providing any or all of the aforementioned insurance products at all or through Tameeni Company's platforms, suspend or terminate their relationship with Tameeni Company or transfer all or part of the products offered in Tameeni Company's platforms to one (1) or more of its competitors, or require renewal of their agreements on unfavorable terms or renegotiate the agreed scope and prices, this may affect the availability of insurance products on Tameeni Motor and/or Tameeni Health. As a result, demand for Tameeni Motor and Tameeni Health may be adversely affected which would result in a decrease in the number of customers using Tameeni Company's platforms and/or decrease the Group's revenues. This, in turn, will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

c- Concentration of the Group's revenues on products provided under Tameeni Motor

Since its launch in 2017G, Tameeni Motor has been the Group's largest revenue contributor. The total revenues generated from Tameeni Motor represented 93.1%, 72.9%, 61.3% and 60.9%% of the Group's total revenues for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, amounting to SAR 40.4 million, SAR 63.3 million, SAR 99.7 million and SAR 113.6 million in the same periods, respectively. Accordingly, any temporary or extended suspension or disruption in the operations of Tameeni Motor for any reason, the suspension or cancellation of Tameeni Company's insurance aggregation license by SAMA, Tameeni Company's inability to provide high quality services and user-friendly interfaces, Tameeni Company's inability to maintain the functions and features of Tameeni Motor or the decrease in customer activity or demand for products provided under Tameeni Motor for any reason will lead to a decrease in the Group's revenues generated from Tameeni Motor and will therefore have a material adverse effect on the Group's business, results of operations, financial position and prospects. Moreover, any increase in the operating costs of Tameeni Motor may negatively affect the profit margins of Tameeni Motor, and therefore, may have a negative impact on the profit margins of the Group due to the concentration of the Group's revenues on products provided under Tameeni Motor. For example, the Group's gross profit margin decreased from 70.0% in the financial year ended 31 December 2021G to 62.7% in the financial year ended 31 December 2022G, and from 67.2% in the third quarter of 2022G to 58.7% in the third quarter of 2023G due to a decrease in the profit margins of Tameeni Motor during the same period on account of an increase in the volume of revenue from third-party liability motor insurance (which bears a lower price and profit margin for the Group compared to comprehensive insurance), as a result of the announcement of the General Department of Traffic commencement of automation of the electronic monitoring of violations related to vehicle insurance validity as of 1 October 2023G, in addition to the recording Elm Company fees during the first half of 2023G on a gross basis, instead of on a net basis, as well as signing direct agreements with a number of service providers. If the profit margins of Tameeni Motor decrease for any reason, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.8 Risks related to availability of the Group's platforms and products and failures of its electronic systems

The success of the Group's business segments, its ability to attract and retain customers, integrate insurance companies' systems into its platforms and products, enable customers to access its platforms and products to procure the offered products, accurately monitor its operations and costs, compete effectively and support its planned growth and strategy depends on the sophistication and reliability of its IT systems and the availability of its platforms and products within its various business segments (for further information on the Group's IT systems, please refer to Section 4.6.2 "**Information Technology**" of this Prospectus). The Group's platforms, products and electronic systems, including the systems that were provided to the Group by third parties, may be subject to failures or performance issues due to various external and internal risks, such as malware, code anomalies, cyberattacks, unavailability of required updates or modifications, data leakage, firewall weaknesses, human error and/or downtime due to failure to accommodate a large number of users at the same time. The Group's platforms, products and electronic systems may also be subject to interruption due to unforeseen force majeure events or power outages. Despite the Group's adoption of a disaster recovery plan, there can be no guarantee that the Company will be able to successfully address any events, interruptions, or disasters. The unavailability of the Group's platforms, products or electronic systems may lead the Group's customers to use other platforms, products or systems available from its competitors or refrain from re-using the Group's platforms and products in the future. The occurrence of any such events will affect the Group's ability to attract and maintain customers and partners, which would negatively affect the Group's revenues. Additionally, the cost and operational consequences of implementing further upgrades to the Group's IT systems and networks, and data or system protection measures, whether due to expansion, upgrades, new technology, new laws and regulations, or otherwise, could be significant. Any disruption to the Group's IT systems, platforms and/or technology infrastructure may cause the Group to incur additional losses and costs, affect the Group's revenues and profitability, expose the Group to negative publicity about the reliability of the performance of its platforms or products, or lead to the Group being targeted by cyberattacks, any of which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.9 Risks related to the investment in IT systems and in-house software developers

The Group relies on its platforms and products to generate revenues, which require it to develop, purchase and/or upgrade IT software systems, platforms and products to facilitate and enhance its business operations, processes, data gathering and analysis and online marketing capabilities. The Group's investments and expenditures in IT systems have amounted to SAR 5.2 million, SAR 10.1 million, SAR 19.6 million and SAR 21.9 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 25.0%, 22.0%, 23.0% and 19.0% of the Group's operational and capital expenses for the same periods, respectively. In order to maintain and enhance its platforms and products, the Group is required to continue to make significant investments in its IT systems. However, the resources that the Group has invested or will invest in the future may not be sufficient for it to develop the required solutions in time or at all, which may require the Group to purchase or license additional solutions to supplement its own systems and solutions. As a result, the failure to develop the required solutions in time or at all, and continuing to incur significant cost in connection therewith, will significantly reduce the Group's appeal to customers, demand for its platforms and products and/or its revenues, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group relies on in-house software resources and developers for the management, development and operation of proprietary IT systems for its platforms and products. The role of such resources involves developing and creating software for the Group, and troubleshooting, debugging and managing crises in connection with such software, as necessary. Hiring and retaining qualified software developers is dependent on the Group's ability to compete with other companies inside and outside the Kingdom with respect to hiring and retaining such developers. There are also several factors that qualified developers may consider important in making their decision to work for a company in the greater technology industry, whether FinTech or otherwise, which include their salaries, allowances, working hours, quality of devices and resources, equipment and facilities and the quality of support and administrative staff, the work environment and the reputation of the relevant company (for further details, please refer to Section 2.1.29 "**Risks related to difficulty in hiring and retaining qualified managerial staff and IT professionals**" of this Prospectus). Furthermore, in the event that the Group wishes to outsource managing and developing its software to third-party developers, it will be exposed to further risks and may incur additional costs (for further details, please refer to Section 2.1.10 "**Risks related to reliance on third-party providers**" of this Prospectus). The Group's failure to retain its in-house software resources and developers and/or outsource such functions to third parties will lead to difficulties in the Group's ability to manage, develop and operate necessary proprietary IT systems and artificial intelligence algorithms, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, the Group's cost centers in the UAE and Egypt hosted approximately 76.0%, 69.0%, 66.0% and 59.3% of the Group's IT staff, including in-house software resources and developers, as of 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. As a result, the Group is particularly sensitive to changes to relevant laws, regulations and regimes relating to hosting of IT staff and operating cost centers in the UAE and Egypt, including changes that restrict hosting IT staff in such locations or introduce additional fees or levies, or regulatory changes that require the transfer of the operations of cost centers and relevant employees from the UAE and/or Egypt to the Kingdom. In addition, any temporary or permanent interruptions in communication between the Group's teams in the Kingdom and the cost centers in the UAE and Egypt, whether due to political instability, natural disasters or failure of IT systems, will lead to difficulties in accessing the Group's resources in such cost centers, including human resources therein. Therefore, any regulatory changes with a significant impact on the Group, whether in terms of additional cost, restrictions or additional requirements and pre-requisites, or disruptions to communication with cost centers, whether due to political instability, natural disasters or failure of IT systems, will add additional pressure on the efficiency of the Group's operations, business model, expenditures and net profits, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects (for further details on operating cost centers in the UAE and Egypt, please refer to Section 2.1.25 "**Risks related to expansion outside the Kingdom**", Section 2.2.4 "**Risks related to general economic conditions**" and Section 2.2.6 "**Risks related to political stability and security concerns in the countries in which the Group operates**" of this Prospectus).

2.1.10 Risks related to reliance on third-party providers

a- Data providers

The Group relies on data providers, including semi-Governmental entities, to verify customer data for purposes of all of its business segments, including the Small and Medium Enterprises General Authority (referred to hereinafter as "**Monsha'at**"), Elm Company and Najm for Insurance Services Co. (referred to hereinafter as "**Najm**"), in addition to Thiqah Business Services, Takamol Business Solutions and a mail service provider, which represent local sources approved by Government entities in the Kingdom for such purpose (for further details on such providers, please refer to Section 4.5.4 "**Data Providers**" of this Prospectus). The Group has entered into four (4) agreements with data providers for terms generally ranging from one to three years, renewable automatically or by execution of a written agreement to such effect. In addition, certain agreements may be terminated by data providers for convenience, in accordance with the provisions of the respective agreement, including the identity verification agreements entered into with data providers authorized by the Governmental authorities in the Kingdom (for further details on such agreements, please refer to Section 12.4.5 "**Data Verification Agreements**" of this Prospectus). The Group may not be able to retain long-term relationships with its key data providers or maintain such relationships on favorable terms. In addition, the data and information provided by such data providers may be inaccurate, incomplete or outdated. The availability of data and the Group's ability to verify such data may also be impacted by failure, suspension or interruption of such third-party providers' systems and/or failure to renew contractual arrangements with third-party data providers. As a result, if critical data provided by data providers become unavailable for any reason, the Group may not be able to effectively operate its platform and products. It is also worth noting that the Group's cost structure includes data provider expenses and fees. Accordingly, any increases in such costs will affect the Group's profitability. It is worth noting that the Group's gross profit margin decreased from 70.0% in the financial year ended 31 December 2021G to 62.7% in the financial year ended 31 December 2022G, and from 67.2% in the third quarter of 2022G to 58.7% in the third quarter of 2023G, due to signing direct agreements with service providers after Tameeni obtained an electronic aggregation license. For example, the costs associated with Elm Company increased following signature of a new agreement therewith during the fourth quarter of 2022G, from SAR 11.5 million in the financial year ended 31 December 2021G to SAR 27.4 million in the financial year ended 31 December 2022G, and from SAR 14.5 million in the third quarter of 2022G to SAR 35.4 million in the third quarter of 2023G. The occurrence of any such risks would negatively impact the availability of the Group's platforms and products, divert the attention of Senior Executives and add pressure on its operations, expenditures and profits, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

b- Awal Mazad service provider

The Group's online auction segment offers Awal Mazad, which is an online auction platform for salvaged, repossessed and used vehicles (for further details on the online auction segment, please refer to Section 4.4.4 "**Online Auction**" of this Prospectus). Awal Mazad relies on one (1) third-party provider for its back-end operations, including storing, maintaining and towing salvaged vehicles pursuant to a service agreement (for further details on the service agreement, please refer to Section 12.4.4(e) "**Awal Mazad Platform Service Provider Agreement with Lamar Car Maintenance Center**" of this Prospectus). Certain such agreements may be terminated by service providers for convenience, in accordance with the provisions of the respective agreements. Moreover, in exchange for providing its support services to the Group, such third-party service provider shall have a share in the profits realized from the Group's sales on Awal Mazad. Where such third-party provider resolves to terminate or not to renew the relevant contractual agreement, this may have a negative impact on the continuity of Awal Mazad's business temporarily or for extended periods of time, as it may not be able to find an alternative third-party provider, with the same quality, on appropriate terms and at the right time or at all. This, in turn, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.11 Risks related to reliance on third-party platforms and smartphone operating systems

The Group's platforms and products offered under its various business segments depend on third-party providers such as software providers, online payment service providers and server-hosting providers (for further details on such providers, please refer to Section 12.4.6 "**Payment Portal and Payment Service Agreements**" of this Prospectus). For example, the Group relies on the Microsoft technology stack for all platforms and products. Therefore, any temporary or permanent failure, disruption or interruption in the services provided by such third-party providers, including Microsoft stack, may have an impact on the Group's operations as a whole or in part. In addition, the Group's servers are also hosted in two sites in the Kingdom leased from third parties, for the purpose of retaining its servers and relevant hardware. Consequently, the Group may not have full control over the availability of services provided by such third-party providers, which may affect the features offered on its platforms and products, nor may it have control over the free and unfettered access to its hardware due to its reliance on third-party providers' services, software and sites. The Group may be involved in future disputes with third-party service providers and may as a result terminate or resolve not to renew the relevant contractual agreements with such parties, which may affect the continuity of its business through platforms and products temporarily or for extended periods of time, as the Group may not be able to find an alternative third-party provider, with the same quality, on appropriate terms and at the right time or at all. The occurrence of any such event would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group's platforms and products across its business segments depend on the integration of certain software and systems that represent the infrastructure of platforms and products and which are offered by more than one third-party provider. These software and systems are subject to continuous development. Therefore, the Group may face difficulties with the integration of such software and systems and their ability to work effectively in the future due to the lack of compatibility and interoperability, which may cause the Group to replace any of these software and systems to ensure the operation continuity of its platforms and products. This could lead to additional costs, temporary suspension or loss of data, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects. In such regard, the Company has entered into an integration agreement with NourNet and a service agreement with Sahara Net, both of which are third-party service providers. The agreements provide for certain limitations of liability in favor of the service providers with respect to the services provided by each respective service provider, as well as loss of revenues, profits, damages, loss or destruction of data (for further details on such agreements and the limitations of liability provided thereunder, please refer to Section 12.4.8(b) "**NourNet Connectivity Agreement concluded with NourNet Company**" and Section 12.4.8(c) "**Sahara Net Services Agreement**" of this Prospectus). Such limitations of liability may limit the Group's right of recourse and the Group may not be able to make up for any losses it incurs as a result thereof. In addition, any future agreements which the Group enters into pertaining to its software integration project may contain similar, or more extensive, limitations of liability. This would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Moreover, operations of certain of the Group's platforms within Tameeni Motor, Tameeni Health and the online auction segment also depend on smartphone operating systems including Android and iOS, and the relevant online stores. As a result, any change in such systems or their online stores that limit the performance of the Group's platforms, reduce the visibility of its platforms or give preferential treatment to the applications of the Group's competitors will negatively affect footfall and user traffic on the Group's platforms and demand for products provided therein. If the operating systems and their online stores limit the availability, increase the costs of use, impose any terms or conditions of use unfavorable to the Group and its platforms, modify the evaluation of the application or its appearance in the search engine to the detriment of the Group, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects. In addition, new versions of mobile operating systems may be released in the future that may not be compatible with the Group's platforms and require the Group to perform major upgrades and incur significant costs to be compatible with such versions. If the Group does not manage to do so, in a timely manner or at all, this may limit its ability to offer its application on such systems, or its customers and partners may have difficulty accessing and using the platforms on their mobile phones, which will affect the number of customers. This, in turn, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.12 Risks related to using open source technologies in developing the Group's platforms and products

The Group is exposed to a number of risks related to the use of open source technologies in connection with its technologies and services, including in the use of applications such as JavaScript, React JS, React Native, jQuery, Flutter and Angular, in connection with some of its technology and services which it uses for the operation of certain of the Group's platforms within its respective business segments and in order to access many resources and options in developing its platforms. For example, the Group uses React, which is based on open source technologies and was developed by Meta, allowing for unrestricted use of React software, including the ability to use, copy, modify, merge, publish, distribute and sell related technologies without having to publish the source codes. The use of open source technologies entails a number of risks. The most common risks in the context of using open source technologies are property rights and data security risks. It is also worth noting that certain open source licenses may impose restrictions on commercial use, which may lead to legal claims by the authors of the relevant codes if any of the restrictions are not adhered to by users. In addition, users of open source technologies are exposed to significant data protection risks, as the relevant codes are publicly available, enabling third parties to have access to users by taking advantage of known security vulnerabilities.

It is also worth noting that there are challenges with respect to updating and maintaining open source codes, as such codes are not required to be updated regularly for the benefit of customers or to provide technical support, which may expose customers to challenges in case of the need to maintain the relevant programs and develop their products. Accordingly, if the Group is exposed to any of the above mentioned risks in the context of its use of open source technologies, this would have a material adverse effect on the Group's business, reputation, results of operations, financial position and prospects.

2.1.13 Risks related to online payments and payment processing by third-party providers

The Group accepts payments from customers on Tameeni Motor, Tameeni Health and Awal Mazad using various methods provided by third-party payment service providers, including electronic payment via credit cards, debit cards or Apple Pay, in addition to payment in instalments via Buy-now-pay-later Platforms such as Tabby and Tamara as well as via payment platforms offered by commercial banks (for further details on such providers, please refer to Section 12.4.6 "**Payment Portal and Payment Service Agreements**" of this Prospectus). The process for accepting payment by electronic methods requires payment of certain commissions and/or fees by the Group, in a contractually agreed amount based on the value of each transaction to a third-party provider. Arrangements with third-party payment providers are generally subject to framework agreements for terms ranging between two (2) years and an indefinite term. Certain such agreements may be terminated by either party for convenience, in accordance with the provisions of the respective agreements. The Group may not be able to renew any expired agreements with favorable terms or at all, and the fees payable under such arrangements may be subject to increase in the future. As a result, the failure to renew expired agreements on favorable terms or the termination of agreements for any reason would affect the Group's operations, operating expenses and profit margins, as the Group may have difficulties in finding an alternative payment service provider on similar terms and within an acceptable time frame. In the event that the Group is not able to process electronic payments due to failure to renew agreements with payment service providers, or termination of agreements with such providers for any reason, customers' ability to purchase products on the Group's platforms and user experience, and by extension demand by customers and revenues of the Group, will be negatively impacted (for further details, please refer to Section 2.1.15 "**Risks related to the inability to retain and attract customers**" and Section 2.1.19 "**Risks related to the Group's reputation, brand and publicity**" of this Prospectus). This, as a result, will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The Group also depends on third-party providers in processing electronic payments, third-party licensed encryption and authentication technologies, which ensure that customers' personal data is securely transferred through integrated systems, and therefore its business is closely dependent on them. If a third-party payment service provider is unable to provide such services reliably and securely, customer data may be compromised or be subject to theft or leakage due to third-party providers' failure to uphold the required security protocols and/or cyberattacks (for further details, please refer to Section 2.1.22 "**Risks related to data protection and cyberattacks**" of this Prospectus). Furthermore, effective payment processing by third-party payment providers is also necessary to ensure customers are provided with a user-friendly process that is seamless and free of issues. Technical issues in payment processing may result in payment failures and payments defaults which will result in difficulties in customers' ability to complete transactions, which will negatively impact customer conversion, customer demand and the Group's revenues, and may result in losing credibility and customers' trust, which affects the appetite of both current and future customers for the Group's services (for further details, please refer to Section 2.1.21 "**Risks related to the Group's customer service and quality of services offered**" of this Prospectus). Third-party payment service providers' failure to provide their services reliably and securely, or the occurrence of disruptions and/or unavailability issues with respect to online payments and processing, will negatively impact customers' ability to purchase products on the Group's platforms, their user experience and perception, and by extension demand by customers and revenues of the Group, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.14 Risks related to integration with third parties' platforms and systems

As part of the Group's product offering and strategized customer experience, the Group's Tameeni Motor, Tameeni Health and Treza, which collectively accounted for 96.9%, 98.7%, 98.7% and 98.3% of the Group's revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, are integrated with a number of third-party platforms and systems, including insurance companies, such as Tawuniya Cooperative Insurance Company and Al Rajhi for Cooperative Insurance Company (Al Rajhi Takaful), banks, such as Al Rajhi Bank and Saudi National Bank, and infrastructure and databases of data providers. Through their respective application programming interfaces, integration with relevant insurance companies and data providers, such as Najm and the databases of government portals affiliated with the Absher platform, allows the Group to digitize its processes for the benefit of customers, including providing initial quotes for motor and health insurance products, issuance of insurance policies and submission thereof with centralized government databases. However, integration of various application programming interfaces may prove to be complicated and any changes to such interfaces may require the Group to adjust its platforms and products to accommodate for such changes, which may require more time, effort and cost.

Integration with the Group's partners, and maintenance of the relevant processes, is generally a costly and time consuming process. Costs associated with integration amounted to SAR 5.3 million, SAR 10.1 million, SAR 19.6 million and SAR 21.9 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 19%, 25.0%, 22.0% and 23.0% of the Group's operational and capital expenses for the same periods, respectively. The Group's investments in developing its networks include the costs associated with linking among other investments. However, its technical investments in the financial years ended 31 December 2020G, 2021G and 2022G, and the nine-month period ended 30 September 2023G, do not include any other costs. Accordingly, the costs of electronic linking represent the entire costs and expenses of investment in information technology during the aforementioned periods, respectively. Moreover, integration generally requires significant maintenance and upkeep of systems, programs, platforms and products. Insurance companies and data providers may, from time to time, update, upgrade and further develop their respective systems and platforms, which will also require the Group to harmonize its systems to retain integration therewith, in a process which may prove to be costly and time consuming. As a result, the Group's efforts may prove unsuccessful. The occurrence of any such event would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.15 Risks related to the inability to retain and attract customers

The growth of the Group's business and revenues depends on its ability to continue to retain its existing customers and attract new ones, at appropriate costs. As of the date of this Prospectus, the Group's customer base generally includes individual customers, corporate customers and SMEs. The Group has served approximately 2.3 million customers, 3.4 million customers, 4.6 million customers and 5.1 million customers during the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively (for further details, please refer to Section 4.4 "**Overview of the Group's Business Segments**" of this Prospectus). There are various factors that affect the Group's ability to retain and attract customers, including, but not limited to, the quality of its platforms and products, the practicality and efficiency of its platforms and products and relevant user interface to facilitate and enable customers to complete their purchases, the variety of insurance products and other products offered on its platforms that meet customers' expectations, the prices of such products and variety of quotes received from insurance companies, the Group's technical capacity to serve current and additional customers at a steady rate or at all, customer satisfaction levels of the Group's platforms and products, the brand and reputation of the Group's name and ability to compete effectively with other players in the market. If the Group is unable to manage such factors and challenges effectively and efficiently, it may not be able to retain its current customers or attract new customers across its various business segments. Furthermore, customers facing difficulties when using the Group's platforms and products may result in their noncompletion of relevant purchases, leading to a failure to convert user traffic to demand and/or general decrease in demand for the Group's platforms and products, which in turn would affect its revenues. As such, the success of the Group's business depends on its ability to continue to offer quality platforms and products efficiently and consistently across its various business segments, along with effectively anticipating and responding to changes in customer needs and choices. In the event that the Group is unable to cater and respond to customers' needs and/or market trends, this will affect its ability to retain and attract customers. The inability of the Group to retain or attract customers would have a material adverse impact on the Group's business, results of operations, financial position and prospects.

Furthermore, the Group may need to incur significant costs and expenses to support its customer retention and attraction efforts, and may incur expenditures at the cost of its profit margins in order to attract customers away from competitors, especially when entering into new geographical markets. This would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.16 Risks related to search engine optimization and online user traffic

The Group primarily offers web-based platforms, products and applications within its various business segments, and as such, search engine optimization is a critical factor in the success of the Group's efforts to attract and maximize online user traffic and footfall. Search engine optimization enables the Group to improve its visibility among search engine results, ultimately driving more potential customers to its websites. Customer traffic from search engines is estimated to have accounted for 45.0%, 37.8%, 42.0% and 44.0% of the total footfall on the Group's platforms and products in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. As a result, failure to effectively implement search engine optimization strategy, unethical optimization practices by competitors, poor quality content on the Group's platforms and products and poor user experience may all lead to a reduction in user traffic on the Group's platforms and products, and reduced conversion rates. This, as a result, will lead to a loss in revenues, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.17 Risks related to pricing methods for the Group's services

Customer demand for the Group's platforms and products across its various business segments, and demand for insurance products and other products offered through such platforms, are largely dependent on a number of factors, including the comparison of products' prices, the value of the services and the accessibility of the Group's platforms and products. The Group's pricing strategy is subject to several factors, including operational costs, regulatory requirements, competitor pricing, marketing strategies and other factors, including customer data and information sourced from third parties. However, it should be noted that the pricing of the products offered within the Group's platforms is determined by the relevant insurance companies using the same price as the insurance products sold directly by the respective insurance companies. Commissions are included within the final price that is displayed to the customer (for further details, please refer to Section 4.4 "**Overview of the Group's Business Segments**" of this Prospectus). As a result, if such data is inaccurate, incorrect or outdated, the Group may adopt price points for its products and services which may not be suitable for its customers. In addition, the pricing of Tameeni Motor and Tameeni Health products and the products offered on Treza is subject to the supervision of SAMA. Accordingly, the Group's pricing policy and commissions are subject to the requirements and restrictions imposed by SAMA. As a result, the Group does not have complete flexibility in its pricing strategy, which affects its ability to increase withheld commissions. This may in turn affect its profit margins. Furthermore, if regulatory authorities, including SAMA and the Insurance Authority, approve any amendments to current restrictions or impose future restrictions, such as a limit on fees and commissions charged by the Group, this will negatively affect the Group's results of operations and profitability. In addition, if the Group's competitors offer lower prices than those offered by the Group or pursue marketing strategies that enable them to attract and retain insurance companies, customers at a lower cost or on an exclusive basis, this may cause the Group to lower its prices in response to such competitive pressures. Moreover, the Group may not be able to effectively compete in some geographical markets in which it operates due to customer sensitivity toward prices. The Group's pricing method may not be suitable for such geographical markets, which may cause the Group to change its pricing strategy. The Group's estimates of prices that suit insurance companies and customers based on available market and customer data may not be correct, or the Group may underestimate or overestimate prices, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.18 Risks related to reliance of the Group's business on the insurance market

The Group's revenues depend largely on individual, corporate and SME demand for products provided by insurance companies. Insurance products are offered within three (3) of the Group's four (4) main business segments, namely Tameeni Motor, Tameeni Health and the leasing segment, and contributed to approximately 96.9%, 98.7%, 98.7% and 98.3% of the Group's total revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. Therefore, the Group's business is exposed to risks related to the insurance market, which, in turn, is largely dependent on local and international economic conditions. If the Group is unable to accurately anticipate changes in the insurance market or fails to properly address such changes, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects. Furthermore, the growth of the insurance market in the Kingdom may not be high or stable in terms of the number and types of products provided, value of premiums or realization of returns on their investments from the net cash of insurance premiums. This may result in insurance companies negotiating with respective counterparts, including the Group, for more favorable terms, prices and/or discounts. This may result in reducing the revenues generated by the Group, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, insurance companies operating in the Kingdom are subject to a number of laws and regulations. In the event that such companies are unable to comply therewith, they may be restricted from admitting new customers in all or part of their insurance activities, their business may be suspended or their licenses revoked. Consequently, this will lead to a decrease in the number of insurance companies operating in the Kingdom and thus would lead to greater concentration in the insurance market on a limited number of companies. Therefore, the exposure of the insurance companies to the above-mentioned penalties will adversely affect their business and, accordingly, that of the insurance aggregators, including the Group. The occurrence of any of the above risks will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

It should be noted that the Group's product and service offerings provided through Tameeni Motor and Tameeni Health primarily consist of insurance products, which generally enable the Group to charge commissions at certain rates. The Group's revenues from commissions on insurance products provided within the Group's business segments amounted to 99.2%, 88.8%, 89.0% and 90.5% of the total revenue from insurance products in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. The success of commission arrangements on insurance products is generally reliant on the suitability of the underlying product, customer demand for the same, the price point of the product, including the commissions, and the permissibility of charging such commissions by the relevant regulators. In the event that, for example, restrictions on commissions are imposed by the relevant regulatory authorities or the relevant insurance product is no longer suitable due to the availability of better alternatives, the Group's commission-based revenues will decrease, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects (for further details on commission caps or ranges, please refer to Section 2.2.1 "**Risks related to the regulatory environment and changes thereto** " of this Prospectus).

Moreover, the insurance industry may be negatively affected by any deterioration in general economic conditions, decreases in wages, increases in interest and tax rates, including VAT, or political events that diminish customer spending in the Kingdom, especially with respect to premium products and service offerings provided within the industry. More generally, a decrease in household disposable incomes, or merely the perception thereof, in times of economic downturn can lead to a reduction in elective expenditure, including greater levels of insurance coverage, regardless of the level of reimbursement by insurance systems. In addition, certain competitors may react to such conditions by reducing prices, premiums and commissions for insurance policies promoting such reductions, putting further pressure on the Group, which would result in a material adverse effect on its business, results of operations, financial position and prospects (for further details, please refer to Section 2.2.4 "**Risks related to general economic conditions**" of this Prospectus).

2.1.19 Risks related to the Group's reputation, brand and publicity

Brand awareness and the reputation of the Group is essential to its continued growth, financial success and its ability to attract and maintain its large base of partners, customers (for more information on the Group's brands, see Section 12.7.1 "**Trademarks**" of this Prospectus). Therefore, in maintaining, protecting and improving its reputation and brands, the Group relies on the success of its marketing activities, ability to consistently provide high quality products and platforms, and ability to protect its brands from any violations, in line with applicable laws and regulations from relevant authorities, including the Ministry of Commerce, the Saudi Central Bank ("**SAMA**") and the Insurance Authority. Thus, the Group incurs significant costs in its marketing efforts. The Group's marketing and advertising expenses represented 6.9%, 7.5%, 7.5% and 7.2% of its consolidated revenues in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. However, the Group's current and future marketing activities may not be successful or cost-effective, and the Group's reputation and brands may be affected by customer complaints and negative publicity about any of the Group's platforms, products, or the Group's partners' products displayed on them, even if such negative publicity is based on misinformation or of-the-ordinary incidents. Additionally, the Group's current and future competitors may be larger and may have greater financial, marketing and other resources, devote greater resources to the marketing and sale of their services, gain international brand recognition or adopt more aggressive pricing strategies than the Group is able to.

Any negative perception of the Group may affect its reputation and brands, including any negative perception resulting from, among other things:

- Complaints or negative publicity about any of the Group's platforms, products, partners, customers or the policies and procedures of the Group.
- Scams, fraudulent acts and cyberattacks.
- Legal errors, negligence or other inappropriate behavior of any of the Group's employees, management, partners or other parties with whom the Group deals.
- Failure to offer customers competitive prices or various payment options.
- Any disruptions to any of the platforms or products, leakage of confidential information and data, cyber incidents or other incidents affecting the reliability of the Group's services, whether actual or perceived.
- Any lawsuits or regulatory investigations by the relevant regulatory authorities that affect the Group's business.
- Failure to comply with any legal, regulatory or tax requirements issued by the relevant authorities in the Kingdom.
- Failure to apply the Group's policies in a manner that the parties dealing with the Group see as fair or transparent, or their lack of understanding of the adopted policies.
- Inappropriate or unsatisfactory customer experiences in relation to pre- and after-sales support and service.
- Failure to provide adequate legal protection for the Group's brands or other intellectual property rights.
- Any perception of mistreatment of employees, partners or customers, and the way the Group responds to such.

If the Group's reputation and brands are negatively impacted, this would result in a material adverse effect on the Group's business, results of operations, financial position and prospects. In addition, the occurrence of any of the above factors and its effect on the Group's competitors and the existence of a general perception that these factors apply to all companies operating in the FinTech industry will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.20 Risks related to mistaken association or attribution of user experience with the insurance company to the Group, and vice versa

Using the Group's platforms and products, customers may generally compare and purchase insurance products and issue policies from various insurance companies. While the Group's platforms and products provide customers and end-users with a convenient method of comparing and purchasing insurance products and issuing policies, there is a risk of mistaken association or attribution of the user experience with the insurance company to the Group, and vice versa, whereby users' experience with the Group can be affected by the insurance company's reputation, pre- and after-sales services and claim management. Therefore, if the customer is dissatisfied with the insurance company, this may lead to a mistaken negative perception of the Group, causing such customer to avoid the Group's platforms and products. On the other hand, if customers have a positive experience using the Group's platforms and products, such customers may attribute such experience to the insurance company. This, as a result, may impact the Group's ability in building brand loyalty, and effectively retain customers (for further details, please refer to Section 2.1.15 "**Risks related to the inability to retain and attract customers**" of this Prospectus). The occurrence of any such events would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.21 Risks related to the Group's customer service and quality of services offered

In its efforts to retain its customers and attract new ones, the Group depends on the provision of high quality pre- and after-sales support services, as and when required. Users of the Group's platforms and products may encounter technical problems such as slow service, cancellation or errors in the sought product or service or in the amount paid. The occurrence of such problems leads to concerned customers who turn to the Group for support services. The Group's ability to provide effective solutions and support services depends on the availability of specialized customer-facing staff and professional technicians capable of providing the required support services. Nonetheless, the dedicated talent to provide the Group's support services may not be sufficient or available, or the Group may not be able to contract with third parties to undertake pre- and after-sales service and support tasks efficiently and at an appropriate cost. If the Group is unable to respond to customers' issues when using the platforms or products, or provide solutions to them in connection with the same, or if it loses key employees who provide support services or third-party providers who perform such tasks at an appropriate cost, the Group may lose its credibility and customers' trust, which affects the appetite of current and future customers for the Group's services, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.22 Risks related to data protection and cyberattacks

Given the nature of the Group's business, it relies on its IT systems, products and platforms to operate its business segments and generate revenues. In addition, the Group collects and processes personal and other data of users of its platforms and products, including customers and partners. The Group uses such data to operate its platforms and products, verify user identity, expand and improve its business and provide and recommend products and services through its marketing and advertising channels. Therefore, the Group, like other companies operating in the FinTech industry, is vulnerable to cyberattacks that target its systems and data, their security and availability, such as computer viruses, hacking attacks and data theft. Such attacks may result in outages, delays or shutdowns of the Group's systems, platforms and products, which may lead to loss of critical data, unauthorized disclosure, leakage or unauthorized use of users' personal data or other confidential information. Furthermore, the Group may incur high costs and expenses in order to implement adequate preventive measures to protect its systems, platforms and products from such cyberattacks. If the Group becomes subject to cyberattacks that result in the disclosure of personal data of users of the Group's platforms and products, customers may lose their confidence in the Group and may reduce or stop their use of the Group's platforms or products. In addition, such cyberattacks may impact the Group's ability to attract new customers. The Group may not be able to implement adequate preventive measures or quickly manage attacks on its systems and data because the relevant defensive technologies change regularly, and they often cannot be detected until they are launched against a specific target. If the Group is subject to cyberattacks and the leakage of users' data, this may harm the Group's reputation, trademarks and users' trust in it, and lead to the Group being subject to litigation or regulatory penalties and fines, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2.1.23 Risks related to innovation, technological advancement and research and development

The Group's success partly depends on its ability to continue to innovate and develop its platforms, products within its business segments and its other business operations. The Group needs to continue to improve its platforms and products, their features and properties in order to continue to compete effectively in the market at the right time and at competitive prices. This requires the Group to anticipate and respond to rapid and continuous technology changes, retain its position within the FinTech industry, retain its competitive position with respect to services and features offered by its platforms and products compared to those by competitors and fund research and development initiatives to support innovation efforts to attract customers, which could lead to higher costs to the Group. If the Group does not adapt, expand and develop its platforms and products based on technology changes and/or trends or the requests and needs of users, the Group's ability to develop and maintain a competitive advantage and continue to grow may be negatively affected and the Group may not be able to retain or attract customers (for further details, please refer to Section 2.1.15 "**Risks related to the inability to retain and attract customers**" of this Prospectus). If competitors introduce new technologies or features to their platforms and products that the Group may not be able to provide, the Group may lose its customer base or fail to attract new customers, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the improvement and innovation of new services and features across the Group's platforms and products may impose new operational challenges for the Group in terms of implementing them as required or lead to high technology risks. Additional financial investments may be required to apply such innovations, features and new services or investment may be required to acquire technologies and software that allow the Group to maintain and develop its platforms and products. The Group may also develop its platforms and products, and improve its user experience with the aim of supporting its longterm goals, which may not necessarily enhance short-term financial results. In addition, development and improvement of the Group's platforms and products may not eventually result in the Group achieving its long-term goals. The occurrence of any of the above risks would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.24 Risks related to the Group's failure to implement its growth strategy successfully, on time or at all

The Group's future performance depends on its ability to implement its plans and growth strategies, which include, for example, successfully expanding Tameeni Health, in line with Tameeni Motor, increasing policies penetration and capturing uninsured vehicles in the Kingdom, converting third party liability (TPL) insurance policy holders to comprehensive (COMP) motor insurance, enhancing its market share in the comprehensive motor policy sector and launching a financial marketplace product. Given its short operating history – which began in 2017G through the launch of Tameeni Motor – and the evolving market landscape, the Group's historic growth rates cannot be referred to as indications to rates of future growth (for further details, please refer to Section 2.1.3 "**Risks related to the Group's limited operational history in an evolving industry subject to continuous developments**" of this Prospectus). To execute its strategy successfully, significant resources are required, which may not be successful or sufficient to meet the Group's objectives. Furthermore, the Group's ability to increase its revenues and improve its profitability depends on successful realization of its strategy in an efficient and timely manner (for further details on the Group's strategy, please refer to Section 4.2.5 "**The Group's Strategy**" of this Prospectus). To implement its strategy, the Group must consider several factors, some of which are beyond its control, including, but not limited to, factors related to competition with current or prospective competitors and the ability to maintain its competitive position, suitability of the economic conditions for the Group's expansion plans, obtaining the required regulatory approvals and licenses, the Group's ability to negotiate and obtain favorable terms with suppliers and service providers, the success of the Group's marketing campaigns and the Group's ability to monitor operations and reduce costs.

Implementation of the Group's growth strategy is dependent on timely execution of product development processes and roll out of the relevant products accordingly. The Group has historically developed Tameeni Motor, Tameeni Health, Treza and Awal Mazad within a short timeframe. The Group may not be able to develop its future software offerings at the same historical rate or may experience significant delays in the development process, for which it may incur additional costs that exceed what it has budgeted. Furthermore, the Group's growth strategy and development plan is subject to certain timelines, and if the Group is unable to meet such timelines, it may not be able to achieve the expected economic benefit of such growth projects. Failure of the Group to implement its strategy or manage its growth strategy in an effective, efficient and timely manner will result in a material adverse effect on the Group's business, results of operations, financial position and prospects.

Moreover, the Group's available resources in terms of talent and personnel, infrastructure, internal systems and financing may not be sufficient to support future growth and expansion. In order to manage its growth effectively, the Group must continuously improve and develop its systems, procedures and control capabilities, in addition to attracting, training and maintaining specialized operating personnel. The Group may not be able to respond in a timely manner to the demands that its planned growth and strategy will impose on Senior Executives and on the Group's existing infrastructure, or the Group may be unable to hire or retain the necessary management and operating personnel or may fail to obtain sufficient financing to support any growth or expansion plans. The Group may also have limited operational experience in businesses, industry sub-segments and product offerings it intends to introduce and expand into, which would expose it to higher commercial, technological and economic risks that may affect the Group's financial results. The inability to meet such demands and timelines or obtain sufficient financing may result in the failure to achieve the desired results of such growth and expansion plans, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.25 Risks related to expansion outside the Kingdom

The Group is currently operating in the Kingdom, with the support of two (2) cost centers located in the UAE and Egypt. If the Group wishes to maintain and expand its services and operations to international markets outside the Kingdom, the Group may face some challenges which it may not be able to overcome or may not succeed in any future business abroad as required and at an appropriate cost. The challenges that the Group may face when maintaining and expanding its services and operations to international markets outside the Kingdom include, but are not limited to:

- Failure to understand foreign markets and trends in the technology and relevant business sectors in such markets, including the availability of the required broadband and internet infrastructure.
- Failure to understand customer preferences and behaviors in international markets.
- Failure to employ the necessary talent.
- An increase in the Group's operating expenses due to the change in the foreign exchange rate which may result in the inability to execute expansion plans in accordance with the anticipated timeline and estimated costs.
- Change in tax policies or their application.
- Restrictions on transferring profits from the Group's business outside the Kingdom to its accounts in the Kingdom.
- Regulatory requirements in markets outside the Kingdom, including licensing and industry requirements.
- Different laws and regulations that may be difficult for the Group to understand and use in the event of litigation.
- Security and stability in countries where the Group may expand, and their exposure to political or civil unrest, terrorism or the outbreak of conditions or circumstances such as epidemics or the like.
- The stability of the Kingdom's international relations with countries to which the Group desires to expand.

If the Group is unable to adequately manage the market and operational risks associated with the Group's operations outside the Kingdom, this will lead to a failure in realizing its money and time invested therein and a reduction in the future growth of the Group's business, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.26 Risks related to future acquisitions and investments

As part of its growth strategy, the Group may assess new growth opportunities through acquisitions or investments in other businesses, assets or technologies that are complementary to and fit within the Group's strategic goals. Acquisitions or investments may entail various risks, including:

- Facing intense competition for acquisition targets, which may raise prices and affect the Group's ability to complete acquisitions on favorable terms.
- Failure to obtain approvals of the regulatory authorities on acquisitions or mergers, in time or at all.
- Inability to complete the acquisition processes, in time or at all.
- Failure to accurately assess the value, benefits, problems, obligations, challenges and risks of the acquisitions or investments, in addition to issues relating to impairment of goodwill.
- Incurring unanticipated costs or assuming unexpected liabilities and losses.
- Inability to effectively integrate the acquired businesses, assets, intellectual property, technology, operations, contracts and/or employees with its current business, in time or at all.
- Failure to retain key employees.
- Being subject to disputes or legal claims in connection with the acquisition or investment, and legal contingencies (such as contractual, financial, regulatory, environmental or other obligations and liabilities).
- Failure to maintain the procedures, controls and quality standards in connection with any business or asset it acquires.
- Failure to achieve the expected synergies, or recover the purchase costs of the acquired businesses or assets.
- Theft, dissemination or leakage of business information that is shared within the process preceding the acquisition or investment.
- Negative market reaction to the acquisition or investment.

Such difficulties could impact the Group's ongoing business, distract its management and employees and increase its expenses which will, in turn, have a material adverse effect on the Group's business, results of operations, financial position and prospects.

rasan

2.1.27 Risks related to the protection of the Group's intellectual property rights

The Group's business, its operations and success depend significantly on its intellectual property rights, including its trademarks, trade secrets, copyrights for its software and non-disclosure agreements. As of the date of this Prospectus, the Company registered the "Tameeni," "Treza", "Awal Mazad" and "Warshti" trademarks which the Group uses in the Kingdom under the name of the Company, and registered the "Rasan", "Tameeni," "Treza", "Awal Mazad", "Warshti" and "Traya" trademarks in the UAE under the name of Rasan - Dubai. As of the date of this Prospectus, the registration of its "Rasan" trademark in the Kingdom and registration of the new logos for the "Tameeni", "Treza" and "Awal Mazad" trademarks in the Kingdom are still in progress. With the exception of the foregoing, the Group has not registered any trademarks in any other country, including Egypt (for further details regarding the Group's intellectual property rights, please refer to Section 12.7 "**Intangible Assets**" of this Prospectus). In addition, the Group has not registered the copyrights for its software in any of the countries in which the Group conducts its business. Moreover, the employment contract templates approved by Rasan - Dubai and Rasan LLC - Egypt do not include provisions regulating the ownership of intellectual property rights resulting from the work of the employees of Rasan - Dubai and Rasan LLC - Egypt or their waiver of any of these rights in favor of the Group. The Group's policies do not include procedures regulating the registration of software developed by the Group's employees to prove the Group's ownership thereof when the need arises. If the Group fails to successfully register and protect its intellectual property rights for any reason in the relevant jurisdictions, or if any third party misuses the Group's intellectual property or damages its reputation, the value of the Group's trademark may be harmed. Any damage to the Group's reputation could result in lower demand for its services, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, any of the Group's intellectual property rights, including patents, copyrights, trademarks, trade secrets or other intellectual property rights, may be challenged, limited, invalidated, held unenforceable or otherwise circumvented by way of litigation or other proceedings by employees of the Group or external parties, since there is no guarantee that the Group will be able to successfully register or maintain any intellectual property rights, as well as the absence of or contractual restrictions under the employment contracts concluded with the employees of Rasan - Dubai and Rasan LLC - Egypt in this regard. The Group may lose these intellectual property rights due to appeal proceedings or because such rights no longer provide a competitive advantage to the Group's platforms, products and systems. As a result of the litigation procedures, the Group may incur significant costs and require a long time to process them. In addition, as the Group is a target of cyberattacks, it may also be exposed to an increased risk of unauthorized access to its websites, platforms and products, and thus its intellectual property may be infringed. The Group may also have to expend significant resources to monitor and protect intellectual property rights and, in some cases, may have to lodge lawsuits against third parties for infringement or other breach of the Group's intellectual property rights. Any such litigation, whether resolved in favor of the Group or not, will result in significant expenditures and divert the efforts of its technical and management staff toward such lawsuits. Attempts to enforce the Group's intellectual property rights against third parties may also cause such parties to assert their property or other rights against any of the Group's entities, or lead to the invalidation or limitation of the Group's rights in whole or in part, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.28 Risks related to third-party intellectual property rights

The Group may infringe the intellectual property rights of third parties with whom the Group deals upon integration of the services and software of third parties into any of the Group's platforms or products, and the services that it provides to users. Third parties may file claims against the Group in the future for alleged infringement, misuse or violation of patents, copyrights, trademarks or other intellectual property rights. Such claims could harm the Group's reputation, result in liability for the Group or prevent the Group from providing certain services or products. Any claims against the Group that its services or software infringe the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in the Group incurring heavy costs to defend itself and settling these claims, and may divert the efforts and attention of the Group's management and technical teams from the Group's business. In addition, the Group may have to stop using certain services, software, technologies or processes that are the subject of infringement claims, or it may have to cease licensing or offering them or develop other technology that is not subject to infringement claims, which may be costly or infeasible. The Group may have to enter into contracts to obtain rights to use intellectual property rights or enter into settlement negotiations with third parties who bring infringement claims against the Group. The occurrence of any of the above risks may lead to an unexpected increase in expenses or negatively affect the Group's revenues, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In the future, the Group may have to obtain new licenses for existing or new software or other products and services. Such required licenses may not be available to the Group on favorable commercial terms or at all. The Group's licenses may also be terminated by third parties for several reasons, including any actual or apparent breach of information security and privacy or any reputational concerns. The licenses may also not be renewed without actual cause. If licenses are terminated or cannot be renewed or obtained from the owners at all or on favorable terms, or if there is a need to be involved in judicial proceedings regarding these issues, this may result in the suspension of the Group's products or the delay of their launch until another similar technology is obtained, licensed or developed and then integrated with the Group's services or platform, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Any infringement of such licenses by the Group or its customers, for example, by not obtaining the correct number of licenses or by exceeding the scope of such licenses, could lead to substantial costs to the Group and have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.29 Risks related to difficulty in hiring and retaining qualified managerial staff and IT professionals

The Group's business, activities and operations are dependent on qualified managerial staff and IT professionals. Hiring and retaining qualified personnel is one of the difficulties that the Group faces as it competes with other information technology and FinTech companies inside and outside the Kingdom, the UAE and Egypt. There are also several factors that qualified personnel may consider important in making their decision to work for a company in the FinTech industry which include their salaries, allowances, working hours, quality of resources and equipment, the quality of support and administrative staff, the work environment and the reputation of the company. If the Group is unable to compete with other employers in providing these attractive factors for qualified managerial staff and IT professionals, this may lead to the Group being unable to employ or maintain them within its human resources. Also, the occurrence of any political factors in the neighboring countries of the Kingdom, UAE and Egypt or the region or in the areas in which the Group operates may affect the desire of foreign personnel to stay in the areas in which the Group operates, which will have a material adverse impact on the Group's business, results of operations, financial position and prospects.

The difficulty of recruiting qualified managerial staff and IT professionals may force the Group to offer higher salaries than those paid in other countries or by other competitors, which will affect the Group's profit margins. Additionally, there are a number of legal requirements that must be observed and completed for the recruitment process which can be costly and lengthy in nature, which include, but are not limited to, the issuance of work visas, compliance with the policies, regulations and Saudization rates issued by the Ministry of Human Resources and Social Development (for further details on Saudization, please refer to Section 4.12.2 "**Saudization and Nitaqat**" of this Prospectus). The Group's inability to meet such requirements may limit its ability to recruit and retain qualified non-Saudi personnel. Therefore, the Group may not be able to perform its business as required, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group may have to focus, multiply its efforts and incur additional or unanticipated expenses to recruit and retain competent personnel, as they may receive job offers from other competitors inside and outside the Kingdom and other jurisdictions in which the Group operates. The occurrence of any of the above risks will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.30 Risks related to reliance on Senior Executives and key employees

The Group's success depends on the continued service and performance of its Senior Executives and other key personnel, as well as its ability to identify, hire, develop, motivate and retain qualified personnel in the future. In light of the Group's activities within the FinTech industry, the Group relies on some key individuals who have extensive experience in FinTech, IT, business development and marketing, and who have made significant contributions to the development of its operations. Such industry and similar industries within the wider financial services and IT industries generally witness intense competition for management and key personnel, and the Group may not have the ability to retain its existing personnel or recruit new qualified personnel. In addition, FinTech and the wider IT industry is witnessing an evolving and rapidly changing landscape. To keep pace with the developments in the relevant market, the Group needs to recruit new talent, which requires the Group to spend resources and time to train and motivate them to be creative and innovative, and allow them to familiarize with the Group's internal functions and operations. It is also worth noting that a number of the Group's Senior Executives have joined the Group in the year 2022G or thereafter, namely the CFO, CTO, Chief Strategy and Product Officer, Chief Support Services Officer, Chief Corporate Affairs and Compliance Officer, CGO and the Director of Internal Audit (for further details on Senior Executives, please refer to Section 5.5.2 "**Executive Management**" of this Prospectus). As a result, this may lead to negative outcomes for the Group's operations in the short and long terms, including in connection with carrying out the Group's strategic goals and efficient use of resources due to a lack of experience in the Group's specific industry, limited knowledge of the Group's operations and/or difficulty in establishing trust among stakeholders and employees. Such outcomes will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The Group may need to invest large financial and human resources in order to find, recruit and retain qualified and new talented employees, and it may not achieve returns on such investments. The loss of the services of the Group's Senior Executives or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seeking certain qualified replacements or negatively affect its ability to manage its business effectively. If the Group is unable to recruit and retain Senior Executives and key personnel who have high skills in the appropriate areas, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.31 Risks related to employee misconduct and errors

Employees of the Group may commit acts or errors which adversely affect the Group's business, such as engagement in illegal activities, misuse of information, disclosure of confidential information, publication of misleading information or violation of the Group's internal controls. These actions and errors may result in a violation of any of the applicable laws or regulations in the Kingdom, the UAE and/or Egypt, which could lead to penalties being imposed against the Group by the competent authorities. Such penalties would vary according to the employee misconduct or error and would cost the Group financial liability and/or damage its reputation. The Group is not always able to prevent its employees from committing any misconduct, given the uncertainty of employee compliance with internal policies, which will cause the Group to incur losses, penalties or financial burdens or fall into ill repute. The Group's internal policies relating to governance and compliance (including sanctions, trade restrictions, anti-bribery and corruption, employee conduct and whistle-blowing policies in this regard) may be insufficient to protect the Group from any errors committed by its employees. Any fines, penalties or claims may affect the profitability of the Group. In addition, negative publicity regarding employee misconduct may adversely affect the Group's reputation and revenue. Thus, misconduct and errors committed by Group employees will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.32 Risks related to collection of receivables, payment defaults and delays in collection

The Group's provision for expected credit losses represented 0.02%, 0.02%, 0.11% and 0.1% of the total commercial debt as of 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. Receivables aged more than ninety (90) days amounted to nil, nil, SAR 2.3 million and SAR 3.2 million as of 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. Therefore, the Group is exposed to the risk of failing to collect a portion of the amounts outstanding and due to the Group, in time or at all. The Group's performance, revenues and profits depend on the risks related to the collection of receivables, the financial solvency of customers and partners and the stability of their credit status, and the Group's ability to collect its dues from them.

The Group's reliance on deferred revenue may cause its exposure to the risks of customers and partners delaying payment of amounts payable by the Group. In the event that customers or partners fail or default to meet their respective obligations, in whole or in part, this will affect the Group's total revenues which in turn would have a material adverse effect on the Group's business, results of operations, financial position and prospects. In addition, the delay in the Group's collection of payments from customers or partners, in whole or in part, will limit the cash availability of the Group and thus will lead to difficulty in financing working capital for the Group or future projects. This may result in the Group's inability to meet its financial obligations toward third parties, including its obligations toward employees, suppliers and service providers. It may also limit the Group's ability to complete future expansion plans or may limit its ability to distribute dividends to Shareholders.

The occurrence of any of the above-mentioned risks will have a material adverse impact on the Group's business, results of operations, financial position and prospects.

2.1.33 Risks related to working capital management and requirements

The Group recorded a negative working capital of SAR 32.6 million as of 31 December 2020G, SAR 33.7 million as of 31 December 2022G and SAR 35.0 million as of 30 September 2023G. The Group may face difficulties in meeting and managing its working capital requirements properly. The Group's internal cash flow and external financing may not be sufficient to cover those needs to the extent required. The Group will also manage Tameeni Motor and Tameeni Health completely independently from IHC. As such, it will deal directly with customers and will be responsible for collecting the amounts directly (as opposed to IHC collecting such amounts) (for further risks in relation to the same, please refer to Section 2.1.45 "**Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company**" of this Prospectus). This may affect the timing of the collection of amounts due and thus affect the working capital needs of the Group in the future. Difficulties in managing working capital would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.34 Risks related to future capital expenditures and operating expenses

The capital expenditures of the Group amounted to SAR 5.2 million, SAR 10.1 million, SAR 19.6 million and SAR 21.9 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. The Group's capital expenditures could increase as a result of a number of factors, including, but not limited to, the costs related to the Group's planned growth and strategy (for further information on the Group's planned growth and strategy, please refer to Section 4.2.5 "**The Group's Strategy**" and Section 8 "**Use of Offering Proceeds**" of this Prospectus). Such increase in capital expenditure may be substantial compared to historic levels of the Group's capital expenditure, due to the planned growth and strategy, in connection with new projects, acquisitions and/or investments. Such increase may limit the Group's resources that may otherwise be used for other purposes including operating expenses for overhead costs, day-to-day expenses and research and development. This may also require that the Group obtain additional financing to sufficiently cover any operating expense requirements or commitments (for further information, please refer to Section 2.1.36 "**Risks related to future financing**" of this Prospectus). In addition, the Group may not achieve the expected, sought or anticipated results from the invested capital expenditure and increases with respect to the same, in time or at all. Any increase in the Group's future capital expenditures may also reduce its profit margin and funds available for operation of the Group's existing platforms and products, and increase the Group's operating expenses. The occurrence of any such event would add additional pressure on the Group's profit margins and result in negative publicity with respect to its financial and operational performance, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, the Group's performance depends on its ability to maintain profitability by setting and offering reasonable fees and commissions for its services and products and its ability to sustain any higher costs in connection with services and products offered to its customers by proportionately increasing the relevant fees and commissions. The Group may not be in a position to increase the fees and commissions to keep pace with any increase in costs, as prices generally depend on market conditions and the Group's pricing strategy (for further information, please refer to Section 2.1.17 "**Risks related to pricing methods for the Group's services**" of this Prospectus). On the other hand, the Group cannot completely control its costs as it is subject to a number of factors that may affect such costs, including economic factors, the regulatory environment and other factors that include, but are not limited to, the increase in cost of utilities, labor costs and the costs of contracts entered into by the Group with third-party service providers. If costs of products and/or services increase, and the Group is unable to raise the prices of such services or products to keep pace with the increase in costs, the Group's profitability will be adversely affected. This will lead to a decrease in its cash flow, profit margins and its inability to implement future expansion works, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.35 Risks related to internal finance functions and enterprise resource planning system

Access to and proper maintenance of internal finance functions enables the Group to efficiently manage budgeting, financial planning, cash management, accounts payable and accounts receivable. The Group's internal functions, including the referenced finance functions, rely on an off-the-shelf enterprise resource management ("**ERP**") system, using Microsoft Dynamics business applications for the purpose of managing its business processes, including the internal finance functions. However, the Group's inability to properly implement, integrate, access or maintain these functions and the ERP system, in a timely and cost-effective manner, may result in inefficient use of its resources and cause delays in resource planning, the roll out of its services and response time to customers. It is also worth noting that the Group has recently introduced and adopted its ERP system, based on the Microsoft Dynamics business applications, and has since migrated its relevant data on such system. Therefore, the Group and its employees may require extended periods of time to familiarize with proper use, management and implementation of the system, which may result in delays in the operation of its internal finance functions, including review, audit and consolidation processes for financial information in relation to preparation of the Group's financial statements.

Furthermore, the Group's involvement in the FinTech industry and its business model are both heavily reliant on technology and finance, including the ERP system. However, such technologies are generally subject to concurrent development and advancement, which may require the Group to invest heavily to upgrade its current technologies or replace with new technologies, to allow it to maintain its competitive advantage and/or improve its internal functions. Though such investment may not enable the Group to achieve the sought results, nor can it guarantee that such technologies will be free of error, including loss of data or disruptions. Therefore, in the event that the Group fails to properly implement, integrate, access or maintain its internal finance functions and the relevant ERP system does not undergo the necessary upgrades or faces errors in the integration or operation of the relevant systems, the Group's operations will be negatively affected and its resources will be inefficiently utilized, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.36 Risks related to future financing

As of the date of this Prospectus, the Company and its Material Subsidiaries do not currently have any financing agreements in place, nor does the Group does currently have any plans to obtain financing. However, in the future, the Group may need to obtain financing from commercial banks, government lenders and/or other financiers to cover working capital requirements or implement future growth plans. The Group's ability to obtain loans and facilities from lenders at lower costs or on favorable terms depends on its future financial position, global economic conditions, financial market conditions, interest rates, availability of credit from banks or external lenders and the confidence of lenders in the Group. The Group may not be able to obtain such financing on reasonable terms or at all for any reason, such as restrictions being placed on any current financing, lenders' views on the Group or the future results of the Group's operations, financial position and cash flows. Borrowing at variable interest rates may also cause the Group to be vulnerable to increases in interest and/or commission rates (which may be significantly affected by factors beyond the Group's control, such as monetary and tax policies and global economic and political conditions), and the Group may not be able to obtain such financing at reasonable terms, or at all, when necessary. Any fixed or variable increase in interest or commission rates applied by banks or other lenders will lead to higher financing costs incurred by the Group, which will adversely affect its future profits and ability to pay and fulfil its obligations toward lenders. As a result, it may not be able to take advantage of business opportunities, such as acquisition opportunities, or react to changes in market or industry conditions. The occurrence of any of the above-mentioned cases would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.37 Risk related to reduced profit margins of Awal Mazad

The Group launched the Awal Mazad platform in 2019G as part of the online auction segment. Awal Mazad allows for vehicles to be sold on an "**as-is**" basis, whereby the buyer takes possession of the vehicle free of any warranties or guarantees from the seller and the Group receives specified fees resulting from sales via the platform (for further details on the sale of vehicles via Awal Mazad, please refer to Section 4.4.4 "**Online Auction**" of this Prospectus). The Group's revenues from Awal Mazad represented 3.1%, 1.3%, 1.3%, and 1.5% of the Group's total revenues for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. It is worth noting that Awal Mazad recorded profit/(loss) margins of 11.6%, (52.8)%, (14.0)%, and (0.3%)% during the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, i.e., that Awal Mazad recorded losses in the financial years ended 31 December 2021G and 2022G and the nine-month period ended 30 September 2023G, which is reflected in the Group's profitability. The losses and decline in the profit margins of Awal Mazad in the financial years ended 31 December 2021G and 2022G and the nine-month period ended 30 September 2023G resulted from increased fixed costs, including technical software amortization costs, technical support costs, storage costs and other costs, which amounted to SAR 0.4 million as of 31 December 2020G, SAR 1.1 million as of 31 December 2021G, SAR 1.3 million as of 31 December 2022G and SAR 1.4 million as of 30 September 2023G, in addition to stagnation in the volume and number of vehicles sold, which was relatively low. In addition, the volume of sales does not cover the cost of technical support services, software depreciation, service provider costs, storage and transportation. Any decrease in the profit margins of Awal Mazad or the number of vehicles sold will affect the Group's profitability and revenues, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.38 Risks related to inadequacy of provisions and reserves

Setting aside provisions and reserves is an important part of the Group's financial planning, as they provide a sufficient buffer to absorb unexpected losses and liabilities, and the inadequacy of provisions and reserves increases the risks associated with an increase in liabilities and/or financial loss. This is due to reasons including that unexpected loss or costs may be covered with provisions or reserves, to the extent sufficient, rather than allocating the Group's resources to cover such loss or cost, leading to a decrease in profits, cash flow and liquidity, in addition to an increase in the Group's debt. It is worth noting that Rasan – Egypt, a subsidiary of the Group, recorded losses exceeding 50% of its capital in the financial year ended 31 December 2021G. The extraordinary general assembly of Rasan – Egypt approved such losses and resolved to continue its business after absorbing the relevant losses. The financial difficulties resulting from the inadequacy of provisions and reserves may lead to the Group's failure and/or default in meeting its financial obligations, whether to suppliers, employees or lenders. This, as a result, would also negatively impact the Group's credit rating and access to capital, and lead to the decrease in the value of its assets. The occurrence of any such events would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.39 Risks related to the use of accounting assumptions, estimates and judgments, and the corresponding errors and amendments

In connection with the preparation of its financial statements, the Group uses certain accounting assumptions, estimates and judgments related to complex accounting matters, varying interpretations of which could significantly affect the Group's financial results. Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Group's business, including, but not limited to, cost of sales recognition standards, revenue recognition, fair value of investments, impairment of long-lived assets, leases and related economic transactions, intangibles, taxes, property and equipment and litigation, are highly complex and involve many subjective assumptions, estimates and judgments by the Group, creating room for accounting errors. Changes in the underlying assumptions, estimates, judgments or the applicable accounting policies, as well as errors in application, will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, the Group's incorporation of its new subsidiaries, Tameeni Company and Treza Company in 2022G and 2023G and the commencement of their operations as standalone subsidiaries may lead to increased complexity in revenue and cost of sales recognition, as the subsidiaries may adopt a unique set of accounting policies and procedures which may differ from those of the Company, due to differences in the size of the subsidiary and/or its activities and internal controls. This could have a significant impact on the Group's financials, including the potential reduction in revenue reported in relevant periods. As a result, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.40 Risks related to Zakat and tax

The Group is subject to Zakat and tax requirements in the Kingdom, as regulated by the Zakat, Tax and Customs Authority ("**ZATCA**") as well as multiple tax laws and regulations in the UAE and Egypt where it has subsidiaries operating as cost centers. The Group has submitted Zakat and tax returns for the financial years until 2022G, and has paid its Zakat and tax dues within the required timeframe, according to the relevant regulations in each country. The Group also obtained the final Zakat certificate for the Zakat return submitted for all years until 2022G, but has not received the final Zakat assessments from ZATCA. Thus, the Group's Zakat position remains under consideration. Accordingly, there is a risk that ZATCA may revert to any year within the five (5) previous years if there is no Zakat assessment and ZATCA challenges the returns submitted in accordance with the Collection of Zakat Implementing Regulations issued by Ministerial Resolution number 2216 dated 07/07/1440H (corresponding to 14/03/2019G). Additional Zakat amounts have been requested from the Group, which includes the Company and the subsidiaries. This could have a material adverse impact on the Group's business, results of operations, financial position and prospects. With regard to VAT, the Group has settled tax differences amounting to SAR 0.8 million for the years 2018G to 2021G. However, it is worth noting that despite these periods having been reviewed by ZATCA, there is a risk that ZATCA will revert to these previous years in addition to 2022G and demand the settlement of additional tax differences or the payment of fines if the Group is unable to explain any of the potential differences. In such case, the Company will bear any future claims, Zakat differences or tax claims for previous years, whether in relation to the Company or its subsidiaries within the Kingdom.

Further, the Company has experienced differences in the reconciliation of its revenues for the financial years ended 31 December 2020G and 2021G, specifically with respect to the VAT returns, balance sheets and financial data of the Company, which may result in an increase in payable VAT with respect to the relevant differences, in addition to incurring fines of up to SAR 3.2 million if the Company is deemed in violation of applicable regulations by ZATCA. It should also be noted that the Company may be subject to assessment by ZATCA with respect to the financial year ended 31 December 2022G, including in relation to the extent of its compliance with correct procedures for revenue reconciliation. In addition, the Company has issued invoices in a manner inconsistent with the regulatory requirements, and has failed to reconcile the deduction of employee wages and salaries from the Company's Zakat obligations. Further, the entry of a non-Saudi Shareholder in 10/01/1444H (corresponding to 08/08/2022G) has deemed the Company an entity subject to corporate income tax, Zakat and transfer pricing starting from the financial year ended 31 December 2022G. The Company has not been able to satisfy the relevant requirements relating to transfer pricing, given it has not adopted the requisite internal policies to enable it to support a pricing methodology that is compliant with transfer pricing regulations, including policies relating to transactions with the Company's subsidiaries in Egypt and the UAE – which are carried out on the basis of recharges relating to on-behalf payments without adopting policies or documents to comply with relevant regulatory requirements. As a result, the Company may incur fines from ZATCA due to its non-compliance which may have a material adverse effect on the Group's business, results of operations, financial position and prospects (for further details, please refer to Section 6.8.1 "**Income statements**" of this Prospectus).

Due to the Company's shares being held by non-Saudi owners (as of July 2022G) and it being subject to income tax, the Group is also subject to Transfer Pricing Bylaws issued by ZATCA's Board Resolution No. 6-1-19, dated 25/05/1440H (corresponding to 01/31/2019G), which stipulates that transactions conducted between related persons or persons under common control shall adopt the Arm's Length principle as a basis for pricing all transactions and shall submit the relevant declarations in accordance with the transaction pricing directives. The Transfer Pricing Bylaws address cases in which the terms and conditions of commercial and financial transactions conducted between related persons differ from the terms and conditions of commercial and financial transactions conducted between independent persons, since, for income tax purposes, unrealized profits that could have been achieved by any of the related persons had these terms and conditions been the same, are included within the profits of such person and taxed accordingly. The Group's transactions with its subsidiaries in Egypt and the UAE during 2022G were not subject to the Arm's Length principle, given that the Group's subsidiaries in Egypt and the UAE are business support centers for the Group. However, the Group is working to adopt transaction pricing agreements subject to the Arm's Length principle for transactions between it and its subsidiaries in Egypt and the UAE, which may lead to these companies achieving taxable profits in the countries in which they are recognized, which may have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.41 Risks related to inadequacy of insurance coverage for the Group's business and assets

The Group maintains several types of insurance policies for its business and assets, including employees' healthcare insurance and professional indemnity insurance (for further details on the insurance policies issued to the Group, please refer to Section 12.8 "**Insurance**" of this Prospectus). Insurance policies maintained by the Group may not sufficiently cover all risks to which its business and assets are exposed, and the limits of insurance coverage under such policies may be insufficient to cover the losses that the Group may incur in connection with the insured risks. Moreover, such risks may not be insured against, or the relevant insurance policy may be expired. The Group may not be able to substantiate its claims according to the applicable insurance policies due to the existence of exceptions or restrictions on insurance coverage, such as limiting insurance coverage to certain types of accidents, which will cause the Group to compensate for losses caused by any other accidents itself. The Group may also be affected by a number of risks that are not covered by insurance or are covered at unreasonable prices. There is no guarantee that the Group's insurance policies will continue to be available on commercially acceptable terms to cover the relevant events or circumstances in case an uninsured event occurs. There may be future accidents that the Group did not insure to cover potential losses or may not be covered by insurance at all, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

It is also worth noting that a number of agreements concluded with the Group's customers, specifically the agreement concluded with Al Rajhi for Cooperative Insurance Company (Al Rajhi Takaful) dated 08/07/1443H (corresponding to 09/04/2022G) and the agreement concluded with Al Alamiya for Cooperative Insurance dated 25/07/1440H (corresponding to 01/04/2019G), in respect to Awal Mazad services, include requirements to provide insurance coverage for their responsibilities and obligations within the scope of the contracted work throughout the entire term of the relevant agreement. However, the insurance policies provided for the purpose of the Awal Mazad's service agreements with Al Rajhi for Cooperative Insurance and Al Alamiya for Cooperative Insurance are issued for the benefit of external service providers, rather than the Group, within the scope of the relevant agreements. Such policies do not refer to the Group as a beneficiary of insurance coverage, which may limit the Group's ability to benefit from the coverage when needed and constitutes a breach of its obligations under the relevant agreement (for further details, please refer to Section 2.1.43 "**Risks related to the Group's material agreements**" and Section 12.4 "**Material Agreements**" of this Prospectus). Additionally, the Group's claims may exceed the value and extent of the coverage of its insurance policies, or the damage may not be covered by the insurance. Also, claims submitted by the Group in connection with insurance policies related to its business and assets may be rejected by the relevant insurance company. Moreover, the Group may be unable to obtain adequate insurance coverage due to an increase in premiums or unavailability of coverage (due to an increase in premiums, discounts or co-insurance requirements). Any of these factors would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.42 Risks related to claims and litigation

In the future, the Group may be subject, inside or outside the Kingdom, to lawsuits, claims and other material judicial proceedings related to its operations, customers, service providers and employees. As of the date of this Prospectus, the Group is not subject to any claims or lawsuits (for further information, please refer to Section 12.9 "**Litigation of the Company and Material Subsidiaries**" of this Prospectus). The Group cannot predict its exposure to any new future litigation or disputes, nor can it predict the outcome of any future proceedings to which it may be subject to. In addition, the Group would incur costs in connection with any future proceedings brought by or against it, or as a result of any such lawsuits or judgments, including penalties imposed and damages due therefrom. Therefore, any unfavorable judgment for the Group with respect to any future proceedings would have a material adverse impact on the Group's business, results of operations, financial position and prospects.

2.1.43 Risks related to the Group's material agreements

The Group has entered into several material agreements, such as customer agreements with respect to its business segments, agreements with third parties to offer their services on the Group's platforms, data verification agreements, technical support agreements, payment gateway and marketing agreements. These agreements are crucial for the Group's business activities, as they allow the Group to properly operate its business segments (for further details on the Group's material agreements, please refer to Section 12.4 "**Material Agreements**" of this Prospectus).

The provisions of many such material agreements entered into by the Group also entitle the counterparties to terminate these agreements for convenience. These agreements include the following:

- Non-exclusive electronic aggregation agreements concluded between Tameeni Company and insurance companies:
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Saudi Arabian Cooperative Insurance Company dated 15/06/1444H (corresponding to 10/01/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Walaa Cooperative Insurance Company dated 03/12/1444H (corresponding to 21/06/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Aljazira Takaful for Cooperative Insurance Company dated 29/11/1444H (corresponding to 18/06/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Al Alamiya for Cooperative Insurance Company dated 18/11/1444H (07/06/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Wataniya Insurance Company dated 24/05/1444H (corresponding to 18/12/2022G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Allianz Saudi Fransi Cooperative Insurance Company dated 23/12/1444H (corresponding to 11/07/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Arabian Shield Cooperative Insurance Company dated to 30/12/1444H (corresponding to 18/07/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Gulf Insurance Group dated 16/06/1444H (corresponding to 09/01/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Tawuniya Company for Cooperative Insurance dated 01/02/1445H (corresponding to 17/08/2023G).

(for further information on the non-exclusive electronic aggregation agreements concluded between Tameeni and insurance companies, please refer to Section 12.4.2 "**Non-Exclusive Electronic Aggregation Template Agreement**" of this Prospectus).

- Treza customer agreements, specifically the Agreement concluded with the Saudi National Bank (SNB) dated 12/03/1442H (corresponding to 01/11/2020G) for the purpose of providing general services to outsource the provision of an electronic platform and provide technical support, and the Agreement with Al Rajhi Banking and Investment Corporation dated 10/08/1442H (corresponding to 28/03/2021G) for the Provision of an E-Platform and Technical Support for the Finance Leased Vehicle Insurance Service for Individuals (for further information regarding Treza customer agreements, please refer to Section 12.4.3 "**Treza Customer Agreements**" of this Prospectus).
- Awal Mazad platform agreements, specifically the Awal Mazad Platform Agreement concluded with Al Alamiya for Cooperative Insurance Company dated 25/07/1440H (corresponding to 01/04/2019G), the Awal Mazad Platform Agreement with one of the Banks dated 21/11/1442H (corresponding to 01/07/2021G), for the purpose of providing support services for Bank's operations, and the Awal Mazad Service Provider Agreement with Lamar Car Maintenance Center dated 08/06/1444H (corresponding to 01/01/2023G) (for further information regarding the Awal Mazad platform agreements, please refer to Section 12.4.4 "**Awal Mazad Platform Agreements**" of this Prospectus).
- Data verification agreements:
  - The Technical Linkage and Electronic Services Agreement with Elm Company dated 12/07/1442H (corresponding to 24/02/2021G), whereby Elm Company provides the Company with the service of verifying the information entered for customers and users of the Company's platforms.
  - The Mobile Phone Ownership Verification Service Agreement with Elm Company dated 14/10/1443H (corresponding to 15/05/2022G), whereby Elm Company provides the Company with the service of verifying the ownership of the mobile phone numbers of customers and users of the Company's platforms.

- The Vehicle Data Verification Agreement concluded with Elm dated 13/03/1444H (corresponding to 09/10/2022G), whereby Elm Company provides the Company with the vehicle data verification service.
- The Technical Services Agreement concluded with Najm Company dated 08/06/1444H (corresponding to 01/01/2023G), pursuant to which Tameeni Company is able to enquire through the national ID number, residents' ID number or the commercial register with the serial or customs number of the vehicles.

(for further information regarding the data verification agreements, please refer to Section 12.4.5 "**Data Verification Agreements**" of this Prospectus).

- Payment portals and payments services agreements:
  - The Customer Referral Agreement with a Bank for Payment Services dated 16/04/1442H (corresponding to 01/12/2020G), whereby the Company refers the customers of the Tameeni platform to complete payment to a Bank's payment service, for a fee paid by one of the Banks to the Company.
  - The Electronic Payment Portal Services Agreement with SNB dated 28/03/1444H (corresponding to 24/10/2022G), whereby the Company refers the customers of the Tameeni platform to complete payment to the SNB payment system, for a fee paid by the Company to SNB.
  - The Tamara Company Services Agreement with Nakhla Information Systems Technology Company dated 16/11/1444H (corresponding to 05/06/2022G), pursuant to which Tamara provides instalment payment services to the customers of the Tameeni platform.

(For further information regarding payment portals and payment services agreements, please refer to Section 12.4.6 "**Payment Portal and Payment Service Agreements**" of this Prospectus).

- The Software Licensing Agreement with Malath Insurance Company dated 04/11/1444H (corresponding to 24/05/2023G), whereby the Company grants Malath Insurance Company a non-exclusive, non-transferable subscription to use the "**R2 Software**" program. (for further information regarding the Software Licensing Agreement with Malath Insurance Company, please refer to Section 12.4.7 "**Software Licensing Agreement with Malath Insurance Company**" of this Prospectus).
- Warshti platform linkage agreements with the following parties:
- Shams Al Arabia Car Maintenance dated 12/06/1444H (corresponding to 05/01/2023G), which allows Shams Al Arabia to provide vehicle repair and maintenance services to customers through Warshti platform.
- Suhaib Car Maintenance Establishment dated 26/06/1444H (corresponding to 19/01/2023G), which allows Suhaib Car Maintenance Establishment to provide vehicle repair and maintenance services to customers through Warshti platform.
- My Car Auto Maintenance Center dated 15/06/1444H (corresponding to 08/01/2023G), which allows the My Car Auto Maintenance Center to provide vehicle repair and maintenance services to customers through Warshti platform.

(for further information regarding the Warshti platform linkage agreements with a number of external parties, please refer to Section 12.4.9 "**Warshti Platform Linkage Agreements**" of this Prospectus).

It should also be noted that there are a number of material agreements entered into by the Group which permit the relevant counterparties to terminate such agreements in the event of a contractual breach of the agreements. These agreements include the following:

- The Technical Support Services Agreement with IHC relating to the Treza product dated 10/05/1445H (corresponding to 24/11/2023G), in IHC's capacity as an insurance broker licensed by SAMA and the Company's capacity as the owner of the Treza platform for use by IHC to facilitate IHC contracting and registering insurance companies in the Treza product (for further details regarding the Technical Support Services Agreement with IHC relating to the Treza product, please refer to Section 12.4.1(a) "**Technical support services agreement with Insurance House Company (IHC) in connection with the Treza Product**" of this prospectus).
- Non-exclusive electronic aggregation agreements concluded between Tameeni Company and insurance companies:
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Saudi Arabian Cooperative Insurance Company dated 15/06/1444H (corresponding to 10/01/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Walaa Cooperative Insurance Company dated 03/12/1444H (corresponding to 21/06/2023G).
  - The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Aljazira Takaful for Cooperative Insurance Company dated 29/11/1444H (corresponding to 18/06/2023G).

- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Al Alamiya for Cooperative Insurance Company dated 18/11/1444H (07/06/2023G).
- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Wataniya Insurance Company dated 24/05/1444H (corresponding to 18/12/2022G).
- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Allianz Saudi Fransi Cooperative Insurance Company dated 23/12/1444H (corresponding to 11/07/2023G).
- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Arabian Shield Cooperative Insurance Company dated to 30/12/1444H (corresponding to 18/07/2023G).
- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Gulf Insurance Group dated 16/06/1444H (corresponding to 09/01/2023G).
- The non-exclusive electronic aggregation agreement concluded between Tameeni Company and Tawuniya Company for Cooperative Insurance dated 01/02/1445H (corresponding to 17/08/2023G).

(for further information on the non-exclusive electronic aggregation agreements concluded between Tameeni and insurance companies, please refer to Section 12.4.2 "**Non-Exclusive Electronic Aggregation Template Agreement**" of this Prospectus).Additionally, the counterparties engaged with the Group under many of its material agreements are not legally required to renew these agreements, enter into new agreements with the Group or continue to perform under such agreements. If such parties decide to terminate any or all of these agreements at any time and for any reason or refuse to renew them on terms acceptable to the Group or at all, the Group may not be able to make up for any losses it incurs due to the termination of any of the material agreements, or obtain alternative service providers necessary to operate its platforms and products within its business segments at favorable terms or at all, which may result in disruption to its business segments and negative impact to the Group's revenues and profitability. It is worth noting that the dealings and provisions of a number of the Group's agreements are undertaken through purchase orders or subsequent invoices, including a number of agreements with the Group's suppliers in addition to the commission sharing provisions in the technical support services agreement previously concluded with IHC – in respect of which the services of Tameeni Motor and Tameeni Health were terminated on 13/12/1444H (corresponding to 01/07/2023G) and the services of Treza and the relevant annex were terminated on 10/05/1445H (corresponding to 24/11/2023G). The existence of non-contractual transactions or provisions, currently or in the future, may expose any of the relevant parties to difficulties in obliging the other party to adhere to the agreed provisions in the event of non-compliance with or violation of any of the relevant provisions. It is also worth noting that a number of agreements concluded with external service providers follow the model agreements of the relevant service providers. This is particularly the case for IT, data and communication services agreements concluded with NourNet Company, Sahara Net and Salam Company which are generally dominated by preferential provisions that are favorable to the service provider and not to the Group and may include limits on the service provider's liability in case of non-compliance with any terms thereof. However, they may not include limits on the Company's liability in return. Such agreements may also include comprehensive termination rights for service providers, which may not be in the Company's interest. For example, the Company entered into the NourNet Connectivity Agreement with NourNet Company on 05/01/1445H (corresponding to 23/07/2023G) (referred to hereinafter as the "**NourNet Connectivity Agreement**"), which imposes certain limitations on the liability of NourNet Company, whereby NourNet Company shall not be liable for any direct, incidental, exemplary, punitive, special or consequential damages arising from or in connection with the performance or non-performance of its obligations under the NourNet Connectivity Agreement. In addition, the maximum liability of NourNet Company is determined based on the annual fees paid by the Company. In addition, the Group may breach the terms and conditions of its material agreements or such agreements may, in the future, include more restrictive commercial terms than the existing terms. It should also be noted that a number of agreements concluded with the Group's customers, namely the agreement concluded with Takaful Al Rajhi Insurance Company dated 08/07/1443H (corresponding to 09/02/2022G) and the agreement concluded with Al Alamiya for Cooperative Insurance Company dated 25/07/1440H (corresponding to 01/04/2019G) with respect to the services of the Awal Mazad platform, include requirements to provide insurance coverage for its responsibilities and obligations within the agreed scope of work and for the entire period of the relevant agreement. However, the insurance policies issued for the purpose of the Awal Mazad platform services agreements with Takaful Al Rajhi Insurance Company and Al Alamiya for Cooperative Insurance Company are issued for the benefit of third party service providers, instead of the Group, within the scope of the relevant agreements and such policies do not refer to the Group as a beneficiary for the insurance coverage, which may as a result limit the Group's ability to benefit from the coverage when required. In addition, such insurance policies, and particularly not issuing and maintaining insurance policies in the name of the Group is a breach of its obligations under the relevant agreements (for further details, Please refer to Section 12.4 "**Material Agreements**" of this Prospectus). The occurrence of any of the above-mentioned risks may affect the Group's ability to operate its business segments or negatively impact its revenues and profitability, which would have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

2.1.44 Risks related to licenses, certificates, permits and approvals

The Group must obtain licenses, permits and regulatory approvals required for its operations and ensure their validity for the duration of its provision of services and engagement in the licensed activities. In particular, the Group is required to obtain certain licenses and certifications to conduct and carry out its activities in the Kingdom, including, but not limited to, the commercial registration certificate obtained from the Ministry of Commerce; the SAMA license in relation to Tameeni Company; municipality licenses in relation to the Group's offices; the information registration certificate issued by the Communications, Space & Technology Commission (CST) with respect to software activities, data center services, cloud services and IT services; licenses from the Ministry of Media for the purpose of practicing electronic publishing activities and designing and programming specialized software; and service investment licenses issued by the Ministry of Investment in the names of the Company and Tameeni Company with regard to Samer Muhammad Raslan's (direct and indirect) ownership in each respective company in his capacity as a non-Saudi. Moreover, the Group is also required to obtain specific licenses and certificates for the Subsidiaries to practice their activities outside the Kingdom, including the commercial license issued by the Dubai Department of Economy and Tourism in the name of Rasan – Dubai and the certificate of registration of Rasan LLC – Egypt with the Egyptian Chamber of Information Technology and Communication for the purpose of enabling Rasan LLC – Egypt to engage in software development activities in Egypt, in addition to issuing a commercial registration for Rasan LLC - Egypt at the Egyptian General Authority for Investment and Free Zones (GAFI), in its capacity as a company engaged in the field of software development, for the purpose of enabling it to approve the decisions of its general assemblies according to the regulatory requirements. Tameeni Company must also comply with regulatory requirements regarding operation of an entity licensed by SAMA, including observing the requirements for appointments in leadership roles as issued by SAMA and maintaining professional risk insurance policy with a coverage of no less than SAR 5 million. As of the date hereof, the Group has obtained all licenses, permits and approvals necessary to conduct its business except for a license from the Ministry of Media for the purpose of engaging in e-publishing activities and a registration certificate from the Egyptian Chamber of Information Technology and Telecommunications (CIT) in relation to Rasan LLC - Egypt. (for further information on the Group's licenses and permits, please refer to Section 12 "**Legal Information**" of this Prospectus).

The Group is generally required to comply with the provisions of its licenses, permits and approvals, in addition to the relevant laws and regulations, as well as periodically renew and amend their scope as and if needed. The Group's licenses are generally susceptible to suspension or revocation in case the Group is unable to maintain and comply with the relevant terms and conditions, including, for example, but not limited to, the SAMA license for the provision of insurance aggregation activities in the Kingdom issued in the name of Tameeni Company. It should be noted that Rasan LLC - Egypt has not obtained a registration certificate from the Egyptian Chamber of Information Technology and Communications, which may result in the inability of Rasan LLC - Egypt to ratify its general assembly meeting minutes with the Egyptian General Authority for Investment. Accordingly, the Group may be subject to penalties and the competent authorities may not renew the Group's licenses or permits, modify their scope or grant necessary approvals for any changes. The competent authorities may also impose additional requirements and conditions which may be unfavorable to the Group and may lead to the Group's inability to renew them. Therefore, the Group may not be able to obtain additional licenses, permits and approvals that may be requested in the future which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

As of the date of this Prospectus, the Group offers Treza as a software product linking banks, leasing companies and insurance brokers with insurance companies within the leasing segment (for further information, please refer to Section 4.4.3 "**Leasing**" of this Prospectus). SAMA issued the InsurTech Rules pursuant to the resolution of the Governor of SAMA dated 08/01/1445H (corresponding to 26/07/2023G). The InsurTech Rules define the regulatory and supervisory framework for practicing InsurTech activities, including the qualification for practicing InsurTech activities and obtaining the required license for the same. Accordingly, as part of the Group's plans to transfer Treza's operations to Treza Company at some point in the future, the Group seeks to apply for a license for InsurTech activities through Treza, given that the Group offers the Treza platform as a software product that serves the insurance subsector of the leasing sector. It should be noted that the Group has not fully evaluated the expected impact of the newly issued InsurTech Rules on its operations. There is no guarantee that the Group will be able to obtain a license for the InsurTech business through Treza or that it will be able to transfer the operations of Treza to Treza Company in a practical manner, nor is there any guarantee that it will be able to meet and adhere to the licensing requirements for companies engaged in insurance technology activities. This may have a significant impact on the Group and may require the Group to make changes to its operations to comply with such requirements or incur additional costs for the purpose of completing the procedures required to ensure its compliance, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In the event that the Group is unable to renew or obtain licenses, permits, approvals and certifications on favorable terms or at all, or if the Group is unable to modify the scope of such licenses or transfer their ownership under its name, the Group may be subject to suspensions, interruptions or discontinuations of some or all of its operations and incur additional costs and penalties, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.45 Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company

Historically, the Group acted as a technical service provider providing access to Tameeni Motor and Tameeni Health as a technical solution to IHC, who acted as a partnering insurance broker licensed by SAMA and who in turn operated Tameeni Motor and Tameeni Health pursuant to an intellectual property rights and technical services license agreement and a technical support agreement, according to which the Group generated revenues therefrom based on a revenue sharing arrangement between the Group and IHC. The Group has since established a wholly owned subsidiary in November 2022G, Tameeni Company, which obtained the requisite SAMA e-brokerage license in May 2023G for the purpose of operating Tameeni Motor and Tameeni Health and providing insurance aggregation services to its customers on an independent basis. The intellectual property rights and technical services license agreement and the technical support agreement in relation to the scope of services of Tameeni Motor and Tameeni Health with IHC were also terminated thereafter, on 13/12/1444H (corresponding to 01/07/2023G). The transition of Tameeni Motor and Tameeni Health operations to Tameeni Company also included the conclusion of numerous contracts and agreements with a number of insurance companies and the transfer of obligations pursuant to ongoing contracts and agreements entered into with IHC to Tameeni Company, until the conclusion of contracts and agreements between Tameeni Company and the relevant insurance companies and the completion of all procedures for transferring the business of Tameeni Motor and Tameeni Health as of 19/11/1444H (corresponding to 07/07/2023G), including agreements with insurance company customers, staff employment contracts and supplier agreements, which in turn may expose the Company to incurring additional costs in relation to restructuring and in particular, the costs of developing internal management reporting systems for the purpose of recording revenues and costs at the individual business sector level (for further details, please see Section 12.4.2 "**Non-Exclusive Electronic Aggregation Template Agreement**" of this Prospectus). However, and despite the Group's role in managing the technical services for Tameeni's platforms historically, Tameeni Company may face difficulties in complying with, maintaining and renewing the relevant licenses, contracts and agreements relating to Tameeni Motor and Tameeni Health, given Tameeni Company's relatively limited operational history. If such risks materialize, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

On the other hand, as a SAMA regulated entity, Tameeni Company is operating in a heavily regulated industry and is subject to a number of regulations including the Cooperative Insurance Companies Control Law promulgated by Royal Decree number M/32 dated 02/06/1424H (corresponding to 31/07/2003G), as amended, the Implementing Regulations of the Cooperative Insurance Companies Control Law promulgated by Ministerial Resolution number 596/1 dated 01/03/1425H (corresponding to 20/04/2004G), the Rules Governing Insurance Aggregation Activities issued pursuant to the SAMA's Governor's Decision number 441/4 dated 25/06/1441H (corresponding to 19/02/2020G), the Insurance Intermediaries Regulations issued by SAMA on 14/11/1432H (corresponding to 12/10/2011G), the Online Insurance Activities Regulation issued by SAMA on 18/01/1433H (corresponding to 13/12/2011G) and the Insurance Market Code of Conduct Regulation issued by the Insurance Supervision Department at SAMA on 18/01/1433H (corresponding to 30/08/2008G) which collectively impose a wide range of requirements that Tameeni Company must comply with in relation to the activity which it operates, including SAMA licensing requirements and compliance obligations, in addition to adopting mandatory governance policies as per the requirements of SAMA. As such, non-compliance by Tameeni Company or failure to comply with all the requirements and provisions of the laws and regulations to which it is subject in the future may result in fines or penalties, including, but not limited to, the suspension or revocation of licenses essential for its business (for further details, please refer to Section 2.2.1 "**Risks related to the regulatory environment and changes thereto** " of this Prospectus). In addition, in the event that applicable laws and regulations are revised and/or amended in the future, thereby impacting the applicable requirements and/or ongoing or historic contractual arrangements of the Group, fines and penalties may be imposed on the Group in case of non-compliance, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.46 Risks related to real estate

As of the date of this Prospectus, the Group relies on leased properties to operate its business across the Kingdom, and cost centers in the UAE and Egypt, whereby the Group uses four (4) leased premises as of 30 September 2023G (for further details on the leases entered into by the Group, please refer to Section 12.6 "**Real Estate**" of this Prospectus). The Group's leases generally have fixed terms ranging between twenty-six (26) months to five (5) years, and generally include renewal mechanisms by automatic renewal or execution of a written agreement to such effect. The Group may not be able to renew all leases, or such leases may be renewed under different terms, conditions or lease amounts that may not be favorable to the Group. If the Group decides to vacate any of its leased properties due to the termination or non-renewal of the leases in accordance with their terms, or because the renewal terms are not favorable, the Group will incur additional costs in connection with relocation to a new property, which may include an increase in the lease amount and/or costs related to necessary renovations of the new site. The occurrence of any of the aforementioned risks will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.47 Risks related to reliance on transactions with Related Parties

In the normal course of its business, the Group deals with Related Parties. As of the date of this Prospectus, the Group has an agreement with IHC in relation to technical support for Treza, and an agreement with Thiqah Business Services, in addition to dealings with Arabian Company for Travelers Services, all of which are Related Parties. Related Party transactions during the financial years ended 31 December 2020G, 2021G and 2022G, and the nine-month period ended 30 September 2023G, mainly include providing administrative and operational services, technical support services, data verification, in addition to legal services (for further details on transactions with Related Parties, please refer to 5.7 "**Direct and Indirect Interests of the Directors and Executive Management**" and Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus). Transactions with Related Parties amounted to SAR 11.8 million, SAR 15.2 million, SAR 43.8 million and SAR 7.8 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, which represent 27.3%, 17.5%, 25.3% and 4.2% of the total net revenues for the same periods. Meanwhile, trade balances with Related Parties amounted to SAR 32.2 million, SAR 9.7 million, SAR 7.2 million, and SAR 68.4 million as of 31 December, 2020G, 2021G and 2022G and 30 September 2023G, respectively, representing 77.2%, 11.2%, 12.2% and 26.2% of total assets/liabilities, as applicable, for the same periods, respectively. Outstanding balances from Related Parties amounted to zero, SAR 9.7 million, zero and SAR 69.7 million as of 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, while outstanding balances to Related Parties amounted to SAR 32.2 million, zero, SAR 7.2 million and SAR 1.3 million in the same periods, respectively. The Group obtained the approval of the General Assembly on 21/12/1444H (corresponding to 09/07/2023G), 27/01/1445H (corresponding to 14/08/2023G) and 21/05/1445H (corresponding to 05/12/2023G) regarding the transactions and agreements in force with Related Parties in which the Directors have a direct or indirect interest. The entry into contracts and transactions with Related Parties is subject to the provisions of the relevant laws and regulations. As per the Companies Law, any transactions in which any of the Group's Directors has a direct or indirect interest shall be submitted to the General Assembly for approval, unless such transactions and agreements (a) have been awarded on the basis of a public tender and/or (b) relate to the relevant Directors' personal needs, and have been concluded at arm's length within the Group's ordinary business. It is prohibited for any Director who has an interest in these transactions to vote thereon whether at the level of the Board of Directors or the Shareholders' assemblies. In the event that the Board or the General Assembly of the Group resolve not to approve similar transactions in the future, the Company may be exposed to the risk of such transactions being challenged or invalidated. In addition, in the event that future Related Party transactions are not entered into on an arm's-length basis, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.48 Risks related to Directors' or Senior Executives' engagement in competing businesses

As of the date of this Prospectus, the Director Mohammed Muheideb Ali AlMuheideb participates in business competitive with that of the Group through his indirect ownership of 60% of the capital of IHC, which competes with the Group in one of the branches of its activity, through its activities in the insurance brokerage sector and the provision of insurance and risk management services and solutions. On 21/05/1445H (corresponding to 05/12/2023G), the General Assembly issued a resolution authorizing the participation of the Director Mohammed Muheideb Ali AlMuheideb in business competitive with that of the Group. Aside from the foregoing, none of the Directors are engaged in competing businesses with the Group and none of the Directors is a party to any agreement, arrangement or understanding under which they are subject to any obligation that prevents them from competing with the Group or any similar obligation in relation to the Group's business. In order to engage in businesses competing with the Group, Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27(2) of the Companies Law. It should be noted that all of the Senior Executives, except for the Managing Director and CEO, have entered into non-competition agreements for the benefit of the Company, although there can be no assurance that they will not engage in business which competes with the Group. The Senior Executives and Directors may engage in business that competes with the Group in the future either through their membership in boards of directors or through ownership of businesses that directly or indirectly compete and/or engage in business activities that are similar to the activities of the Group, as applicable. Directors and Senior Executives can access the internal information of the Group and may use that information for their own interests or in contradiction with the Group's interests and objectives. If the Directors and Senior Executives who have interests conflicting with the Group have a negative influence on the Group's decisions, or if they use the information available to them about the Group in a way that harms its interests, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.49 Risks related to risk management policies

The Group has developed and put in place strategies, procedures and policies specific to its business for managing risks, such as, for example, the Group has adopted a Protect, Enhance, Grow, Innovate and Diversify (PEGID) strategy to mitigate business risks and fuel future growth. Policies for managing risk are based on observations on current and historical market behaviors. The Group evaluates future market trends and economic changes, and takes into consideration events that are most likely to occur in line with its future strategy planning and preparation of budgets and business plans, taking into consideration the best and worst case scenarios. Therefore, these policies may not be able to accurately predict future risks that may be greater than those anticipated. The nature of these risks and their consequences can rapidly change over time. Therefore, management's failure to predict such risks adequately may result in losses to the Group which may affect its ability to implement its strategic goals.

Such information may not be accurate, complete, updated or properly assessed, in light of the level of market data available to the Group. Further, the Group's policies, procedures and internal controls may not be effective in predicting all possible risks at all times, which could result in insufficient information to accurately assess and mitigate its exposure to certain risks. As a result, the Group's exposure to unknown risks would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.50 Risks related to the nominee arrangement in Egypt

In order to satisfy the legal requirements in Egypt, including restrictions on single-person companies, the Company has registered 1% of its shares in Rasan LLC – Egypt in the name of a nominee, Moayad Abdullah AlFallaj, who holds shares in Rasan LLC – Egypt on behalf of the Company. As such, although 1% of the shares in Rasan LLC – Egypt are registered under the name of Moayad Abdullah AlFallaj, the Company is the actual owner of such shares (for further information about this nominee arrangement, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus). This nominee arrangement may not be consistent with the laws and regulations of Egypt. In addition, the Group's nominee under such arrangement may not perform his obligations towards the Group, and the parties to the nominee arrangement shall be liable for violations or fines due to incompliance with and/or violation of applicable laws and regulations in Egypt. It is worth noting that such nominee arrangement is not documented in an agreement between the Company and Moayad Abdullah AlFallaj, which further increases the risk of Moayad Abdullah AlFallaj not performing his intended obligations towards the Group. Moreover, in the event that such nominee arrangement contradicts the laws and regulations of Egypt, this may expose the Group to regulatory sanctions. The Group may also be exposed to losses in the event that the nominee fails to comply with any of his obligations towards the Group, and the Group may not be able to file any claims against him for such losses, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.51 Risks related to compliance with the Companies Law and the Corporate Governance Regulations

In its management and the conduct of its various operations and activities, the Group is subject to the provisions of the Companies Law and the Corporate Governance Regulations. The Companies Law and the Corporate Governance Regulations impose certain corporate governance requirements that the Group must comply with. The Group will have to take some measures to comply with such requirements. The Companies Law and the Corporate Governance Regulations also impose strict penalties for the violation of their mandatory provisions and rules. Therefore, the Group may be subject to such penalties, including financial fines and/or imprisonment. For example, the Companies Law stipulates that every Director, official, Board member, auditor or liquidator who records false or misleading data shall be punished with imprisonment of no more than three (3) years and a fine of no more than SAR 5 million. Moreover, it is worth noting that the Companies Law was promulgated by Royal Decree number M/132 on 01/12/1443H (corresponding to 30/06/2022G), and has entered into force following on 26/06/1444H (corresponding to 19/01/2023G). The extent of the impact of implementing the new Companies Law on companies in general and on the Group and its operations in particular may not be apparent at present, and the Group may incur additional costs to take the necessary steps to ensure compliance therewith. In the event that the Group does not comply with such provisions and rules, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.52 Risks related to the work and performance of the board committees and the effectiveness of governance

The Group formed the Audit Committee and the Nomination and Remuneration Committee pursuant to the Board resolutions dated 20/10/1444H (corresponding to 10/05/2023G) (for further details on the Group's Board Committees, please refer to Section 5.4 "**Company Committees**" of this Prospectus). Failure by members of such committees to perform their duties and adopt a framework that ensures protection of the Group's interests and those of its Shareholders may affect the Group's compliance with the corporate governance and continuing disclosure requirements and the Board's ability to monitor the Group's activities through such committees. It is worth noting that, as of the date of this Prospectus, the chairman of the Audit Committee also holds the position of chairman of the Nomination and Remuneration Committee. Although this does not conflict with the CGRs, it is not consistent with best practices in the field of governance and may impact the effectiveness of the work of the Company's committees, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects. Given the recent formation of these committees, the inability of their members and the independent members to carry out the duties assigned to them and adopt a work methodology that ensures the protection of the interests of the Company and its Shareholders may affect the ability of the Company's Board to effectively monitor its business through these committees. This may lead to the Company's failure to comply with the continuous disclosure requirements after it is listed on the one hand, and may expose the Company to operational, management and financial risks on the other hand. Consequently, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

On 20/10/1444H (corresponding to 10/05/2023G), the Board adopted the Group's internal Corporate Governance Manual. In addition, the Group's General Assembly approved the Audit Committee Charter and the Nomination and Remuneration Committee Charter on 21/12/1444H (corresponding to 09/07/2023G) (for further details on the Corporate Governance Manual, please refer to Section 5.9 "**Corporate Governance**" of this Prospectus). The Corporate Governance Manual includes provisions derived from the Corporate Governance Regulations issued by the CMA. The Group's success in properly implementing the Corporate Governance Regulations and procedures depends on the extent of its comprehension and understanding of these provisions and proper execution thereof by the Board, its committees and Senior Executives, especially with regards to Board independence requirements, conflict of interest procedures and disclosure requirements. Failure to comply with the mandatory provisions of the Corporate Governance Regulations issued by the CMA would result in regulatory penalties being imposed on the Group, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects. In the event that the Group does not comply with such provisions and rules, the Group may be subject to penalties and fines, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, it is also worth noting that the Directors have a fiduciary duty to the Group and its Shareholders to act in the best interests thereto. Such fiduciary duties require the Directors to exercise reasonable care and act in the best interest of the Group, rather than their own interest or the interests of other stakeholders, including in events where a Director may be in a position where they have conflicting interests by virtue of a Related Party transaction or engagement in a competing activity (for more information, see Sections 5.7 "**Direct and Indirect Interests of the Directors and Executive Management**" and 12.5 "**Material Agreements with Related Parties**" of this Prospectus). In the event that Directors fail to observe their fiduciary duties, they may be liable to the Group in connection with their respective acts and/or omissions, and may be subject to claims in connection with the same. This, however, will generally result in the resignation or dismissal of the relevant Director, thereby vacating a seat on the Board, which may limit the Board's capabilities in deliberating matters and resolving decisions efficiently, or at all, and divert the Group's resources in identifying a suitable candidate and appointing the same. This as a result would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.53 Risks related to lack of experience in managing a joint stock group listed on Tadawul

Since its incorporation, the Company operated as a limited liability company until it was converted into a closed joint stock company on 10/01/1444H (corresponding to 08/08/2022G). Most of the Group's Senior Executives have limited or no experience managing joint stock companies listed on Tadawul in the Kingdom and complying with the laws and regulations pertaining to such companies, including the Companies Law and the implementing regulations issued pursuant to the Companies Law relating to listed joint stock companies. In particular, the internal or external training that Senior Executives will receive in managing a publicly listed company on Tadawul, coupled with the obligations imposed on public companies, including regulatory oversight and reporting obligations, will require substantial attention from Senior Executives, which may divert their attention away from the day-to-day management of the Group. If the Company does not comply with the regulations and disclosure requirements imposed on listed companies in a timely manner, it will be exposed to regulatory sanctions and fines. The imposition of fines on the Company will materially and adversely affect the Group's business, results of operations, financial position and prospects.

2.1.54 Risks related to the newly formed internal audit department

Prior to its conversion into a closed joint stock company in 2022G, the Company did not have a separate and independent internal audit function. Following the Company's conversion into a closed joint stock company and in light of the planned initial public offering of its Shares, the Company resolved to establish an internal audit department and appoint an internal audit department manager to carry out these services in house. The Company appointed an internal audit department manager and formed the internal audit department in 2023G. Due to the short operating history of the Company's newly established internal audit department, the Company may face risks resulting therefrom, including the adverse effect on its ability to perform the tasks entrusted thereto, which include monitoring all financial, accounting and other operations, and ensuring their compliance with the various policies, procedures, laws and regulations. This in turn will affect the administrative and financial performance of the Company, which would have a material adverse effect on its business, results of operations, financial position and prospects.

2.2 Risks Related to the Market, Industry and Regulatory Environment

2.2.1 Risks related to the regulatory environment and changes thereto

The Group is currently subject to a range of applicable laws and regulations in the Kingdom, UAE and Egypt. Such laws and regulations include the laws and regulations of SAMA in connection with Tameeni Company, the regulations of the Communications, Space and Technology Commission ("**CST**"), the Cooperative Insurance Companies Control, the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Rules Governing Insurance Aggregation Activities, the Insurance Intermediaries Regulations, the Online Insurance Activities Regulation, the Insurance Market Code of Conduct Regulation, the Competition Law, the Value Added Tax Law (the "**VAT Law**"), the Companies Law, the Labor Law and other laws and regulations. The Group's business depends on its ability to comply with the requirements of these laws and regulations imposed by the regulatory authorities. If the Group is unable to comply with the regulatory requirements for any reason, including in the event that they lack clarity or are contradictory, this would affect the continuity of the Group's business. Furthermore, the regulatory environment may be subject to several changes in the near or distant future which the Group is not able to anticipate, including changes in licensing requirements, new and stricter requirements for insurance technology providers and electronic payments in particular, stricter Saudization or data localization requirements, additional data protection and cybersecurity controls, introduction of commission caps or ranges for insurance products, stricter technology regulations and controls, changes in tax systems, adoption of stricter antitrust, pricing and corporate governance regulations and other regulatory changes. It should be noted that the Group communicated with SAMA in relation to the Offering, given that Tameeni Company is licensed by SAMA. SAMA instructed the Group to comply with a number of instructions, including provisions of regulations and instructions issued by SAMA. It is also worth noting that a new entity has been established under the name of Insurance Authority, which is expected to exercise all the powers and responsibilities of the insurance sector that were previously exercised prior to the decision to establish the Insurance Authority by the Saudi Central Bank (SAMA) and the Council of Health Insurance (CHI), according to a transitional plan. It is also anticipated that a new insurance system will be issued. Until then, the laws, regulations, rules and directives issued by SAMA and CHI related to regulating the insurance sector will remain in force. The impact of the establishment of the Insurance Authority or its exercise of the powers and responsibilities related to the insurance sector is not known as of the date of this Prospectus. The imposition of any regulatory changes (including the establishment of the Insurance Authority and the issuance of a new insurance law) may impose new obligations on the Company or affect the working mechanisms of insurance companies, which may affect the Company's business. The Group's failure to comply with all the requirements and provisions of the laws and regulations to which it is subject may cause the Group to incur fines or penalties, including, but not limited to, the suspension or revocation of licenses essential for its business, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group may also have to revise its commission rates, change its business practices and/or adopt additional internal controls to comply with such regulations which would add additional pressure on the Group's expenditures and profits (for more information on the regulatory restrictions that could affect the Group's pricing strategy, please see Section 2.1.17 "**Risks related to pricing methods for the Group's services**" of this Prospectus), which would materially and adversely affect its business, results of operations, financial position and prospects.

In addition, the introduction of restrictive regulations relating to the activities undertaken by the Group may also impact the Group's operations and its ability to continue to operate its business segments and offer its platforms and products. Such restrictive regulations may impose additional requirements for the Group and/or prohibit such activities in light of potential anti-competitive behavior and added value to the market and customers. For example, the relevant regulators may impose restrictions on the commissions and fees that the Group may charge for its platforms and products, such as commission caps or ranges. Imposing any additional restrictive regulations may therefore limit the Group's activities and/or require the Group to incur additional costs to ensure compliance with the applicable regulations, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.2 Risks related to consumer behavior and spending

Consumer demands and willingness to spend vary on an ongoing basis, and consumer acceptance of a product is affected by a number of factors, notably in connection with products offered to individual customers via Tameeni Motor and the online auction segment. Such factors include global, regional and local economic conditions, disposable income, price, functionality, technology and appearance, among other factors. In an unfavorable economic environment with a decrease in disposable income (for further details, please refer to Section 2.2.4 "**Risks related to general economic conditions**" of this Prospectus), the Group's customers may reduce the frequency with which they purchase premium products with wider coverage and higher price points and may opt for less expensive options, which would affect the Group's revenues and commissions and/or fees it collects from its platforms and products. Furthermore, failure to adapt to changes in consumer behavior and spending habits could affect the Group's ability to create attractive concepts for its customers, which in turn would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.3 Risks related to compliance with data protection and cybersecurity requirements

The Group's operations involve collection and processing of personal and other data of its existing and potential users, including customers and partners, as well as employees and other individuals, and as a result must comply with local laws and regulations, including data protection, data localization and cybersecurity requirements in the Kingdom, the UAE and Egypt and other countries where the Group may operate in the future. Such laws include the General Principles for Personal Data Protection in Telecommunications, under which the Group may not process such data outside the Kingdom without the written approval of the CST and the Personal Data Protection Law promulgated by Royal Decree number M/19, dated 09/02/1443H (corresponding to 16/09/2021G), as amended, which entered into effect on 29/02/1445H (corresponding to 14/09/2023G), noting that the Law grants establishments until 10/03/1446H (corresponding to 13/09/2024G) to rectify their positions and comply with its provisions. The Personal Data Protection Law applies to any processing of personal data of a citizen and resident in the Kingdom by all means. It also includes a number of requirements for the protection of the rights of data subjects to be applied by the Group, which includes adhering to general data protection principles, notifying regulators and stakeholders in the event of any information breach and ensuring adequate data protection procedures are in place. The Group has adopted a number of relevant internal policies, including the Information Classification and Handling Policy and Product Data Privacy Policy for the purpose of complying with the relevant requirements. The Group's success in properly protecting personal data depends on the extent of its awareness and understanding of the Personal Data Protection Law and the proper implementation of relevant policies by the Company, and continuous compliance by the Group and relevant teams with personal data protection processes. The Group's operations are also subject to a number of regulations and directives issued by the National Cybersecurity Authority, which include, for example, the Essential Cybersecurity Controls, in addition to the Cyber Security Framework and the Business Continuity Management Framework issued by SAMA in its capacity as a service provider within the financial services sector. The regulations and directives of the National Cybersecurity Authority and SAMA impose requirements related to the governance, management, risk management, compliance, operations, technology and information security of external parties, which generally require taking the required actions to comply with the relevant requirements, including establishing a specialized information security department and adopting internal policies that comply with and meet the requirements imposed by the National Cybersecurity Authority and SAMA. However, the Group still needs to develop its procedures regarding ways to communicate with regulatory authorities for the purpose of meeting all the relevant requirements. SAMA provided the Group with observations regarding the requirements of IT systems with respect to adherence to certain policies and procedural steps, which the Group fulfilled. Failure to comply with any of the applicable laws, regulations and directives, including the Personal Data Protection Law and the regulations and directives issued by the National Cybersecurity Authority and SAMA, may lead to the imposition of regulatory penalties on the Group, including notices and fines, as well as individual complaints and requests for reimbursement. The Group relies on a number of third parties for a number of its operations such as data verification service providers, technical services and payment gateways. While the Group does not directly share personal data with such parties, such processes may include the processing of personal data and other data entered and provided by users of the Group's platforms when using its platforms. Accordingly, any failure to comply or breach of regulatory requirements by third parties regarding data protection and cybersecurity within the scope of the Group's operations, including confidentiality and protection measures, may result in fines and penalties for the Group as the primary service provider. It should be noted that fines may be imposed in amounts of up to five million Saudi Riyals (SAR 5,000,000) for non-compliance with the Personal Data Protection Law, and may be multiplied in case of repetition. Should the Group be unable to assess the extent of the impact of the application of any of the laws, regulations, directives and amendments thereto on its operations and they have a significant impact on the Group, in the sense that it may require the Group to make changes to its operations to comply with the statutory requirements or incur additional costs for the purpose of completing the procedures required to ensure its compliance with the law, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Globally, new and evolving regulations regarding data protection, cybersecurity and other standards governing the collection, processing, storage, transfer, export, disclosure and use of personal data impose additional burdens for the Group due to increasing compliance standards that could restrict the use of the Group's services under its online platforms and products. Future laws, regulations, standards and other obligations, as well as changes in the interpretation of existing laws, regulations, standards and other obligations may require the Group to incur additional costs and restrict its business operations. If the Group is unable to comply with the applicable data privacy laws and regulations and cyber security controls and standards, the Group's ability to successfully operate its business and pursue its business goals could be damaged. Further, the Group's failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement action against the Group, including fines, penalties, claims for damages by customers and other affected parties and damage the Group's reputation, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects. The costs of compliance and other burdens and restrictions imposed by laws, regulations and standards may limit the use and adoption of the Group's services under its online platforms and products, or lead to substantial fines, penalties or liabilities for any noncompliance. Thus, each of the above factors will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.4 Risks related to general economic conditions

The Group's operations are primarily located in the Kingdom, with its cost centers in the UAE and Egypt, and, therefore, its performance, results of operations and growth prospects would be affected by the general economic condition in the Kingdom as well as economic conditions regionally and globally which in turn affect the Kingdom's economy. Furthermore, negative developments in international relations, or the economic and political conditions arising in other countries, whether hosting the Group's operations or otherwise, may negatively affect the Kingdom's economy, foreign direct investment therein or financial markets in the Kingdom in general. As a result, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The Kingdom's economy is highly dependent on revenues from oil, which play a significant role in the Kingdom's economic plan and gross domestic product. Any decrease in oil prices will result in an economic slowdown and/or slowdown in the government's spending plans, which would affect all segments of the Kingdom's economy and would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.5 Risks related to competition

The Group operates in a competitive environment in the Kingdom and faces strong competition with other FinTech and insurance technology companies, insurance aggregators, insurance brokers and conventional insurance companies, which provide their services to customers without intermediaries. The competitive factors include price, reputation, excellence of services, technical excellence, customer satisfaction and product offering. In recent years, the competitive landscape in the Kingdom and the wider region have seen advancements in the technology industries including FinTech. As a result, the level of competition over customers by technology service providers is expected to continue to grow in line with the changing competitive landscape. The Group may not be able to offer services similar to, or more desirable than, those of its competitors or at prices comparable to those of its competitors. This competition could lead the Group to take steps to ensure retaining its customers within its business segments, such as decreasing the commissions it charges for products provided on its platforms or fees for its products and platforms, and thereby reducing profitability. This will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Moreover, the competitive landscape could also see new entrants who follow the Group's business model, use data and information relating to its platforms and products, along with other information available in the market, to design and operate similar platforms and products with additional features to provide for an additional competitive edge. The landscape may also see additional insurance companies provide their services to customers without intermediaries by marketing their services directly to customers, through conventional and/or advanced means, and attractive prices, in light of their respective economies of scale and customer base. Such additional competition would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group could face additional competition in the future from global FinTech companies with developed capabilities or expertise which provide, or intend to provide, services competing with those provided by the Group in the Kingdom. It is possible that potential mergers of the Group's competitors will take place, thereby allowing such competitors to forge alliances in pursuit of a larger share and control of the market. Moreover, such alliances within the FinTech industry or similar potential moves by the Group's competitors could improve their competitive position in the market and thereby weaken the Group's position. Such risks, if materialized, will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.6 Risks related to political instability and security concerns in the countries in which the Group operates

The Group's operations are located in the Kingdom, with its two cost centers located in the UAE and Egypt. Such areas are subject to a number of geopolitical and security risks. Any geopolitical events or any future developments in the geopolitical situation may contribute to instability to such areas and their surrounding regions (that may or may not directly involve the countries in which the Group operates), which makes the Group's investments and operations therein characterized by a significant degree of uncertainty. Thus, any unexpected changes in the political, social or other conditions in such countries, or any terrorist attacks or acts of sabotage in the future targeting any of the countries in which the Group operates or any other countries that the Group may wish to expand to, may have a material adverse effect on the markets in which the Group operates, its ability to retain and attract customers and investments that the Group has made or may make in the future, which, in turn, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.7 Risks related to the outbreak of infectious diseases

An outbreak of a contagious disease in the Kingdom or elsewhere, or any other serious public health concern may have a material adverse effect on economies, financial markets and commercial activities around the world, including the Group's business. For example, the COVID-19 global pandemic caused by the SARS-CoV-2 novel strain of coronavirus, as declared by the World Health Organization, lead to certain preventative or protective actions that governments, businesses and individuals have taken which have resulted in global business disruptions. The COVID-19 pandemic has adversely affected global economies, financial markets, global demand for oil and oil prices, and the overall environment in which the Group operates due to strict precautionary measures and limits on travel and public transport, requirements for people to remain at home and practice social distancing and prolonged closures of workplaces and economic activities, which have severely disrupted the Kingdom's economy and economies of countries in which the Group operates. Furthermore, any re-introduction of preventative measures or introduction of additional measures, due to infectious diseases, whether COVID-19 or otherwise, may result in a prolonged or further decline in oil prices, or a prolonged adverse effect on the Kingdom's economy or economies of countries in which the Group operates, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.8 Risks related to seasonality and fluctuations in sales

The sales and revenues of the Group are subject to seasonal variations in demand for the various services provided by the Group. In general, footfall and demand for the various services provided by the Group declines in the holy month of Ramadan and the official holiday seasons. The Group may not be able to anticipate the extent of future seasonal changes in footfall and the volume of demand for its services. Accordingly, any unanticipated seasonal changes would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.9 Risks related to non-compliance with Saudization requirements

Compliance with the Saudization requirements is required by law in the Kingdom, whereby all companies operating in the Kingdom, including the Company and its Saudi subsidiaries, Awal Mozawadah for Information Technology and Tameeni Company and Treza Company are obligated to employ and maintain a certain percentage of Saudi employees among their employees. Such percentage varies based on the activity of each entity as set out under the "Nitaqat" program. The Company and each of its Material Subsidiaries in the Kingdom are currently compliant with the Saudization requirements as of the date of this Prospectus and the Company and Tameeni Company are classified under the Higher Green and Platinum categories, respectively, according to the "Nitaqat" program (for further information on the Group's Saudization percentage, please refer to Section 4.12 "**Employees**" of this Prospectus). However, the Group may not be able to continue to comply with the Saudization and "Nitaqat" program requirements. In such case, the Group will face penalties by governmental authorities, such as suspension of work visa requests, suspension of requests for transfer of sponsorship for non-Saudi employees and exclusion from governmental tenders and governmental loans. The Group may not be able to recruit Saudi employees under favorable conditions or at all, or maintain its current Saudi employees, which in turn would affect its ability to meet the required Saudization percentage. There may be a significant increase in costs of salaries in the event that the Group hires a larger number of Saudi employees. The occurrence of any of the above would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.10 Risks related to foreign exchange rates

The Group is exposed to foreign exchange risks since it engages in operational transactions that are not denominated in Saudi Riyals, including in connection with its operations outside the Kingdom and specifically in the UAE and Egypt relating to its subsidiaries, Rasan Software House LLC – UAE and Rasan LLC – Egypt, and cost centers therein. The Group's expenditures and transactions not denominated in Saudi Riyals amounted to SAR 11.0 million, SAR 10.1 million, SAR 16.5 million and SAR 16.0 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 51.0%, 37.0%, 27.0% and 23.0% of the Group's expenditures for the same periods, respectively. In addition, part of the Group's transactions in connection with its operations in Egypt are denominated using a volatile currency, namely, the Egyptian Pound. Any restrictions over the conversion or timing of conversion of the Egyptian Pound may expose the Group to adverse fluctuations in exchange rates. The effect of exchange rate fluctuations may be unfavorable to the Group's future operating results and would resultantly have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, the Saudi Riyal is pegged at a fixed rate to the US Dollar as part of the Kingdom's monetary policy, as of the date of this Prospectus. The Kingdom may, in the future, remove or adjust the peg, causing the value of the Group's assets and liabilities denominated in US Dollars to fluctuate. Any measures adopted by the Group to hedge against foreign exchange fluctuations may not be sufficient to manage all its risks, and fluctuations in foreign exchange rates and interest rates will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.11 Risks related to fluctuation in interest rates

The Group may, in the future, resolve to enter into financing agreements at variable rates of interest to fund its operational costs, invest in new technology, finance its expansion and growth, and manage cash flows. Accordingly, unhedged increases in the reference interest rates underlying its facilities would increase its finance charges and reduce its cash flows. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, international and domestic economic and political conditions, and other factors beyond the Group's control. In response to the current inflationary environment, central banks in certain jurisdictions have increased interest rates, such as, for example, SAMA's concurrent decisions to increase interest rates during the financial year ended 31 December 2022G. Central banks, including SAMA, may continue revising interest rates in the coming periods in light of the economic environment, further impacting the cost of financing. The Group may elect to hedge interest rate exposure from time to time, but such hedging may be costly and may not fully insulate it against increases in interest rates. Therefore, an increase in interest rates and related financing costs may lead to reductions in the Group's profitability and cash flow, which will have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.2.12 Risks related to labor costs

The Kingdom has implemented a number of reforms aimed at increasing Saudi employee participation in the labor market, including imposing fees on non-Saudi employees employed at Saudi institutions as well as fees on residency permits of family members of non-Saudi employees. The non-Saudi employees' fee became effective on 14/04/1439H (corresponding to 01/01/2018G) while the residency permit fees became effective on 07/10/1438H (corresponding to 01/07/2017G), such fees increased gradually up to SAR 9,600 annually per employee in 2020G. As of 30 September 2023G, non-Saudi employees constituted 23.6% of the Group's total employees in the Kingdom. Implementation of such fees and increases led to an increase in the governmental fees paid by the Group for its non-Saudi employees, which amounted to SAR 71.4 thousand, SAR 334.7 thousand, SAR 640.8 thousand and SAR 558.9 thousand in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. In addition, an increase in fees payable by non-Saudi employees for their family members resulted in higher living costs, which may affect the attractiveness of the Kingdom for such employees who may look to relocate to other countries with lower living costs. Consequently, high government fees and difficulty in maintaining non-Saudi employees would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The MHRSD has officially announced the launch of the "**Improving Contractual Relationships**" initiative, which encompasses a number of policies and controls, including the replacement of the Kafala (sponsorship) system with an employment contract system between the employer and expat worker, which became effective on 01/08/1442H (corresponding to 14/03/2021G). Under this initiative, the Kingdom strives to improve and promote the efficiency of the work environment, enhance the flexibility, effectiveness and competitiveness of the labor market and raise its attractiveness in line with international best practices, as well as activate contractual reference in the employment relationship between employers and employees based on a documented employment contract between them through the contract documentation program. The job mobility service also allows the expat worker to switch to another job upon the expiration of his/her employment contract without the employer's consent. Furthermore, the initiative also defines the mechanisms of mobility during the term of the contract, provided that the notice period and applicable controls are adhered to. The exit and return service allows expat workers to travel outside the Kingdom upon submitting an application, while notifying their employers electronically. The final exit service enables expat workers to leave immediately upon the expiration of the contract, while notifying their employers electronically, without the employer's consent. There is also the option to leave the Kingdom where the worker bears all the consequences of the termination of the contract. All these services are already available through the "**Absher**" and MHRSD's "**Qiwa**" platforms. As a result, the Group may be adversely affected in the event that a large number of non-Saudi employees decide to switch to other companies, in which case the Group would not be able to prevent them except to the extent permitted under their employment contracts. Hence, the Group may face difficulties in contracting with new employees to replace them. Should the Group lose a large number of its non-Saudi employees due to such employees switching to other companies and be unable to hire new employees to replace them, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.13 Risks related to access to the internet and growth of internet markets

The emergence of the internet and its continued growth has created a new market for companies providing services within the IT industry, including the FinTech industry, such as the Group, by enabling them to reach a greater target audience of customers. However, the successful operation of the Group's business segments depends heavily on its ability to access and leverage the internet marketplace to reach and provide services to its targeted customers, whether individuals, corporates or SMEs. Access to the internet, whether in the Kingdom or elsewhere, relies on the availability of broadband infrastructure and quality of internet connections. An inadequate broadband, limited coverage or interruptions, whether resulting from the Group's failure, third-party providers or natural disasters, may cause disruptions in the Group's ability to provide its products and services and restrict customers' access to the Group's platforms and products. As a result, this may negatively impact customer satisfaction and the Group's reputation, whether such interruptions are attributable to the Group or otherwise. The occurrence of any of the above-mentioned risk factors may result in loss of customer confidence, decrease in demand for the Group's platforms and products and potential loss in revenues which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the internet markets provide for and facilitate increased competition, whether by new competitors leveraging the breadth of the internet or conventional competitors leveraging the volume and level of information available with respect to their competitors, including the Group, in addition to risks relating to additional regulation for cybersecurity and data processing (for further details, please refer to Sections 2.1.22 "**Risks related to data protection and cyberattacks**" and Section 2.2.1 "**Risks related to the regulatory environment and changes thereto**" of this Prospectus). The inability to assess competition, compete effectively and efficiently utilize the internet as a resource will result in the loss of demand for the Group's services by its customers, which will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.14 Risks related to the application of VAT and electronic billing

The Kingdom issued the VAT Law which came into effect on 14/04/1439H (corresponding to 01/01/2018G) and which imposes a value added tax ("**VAT**") of 5% on a number of products and services, including the Group's service. On 17/09/1441H (corresponding to 10/05/2020G), and as a response to the economic impact of the COVID-19 pandemic, the Kingdom announced the increase of VAT to 15%, which became effective on 10/11/1441H (corresponding to 01/07/2020G). VAT, by its nature, is borne by the end consumer, which has led to an increase in the price of certain of the Group's products. Such increase, or any future increase in Zakat and tax requirements applicable to the Group, may affect customer spending, which could lead to a decrease in demand for the products and platforms offered under the Group's business segments and adversely affect its profitability. The implementation of VAT is relatively new, and the Group may make errors while implementing the regulatory requirements, which may result in penalties imposed by ZATCA in accordance with the VAT Law, which, in turn, would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The VAT Law applies to businesses operating and residing in the Kingdom and with a value of taxable supplies amounting to SAR 375,000 made in a twelve (12)-month period or who anticipate that annual value of products and/or supplies shall exceed SAR 375,000. Such business shall register with ZATCA, which considers all insurance premiums for insurance policies provided in the Kingdom to be subject to 15% VAT. Institutions subject to the VAT Law are also required to issue VAT invoices when supplying taxable products and services including zero-rated taxed items to any person subject to VAT, any legal person subject to VAT or a simplified VAT invoice to the final consumer. Each entity subject to VAT shall, on a monthly or quarterly basis, file VAT declarations to ZATCA and pay its dues within the last day of the month following the end of the taxed term at maximum. In addition, all entities subject to VAT shall hold documents in relation to taxed items generally for six (6) years and fifteen (15) years in terms of capital assets. Such documents include (a) received and issued VAT invoices; (b) accounting documents and books; (c) agreements in relation to large sale and purchase transactions; (d) financial statements; (e) import, export and shipping documents; and (f) any other documents in relation to calculating VAT.

It is also worth noting that the E-Invoicing Bylaws were approved by ZATCA on 19/02/1442H (corresponding to 12/04/2020G). Phase One of the E-Invoicing Bylaws became effective from the date of its approval and requires establishments subject to its regulations to issue electronic invoices and notices in accordance with regulatory requirements. It is to be noted that Phase Two entered into force on 08/06/1444H (corresponding to 01/01/2023G) and includes additional provisions related to the necessity of linking the systems of taxable entities with ZATCA's systems. In addition, given the relatively recent application of the VAT Law and the announced increase in the VAT rate and the e-invoicing regulations, it is possible that the Group could make mistakes in applying the provisions of the above-mentioned provisions or any other VAT or e-invoicing related provisions mentioned in the relevant laws. This may lead to penalties imposed by ZATCA in accordance with the VAT Law, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The Group is also subject to the application of multiple tax laws and multinational tax conventions, including the relevant laws and regulations in the UAE and Egypt where it has subsidiaries operating as cost centers. Any adverse change to the rules and tax laws applicable to the Group and examinations by the relevant tax authorities, or any increase in the rates of taxes, such as income taxes, excise taxes, withholding taxes, indirect taxes and VATs may adversely affect the Group's profitability, which, in turn, would have an adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.15 Risks related to Zakat and income tax calculation mechanism change

ZATCA has issued its circular number 6768/16/1438 dated 05/04/1438H (corresponding to 04/12/2016G) which requires Saudi companies listed in Tadawul to calculate income and Zakat on the basis of the nationality of the Shareholders and the actual ownership between the Saudi and GCC citizens and others as stated in the "Tadawulaty" system at the end of the year. Prior to this circular, companies listed in Tadawul were generally subject to the payment of Zakat or tax on the basis of the ownership of their founders in accordance with its bylaws. The fact that shares were listed was not a consideration in determining the Zakat base. This circular was to be applied to the year ended 31/12/2016G and subsequent years. However, ZATCA has issued letter number 12097/16/1438 dated 19/04/1438H (corresponding to 17/01/2017G) postponing the implementation of the circular for the financial year ended 31 December 2017G and subsequent years.

Under the Income Tax Law issued pursuant to Royal Decree number M/1 dated 15/01/1425H (corresponding to 07/03/2004G) as amended, income tax shall apply to (a) a resident capital company with respect to shares owned either directly or indirectly by non-Saudi or non-GCC persons and persons operating in oil and hydrocarbon production, except for the following (in which case the underlying resident company would be subject to Zakat, (ii) shares owned in a resident capital company listed in the Saudi Exchange acquired for the purpose of speculation through trading in the Exchange; and (iii) shares owned either directly or indirectly by persons working in the field of oil and hydrocarbons production in a resident capital company listed in the Saudi Exchange, and the shares owned either directly or indirectly by these companies in capital companies); (b) a resident non-Saudi natural person who carries out activities in the Kingdom; (c) a non-resident person who carries out activities in the Kingdom through a permanent enterprise; (d) a non-resident person who has other income subject to tax from sources within the Kingdom without having a permanent enterprise; (e) a person engaged in natural gas investment fields; and (f) a person engaged in oil and other hydrocarbon production.

Changes by ZATCA of calculation mechanisms for both Zakat and income tax cannot be anticipated by the Group. In case any future changes apply to the Group which incurs the Group additional costs, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.16 Risks related to floods, earthquakes and other natural disasters or disruptive acts

The occurrence of natural disasters or disruptive acts that are beyond the Group's control may adversely affect the Group's facilities, employees or assets. Any damages to the Group's facilities, assets or equipment, including its data storage centers, as a result of floods, earthquakes, storms or other natural disasters, or as a result of disruptive acts such as terrorist attacks, would result in loss of data, failure of systems and/or physical damage to vital hardware and the Group's structures, resulting in suspension of the Group's operations, an increase in costs and a decrease in revenues. The occurrence of any such circumstances would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks related to effective control post-offering by the current Shareholders

Following the completion of the Offering, the Substantial Shareholders will collectively own approximately 47.26% of the Company's capital. As a result, the Substantial Shareholders will be able to Control matters requiring Shareholders' approval and will be able to significantly influence the Group's business, including matters such as the election of Directors, material corporate transactions, dividend distributions and capital adjustments. If circumstances were to arise where the interests of the Substantial Shareholders conflicted with the interests of minority Shareholders (including the Subscribers), the minority Shareholders may be disadvantaged and the Substantial Shareholders may otherwise exercise their Control over the Group. This, in turn, would have a material adverse effect on the Subscribers' anticipated returns and/or result in the loss of all or a portion of their investment in the Group.

2.3.2 Risks related to the lack of an active and liquid market for the Shares

There has been no public market for the Company's Shares. Therefore, there is currently no market for the Company's Shares, and there may not be an active and sustainable market for the Company's Shares following the Offering. The market may not continue if it were to exist. The absence or discontinuation of an active market with high liquidity may have a material adverse impact on the trading price of the Company's Shares or lead to Subscribers' partial or complete loss of investment in the Company, which will affect the expected returns of the Subscribers.

2.3.3 Risks related to fluctuations in the market price of the Shares

The Offer Price may not be indicative of the price at which the Shares will be traded following completion of the Offering, and the Subscribers may not be able to resell the Offer Shares at the Offer Price or above, or at all. The resale of Offer Shares by Subscribers will also be subject to fluctuation limits imposed by Tadawul which could limit the ability to sell or purchase the Shares below or beyond such limits and therefore limit the overall tradability of the Shares and the amount of return that can be obtained. The trading price of the Shares may also be volatile and may fluctuate significantly in response to a variety of factors, many of which are beyond the Group's control, including:

- Adverse fluctuations in the Group's operational performance and improvement of its competitors' performance.
- Actual or anticipated fluctuations in the Group's quarterly or annual results of operations.
- Downgrades or changes in research coverage by securities research analysts with respect to the Group, its competitors or the industry in which the Group operates.
- The public's reaction to the Group's press releases and other public announcements.
- Failure of the Group or its competitors to meet analysts' projections.
- Additions or departures of key personnel.
- Changes in the Group's business strategy.
- Changes in the regulatory environment.
- Changes in the applicable accounting rules and policies.
- Political or military developments or terrorist attacks in the Middle East or elsewhere.
- Political, economic or other developments in or affecting the Kingdom, or political or military developments or terrorist attacks in the Middle East or elsewhere.
- Release or expiration of the Lock-up Period or other transfer restrictions on the Shares.
- Natural and other disasters.
- Changes in the general market and economic conditions.

Any of these factors may result in large and sudden changes in the trading volume and market price of the Shares, which, in turn, may lead to a material adverse effect on the Subscribers' anticipated returns and/or result in the loss of all or portion of their investment in the Group.

2.3.4 Risks related to the Group's ability to distribute dividends

The Group may not be able to pay dividends or the Board may not recommend and the Shareholders may not approve the payment of dividends for any reason. Future distribution of dividends will depend on several factors, including, among other things, the Group's future earnings, financial position, cash flow, working capital requirements, capital expenditure and distributable reserves (for further details on the Group's dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

In addition, the Group may be subject to the terms of its future financing agreements, which may include restrictions on making any dividend payments. The Group may incur expenses or liabilities that would reduce or eliminate the cash available for the distribution of dividends. If the Group does not pay dividends on the Shares, Shareholders will not receive any return on investment in the Shares unless they sell the Shares at a price higher than the Offer Price. There is no assurance that the Group will be able to distribute dividends to the Shareholders, or that dividend distribution will be recommended by the Board or approved by the Shareholders, which may have a material adverse effect on the Investors' anticipated returns on investment in the Offer Shares.

2.3.5 Risks related to selling a large number of Shares in the market post-Offering

Sale of a large number of Shares on the market after the completion of the Offering, or the perception that such sale will occur, may adversely affect the market price of the Shares. The Substantial Shareholders will be subject to the Lock-up Period of six (6) months following the Listing of the Company's Shares during which they may not dispose of any Shares they own. The sale of a substantial number of Shares by the Substantial Shareholders following the expiration of the Lock-up Period, or the perception that such sale may occur, would have a material adverse effect on the market for the Shares and may result in a lower market price.

Furthermore, if and when the Group decides to raise additional capital by issuing new Shares, the newly issued Shares may adversely affect the price of the Shares in the market and dilute the Shareholders' ownership percentage in the Group if they do not subscribe to new Shares at that time. The occurrence of any of the foregoing factors would have a material adverse effect on the Subscribers' anticipated returns or may result in the loss of all or a portion of their investment in the Group.

2.3.6 Risks related to the use of the Offering proceeds

The Group will use the Offering Proceeds, obtained from the sale of the newly issued Shares to expand the Group's existing operations and products, market and develop the Group's new products, and finance the general purposes of the Group (for more information, see Section 8 "**Use of Offering Proceeds**" of this Prospectus). The Group, via the general assembly, will have discretion in using the Offering Proceeds, and the Subscribers may see the Group's use of the Offering Proceeds as inappropriate. The Offering Proceeds may be invested to achieve long-term benefits for the Group, which may not result in increasing the Group's results of operations or market value, and the Group's objectives may not be achieved. In addition, if the Group decides to invest the Offering Proceeds in certain investments, such investments may not generate significant income or may lose their value. The occurrence of any of the above factors would have an adverse effect on investors' anticipated returns or may result in the loss of all or a portion of their investment in the Company.

2.3.7 Risks related to research published about the Group

The trading price and volume of the Shares will depend in part on the research that securities or industry analysts publish about the Group and its business. If analysts do not consistently establish adequate research coverage or if one or more of the analysts covering the Group downgrades their recommendations on the Shares or publishes inaccurate or unfavorable research about its business, the market price for the Shares may decline. In addition, if one or more of such analysts who publish research cease to cover the Group at all or fail to publish reports on it regularly, it could lose its position and visibility in the financial markets, which, in turn, would cause the market price for the Shares to decline significantly.

2.3.8 Risks related to non-Qualified Foreign Investors not being able to directly hold Shares

Under applicable laws and regulations, non-Qualified Foreign Investors wishing to participate in the Offering must enter into swap arrangements with Capital Market Institutions, pursuant to which they acquire an economic benefit in the Offer Shares. Non-Qualified Foreign Investors are able to trade these interests through Capital Market Institutions who will hold the legal title to the Shares. Accordingly, non-Qualified Foreign Investors will not hold the legal title to the Shares nor will they be able to vote for the Shares in which they hold an economic benefit.

2.3.9 Risks Related to investment in emerging markets

An investment in the Offer Shares involves risks related to investing in securities in emerging markets, such as the Kingdom, which generally involves a higher degree of risk than investments in securities of issuers in more developed countries. Generally, investments in emerging markets are only suitable for experienced investors who fully appreciate and are familiar with the significance of the risks involved in investing in emerging markets. Saudi Arabia's economy is susceptible to future adverse effects similar to those suffered by other emerging market countries. The Kingdom could be adversely affected by negative economic or financial developments in other emerging market countries. The occurrence of any of the foregoing factors may have an adverse effect on the Investors' anticipated returns or may result in the loss of all or a portion of their investment in the Company.

rasan

3. Market and Industry Data

3.1 Introduction

The information in this Market Study section is based on an independent market study report developed by PricewaterhouseCoopers Public Accountants (a PwC Network member firm, hereinafter referred to as "PwC") in November 2023. Rasan Information Technology (the "Company") has contracted PwC to develop a market study report covering the insurance sector in the Kingdom of Saudi Arabia ("Saudi Arabia" or "KSA") and UAE in addition to certain adjacent sectors related to repossessed, salvaged, and rental vehicles in KSA. PwC is an independent company that provides consulting services in multiple sectors with operations in KSA. The market study report has been prepared exclusively for the company. For more information about PwC, visit the website (www.pwc.com).

It shall be noted that neither PwC nor any of its affiliates or sister companies, partners, shareholders, members of its board of directors, directors, or their relatives, own any kind of share or interest in the company or its affiliate companies. The market study consultant has given its written approval on the use of its name, logo, market information, and data provided to the company as shown in this Prospectus, and such approval has not been withdrawn to the date of this Prospectus.

The members of the board of directors believe that the information and data shown in this Prospectus and received from other sources, including those provided by the market study consultants, are credible data and information. However, neither the Company nor the members of the board of directors or its directors or other consultants have checked or verified the accuracy or completion of the information shown in this section, and none of them shall assume any responsibility as to such information. As well, such information shall not constitute the sole basis for taking or refraining to take any investment-related decisions.

Conclusions shown in this section are the results of the exercise of the best professional judgment at PwC, based in part upon materials and information provided to them by third party research agencies, government agencies, and others. Prospective investors should be aware that the statistics, data, lists and other information related to markets, market size, market shares, market position and other sectoral data included in this Prospectus (and expectations, assumptions and estimates based on this information) may not be accurate indicators of the company's future performance in the sector in which it operates. The projections and expectations contained in this section do not guarantee the future performance of the company.

3.2 Approach and Methodology

PwC has prepared the market study covering Saudi Arabia and UAE markets exercising the best professional judgment and believes the data contained in the market study section through various sources are reasonably reliable. However, PwC has not verified the accuracy and completeness of the data and information contained in this section and is not responsible for any potential errors or omissions. The research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. Such information shall not constitute the sole basis for taking or refraining to take any investment-related decisions. PwC shall not be liable for any loss suffered by any person on account of reliance on the information contained in this section.

3.2.1 Historical data and market sizing

All analysis outlined in this section is a product of comprehensive analysis conducted in January - November 2023 via: (1) expert interviews and sourcing data directly from market participants (2) publicly available sources such as government/regulatory entities websites, research reports and sector coverage reports. Some of the key sources for historical data include IMF, World Bank, General Authority for Statistics (GASTAT), Saudi Central Bank (SAMA), Saudi Ministry of Health, Council of Health Insurance and Fitch. Where historical data is not readily available, PwC has conducted primary research to provide estimates of the market size. The methodologies and assumptions used for market sizing may vary among different industry sources and they may have been re-classified for the purpose of presentation. The analysis is based on information available at the time of writing of the report and does not take into account any new information which becomes known after the date of the report.

3.2.2 Projections and forward-looking statements

The Market study section contains statements and projections on matters relating to future contingent events, regulations, market conditions that involve known and unknown risks, uncertainties and other factors that could cause those future events, actions, and circumstances to differ from the way projected in this section. These forward-looking statements are not facts but reflect expectations of the government, domestic and international trade bodies, industry experts, market participants and advisors regarding the future results or events, based on assumptions.

Investors are cautioned that several important factors could cause actual results or outcomes to differ materially from those expressed in the projections and commentary. These factors include, but are not limited to:

- The level of demand for insurance products
- Competitive environment
- Regulatory, legal, and fiscal developments, including the performance of Saudi Arabia's economy

3.3 KSA Macroeconomic Overview

3.3.1 Macroeconomic overview

The Kingdom of Saudi Arabia ("KSA") is the largest economy in the Gulf Cooperation Council ("GCC") with a nominal Gross Domestic Product ("GDP") of SAR 4.16 trillion as of 2022. The economy's real GDP (at 2010 constant prices) grew at a CAGR of approximately 1.2% from 2016 to 2019. However, KSA's economy contracted by 4.3% in 2020 relative to 2019 as a result of the Covid-19 pandemic, according to the annual national accounts published by GASTAT.

In 2021, KSA economy started recovering with a real GDP growth rate of 4.3% relative to 2020, according to the GASTAT. In addition to a rebound in oil prices, the growth was supported by non-oil sectors such as manufacturing, retail, e-commerce, and trade, which also resulted in higher employment, particularly among women.

KSA's real GDP grew by 8.7% in 2022 compared to 2021, according to GASTAT. The real GDP relating to oil sector activities in 2022, which contributed to 39.2% of the GDP, increased by 15.4% over 2021. Higher oil prices and stronger oil output are the main drivers behind the growth in 2022. The non-oil activities sector real GDP grew by 5.5% in 2022 compared to 2021.

As per initial estimates by GASTAT, KSA's real GDP declined by 4.5% year-on-year in Q3'2023 with oil activities experiencing a 17.3% decrease and non-oil activities growing by 3.6%. Growth in real GDP in 2023 over 2022 is projected at 0.03% by the Ministry of Finance in a preliminary budget statement for 2024 driven by a voluntary reduction in oil production and supported by 5.9% growth of GDP of non-oil activities. Real GDP has been forecast to grow at a CAGR of 4.6% between 2023 to 2027.

Table (3.1): Gross Domestic Product, KSA

	Units	2019	2020	2021	2022E	2023P	2024P	2025P	2026P	2027P	CAGR '19-22	CAGR '23-27
Nominal GDP	SAR billion	3,145	2,754	3,257	4,156	4,136	4,261	4,494	4,774	4,971	9.7%	4.7%
Nominal GDP per capita ('000)	SAR	104.6	87.3	105.8	129.2	126.1	127.2	131.8	137.2	140.0	7.3%	2.7%
Real GDP	SAR billion	2,752	2,632	2,746	2,985	2,986	3,117	3,295	3,463	3,577	2.7%	4.6%
Real GDP growth	%	0.8%	(4.3%)	4.3%	8.7%	0.03%	4.4%	5.7%	5.1%	3.3%	-	-

Note: E; Estimated; P-Projected

Source: Annual national accounts published by GASTAT, IMF, Budget statements issued by Saudi Ministry of Finance

3.3.2 Saudi Arabia Vision 2030 Program

In 2016, KSA embarked on a major economic and social transformation outlined in its plan called Saudi Vision 2030 with the goal of reducing the Kingdom's economic dependence on oil and diversify its economy. The vision is underpinned by economic, structural, and institutional reforms built around three primary themes: a vibrant society, a thriving economy, and an ambitious nation and is supported by 13 Vision Realization Programs.

Several initiatives under Vision 2030 seeks to increase the participation of Saudi nationals, as well as females' participation in the workforce, support growth of the SME sector, improve the ease of doing business, enhance digitalization of government operations, and increase foreign and domestic investments in line with the National Investment Strategy.

The Shareek program was launched in March 2021 to facilitate foreign direct investment in KSA through government and private sector collaboration. The program aims to achieve economic growth, diversify industries, promote innovation, and increase the domestic investments of private sector companies to reach SAR 5 trillion by 2030 and create 65,000 new jobs. The vision is to increase the private sector's contribution to the GDP to 65.0% by 2030, which was ~40.0% as of 2022.

Healthcare was one of the growth areas identified in Vision 2030, to develop the private sector and reduce the reliance on the public health system. The National Transformation program ("NTP") established strategic objectives for the Ministry of Health ('MOH'), the Saudi Food & Drug Authority ('SFDA'), and the Ministry of Investment ('MISA'), which included attracting foreign investment, improving the efficiency of the healthcare sector, nurturing private-public partnerships, and increasing the use of information technology and digitalization. The program aims to achieve 100% of the population to be covered by the unified digital medical records system through NPHIES, health information exchange platform designed to unify the patient care records.

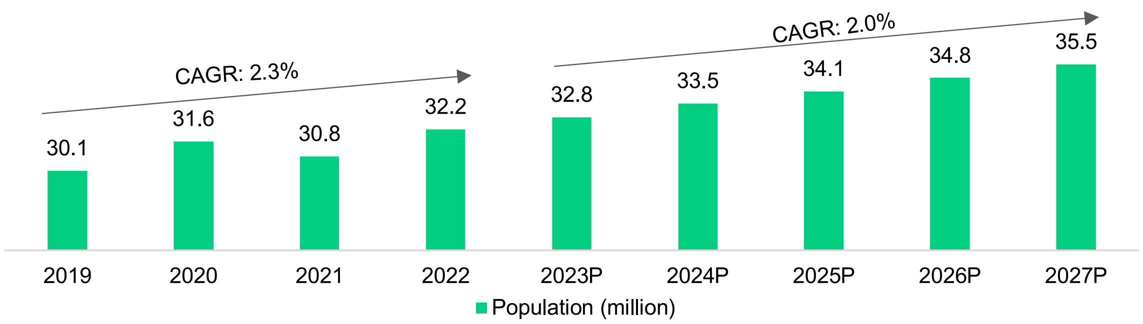
The Financial Sector Development Program ("FSDP") launched in 2017 developed a framework to enable financial institutions support the growth of the private sector through expansion of its financing options and increasing the share of SME financing in banks. The program also included managing risks through developing a sustainable and thriving insurance sector. KSA aims to achieve increased insurance coverage and penetration across health, motor, and general insurance by regulatory, technological, financial reforms and aspires to increase insurance penetration as a percentage of non-oil sector GDP from 1.9% in 2019 to 4.3% by 2030. The FSDP program seeks to drive growth and efficiency in the financial services sector through innovation by attracting fintech players and increasing number of home-grown fintech start-ups. The target for 2030 is to increase the number of fintech players operating in KSA to 525 in 2030 from 183 in Q2'2023 and thereby increasing the fintech sector's GDP contribution from ~SAR 2.8 billion in 2022 to SAR 13 billion in 2030. Furthermore, one of the strategic pillars of FSDP is to ensure the formation of an advanced capital market with the key objective to enhance the role of the financial market in providing financing sources for the national economy and offer an efficient platform to encourage investment and to diversify investor base.

Vision 2030 envisages growth in the insurance sector through consolidation, digitalization and increase in overall capacity. The Council of Health Insurance has a vision to increase the penetration of private sector insurance to reach 2.0% of GDP by 2030, compared to an estimated 1.0% as of 2023. The government is encouraging Saudi Nationals to utilize the private insurance network. Institutions such as Najm, established by SAMA and the General Department of Traffic, have played a pivotal role in promoting the motor insurance sector through enhanced customer protection and vehicle insurance coverage in KSA. The FSDP program focuses on enhancing existing rules and regulations around M&A to facilitate consolidation in the insurance sector. In 2023, the Saudi Central Bank approved InsurTech rules to allow FinTech and InsurTech firms to work within a set regulatory framework while developing and creating innovative products and services for their customers.

3.3.3 Demographic overview

KSA has a population of 32.2 million as of 2022, according to the latest KSA Census 2022 Population Summary report with expatriates comprising 41.6% of the population as of 2022. As per the United Nations, KSA is the largest host of expatriate workers in the Middle East region based on the total number of migrant workers. KSA's population is projected to grow at a CAGR of 2.0% to 35.5 million by 2027, driven by expatriates relocating to KSA driven by job opportunities to support its growing economy. The increasing population with more expatriates migrating to the country and the diversification of the nation's economy presents significant growth potential in insurance premium volumes for KSA insurance market. KSA population has a predominantly young age profile, with 63.2% of the population less than 35 years and the median age of 29 years, A large and young population will drive demand for goods, services, and public and private infrastructure leading to diversification of risks and insurance for diversified products.

Figure (2): KSA population



Note: P: Projected

Source: General Authority of Statistics, IMF

With nearly 85% of its population living in urban areas compared to 15% in rural areas, KSA is among the most urbanized countries in the world. The high degree of urbanization is expected to continue in KSA driven by higher employment opportunities, and continued growth in demand for health and motor insurance.

The total housing and utilities spending in KSA, forecasted at SAR 295 billion in 2023 is projected to grow at a CAGR of 5.9% from 2023 to 2027, driven by housing and mortgage activities largely due to increase in household income and housing supply. Higher housing and utilities spending in KSA is typically indicative of a higher standard of living and higher consumption.

Table (3.2): Housing spending and disposable income

	Units	2019	2020	2021	2022E	2023P	2024P	2025P	2026P	2027P	CAGR '19-22	CAGR '23-27
Housing and utilities spending	SAR million	249,680	235,199	253,052	275,694	295,185	312,999	330,289	350,564	371,946	3.4%	5.9%
Disposable income per household	SAR	135,700	125,600	148,600	185,300	189,100	189,900	197,000	204,700	213,100	10.9%	3.0%

Note: E: Estimated, P: Projected

Source: Fitch Solutions

In line with Vision 2030, the government has invested heavily in new technologies and digital infrastructure for the economy as a whole. According to Communications and Information Technology Commission ("CITC"), the internet penetration in KSA reached more than 98.6% in 2022. It is further projected to reach about 99.7% (35.4 million internet users) by 2027 compared to 95.7% (28.7 million internet users) in 2019 as the government pushes for more investment in broadband networks and digital infrastructure.

Table (3.3): Internet and smartphone penetration

	Units	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P
Internet penetration	% of population	95.7	97.8	98.1	98.6	98.7	99.6	99.6	99.7	99.7
Smartphone penetration	% of population	84.1	87.4	90.2	92.5	94.3	95.9	97.1	98.2	99.1

Note: P: Projected

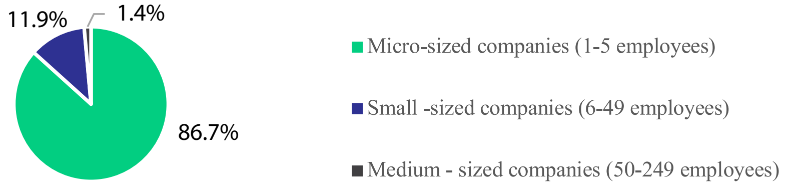
Source: Communications and Information Technology Commission (CITC), PwC Estimate

3.3.4 Growth of the Micro, Small and Medium Enterprises ("SME") sector

KSA's SME sector is largely concentrated in Riyadh, Makkah, and Eastern Province. According to the General Authority for SMEs ("Monsha'at"), KSA had 1.3 million registered SMEs as of Q3'2023 with 43.3% of total SMEs located in Riyadh. Riyadh, Makkah, and Eastern Province are the most attractive regions for SME with a thriving community for startups and innovation. As defined by Monsha'at, micro companies have between 1-5 employees, small companies have between 6-49 employees and medium companies have between 50-249 employees. As of Q1'2023, 6.5 million people were employed by SMEs in KSA.

According to the GASTAT, operating revenue generated by SMEs accounted for ~39% to the national GDP of KSA in 2021. Vision 2030 aims to support the SME sector through a variety of reform programs, especially through regulations and financing support, to further increase SMEs' contribution to GDP. Some of the key financing initiatives for SMEs include the establishment of a national Small and Medium Enterprise Bank (SME bank), launching a portal to link financiers from the government and private sectors with SMEs to obtain funding, and setting up of Saudi Venture Capital Company to promote direct investment in emerging start-ups.

Figure (3): No of SMEs split by size (1.3 million as of Q3'2023)



Source: Monsha'at SME quarterly monitoring report Q3'2023

3.4 KSA Insurance Overview

3.4.1 Overall insurance overview

a- Gross written premiums in insurance sector

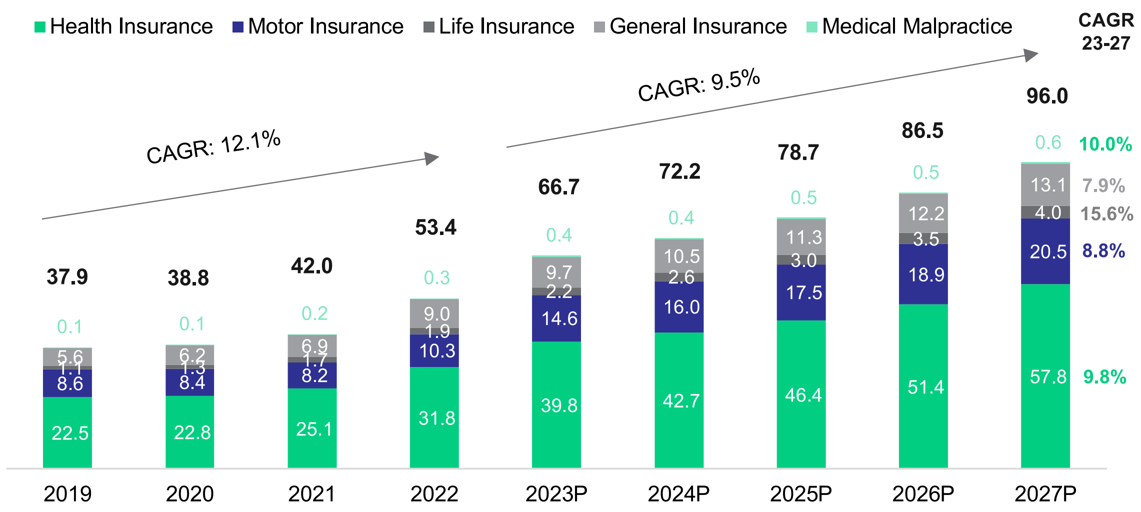
The insurance sector in KSA achieved a turnover of SAR 53.3 billion in gross written premium ("GWP") in 2022 recording a significant premium growth of 26.9% compared to 2021, in line with strong macro-economic performance and enhanced insurance penetration. In addition to increase in volumes, average pricing of premiums increased following a period of discounts and price reductions during the Covid-19 period. Public health expenditure increased significantly during the pandemic which also raised awareness of insurance products among the public. Health insurance is the largest segment of the insurance market in KSA, accounting for 59.7% of the total premiums in 2022. The insurance sector in KSA is projected to grow to SAR 66.7 billion in 2023, reflecting a growth rate of 25.1% over 2022. The surge in premiums is estimated to be largely driven by growth in motor insurance sector followed by health insurance. Growth from 2023 to 2027 has been projected at a CAGR of 9.5% to reach SAR 96.0 billion by 2027.

As per the SAMA website, the insurance market in KSA comprises of 29 active insurers, and 122 active brokers and agents, 8 actuarial consultants, 13 assessors and loss adjustors, 8 third party administrators and 3 consultants. In February 2023, SAMA issued its first license to a foreign insurer to open a branch office in KSA. It came as a part of SAMA's initiatives to encourage foreign direct investments to increase competitiveness of the insurance sector. In March 2023, a reinsurance broker, Chedid Re Europe established its regional headquarters in Saudi Arabia as part of its expansion strategy into the Middle Eastern reinsurance market.

All Lines of Businesses (LOBs) are expected to contribute towards the projected growth at CAGR of 9.5% (2023-2027) in KSA insurance sector. The key growth drivers by line of business include:

- **Health insurance (medical coverage for corporates, SMEs and individuals):** CAGR of 9.8% between 2023 and 2027 is projected to be driven by increase in health insurance coverage through private sector participation, enhanced digital maturity of health insurance sector and developing new health insurance products, growth objectives of the health and insurance sectors as outlined in the Vision 2030 development programs
- **Motor insurance (vehicles coverage for corporates, SMEs and individuals):** CAGR of 8.8% between 2023 and 2027 is projected primarily on account of increase in policy pricing and supported by increase in volumes of insured vehicles sales. In 2023, the number of uninsured vehicles is estimated at 5.9 million out of a total estimated number of 16.4 million vehicles in KSA.
- **Life insurance (life protection for corporates, SMEs and individuals):** CAGR of 15.6% between 2023 and 2027 is projected on account of a low historical base in the penetration of life insurance and increasing awareness of health risks, especially since the pandemic
- **General insurance (includes property and casualty protection for corporates, SMEs and individuals):** CAGR of 8.0% between 2023 and 2027 is projected to be driven by deeper insurance penetration, new infrastructure development, giga construction projects and the economic diversification agenda. The general insurance comprises segments such as engineering, property and fire, marine, aviation, accidents and liabilities. While medical malpractice is a sub-set to accidents and liabilities insurance, it became mandatory from 2022.

Figure (4): Gross written premium by line of business (SAR billion)



Note: P: Projected

Source: SAMA, PwC Estimate

Medical Malpractice: To protect the healthcare system from claims and medical malpractice, SAMA mandated the Standard Insurance Policy of Medical Malpractice to come into force from 2022, which sets the minimum coverage to be obtained by medical practitioners to cover against claims of medical malpractice. The objective of the policy is to provide standardized coverage and appropriate compensation to health services providers due to Medical Malpractice. The insurance premiums for medical malpractice are projected to grow at a CAGR of 10.0% from 2023 to 2027 driven by the recent regulation introduced by SAMA.

Table (3.4): Estimated size of medical malpractice insurance premium (SAR million)

Gross written premium	2019E	2020E	2021E	2022E	2023P	2024P	2025P	2026P	2027P	CAGR19-22	CAGR 23-27
Medical malpractice	101	130	159	321	383	421	463	509	560	47.1%	10.0%

Note: E: Estimated, P: Projected

Source: PwC Estimate

Travel Insurance: Travel insurance in KSA has undergone a steady recovery post the pandemic due to ease in the travel restrictions and subsequent increase in travel frequency (including inbound and outbound travel). Travel insurance typically includes protection against unforeseen circumstances such as medical emergencies or personal accidents, flight cancellations or delays, and lost or stolen luggage. Following the rebound in international travel post Covid-19, growth in travel insurance premium has been projected to grow at a CAGR of 10.0% from 2023 to 2027. Further, travel and tourism sector in KSA is expected to expand with economic growth in KSA and rising per capita income.

Table (3.5): Estimated size of travel insurance premium (SAR million)

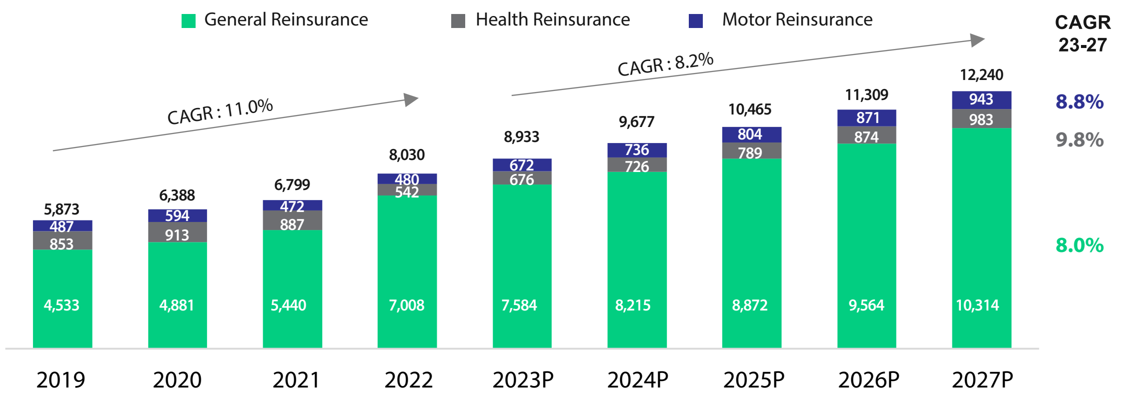
Gross written premium	2019E	2020E	2021E	2022E	2023P	2024P	2025P	2026P	2027P	CAGR19-22	CAGR 23-27
Travel Insurance	17	4	10	28	44	49	53	59	65	18.7%	10.0%

Note: E; Estimated; P: Projected

Source: PwC Estimate

Reinsurance: As per Article 40 of the Implementing Regulations by SAMA, insurance companies in KSA can cede up to 70% of its GWP and needs to retain at least 30%. Insurance providers retained over 95% of the premiums in the health and motor segments which have historically comprised approximately 80% of the overall premiums in KSA. The general segment has a lower retention ratio between 20-25% which amounted to SAR 7.0 billion reinsurance premiums in 2022, presenting significantly higher reinsurance opportunities than the health and motor segments. Reinsurance premium under general segment is projected to increase at CAGR of 8.0% (2023-2027) to reach SAR 10.3 billion by 2027.

Figure (5): Reinsurance premiums by line of businesses (SAR million)



Note: P: Projected

Source: SAMA, Central Bank of UAE, PwC estimate

Claims Management: Claims management in the health segment are either managed by the insurance providers or by Third Party Administrators (TPAs) or by a combined effort of insurance players and TPAs. In the motor and general segment, insurance providers manage the entire claims in-house. Claims in the motor segment increased in 2022 on account of larger number of vehicles insured post pandemic and higher volume of accidents. Loss ratios in the motor segment increased significantly in 2022 to 91.5% from 82.5% in 2021. The value of net claims increased from SAR 6,200 million in 2021 to SAR 7,783 million in 2022. A significant opportunity exists in the motor segment for cost reduction solutions to reduce loss ratios and achieving more efficiencies.

Table (3.6): Loss ratio by line of business

	2019	2020	2021	2022	2019	2020	2021	2022
	Net claims incurred (SAR million)				Loss ratio (%)			
Motor	6,000	5,172	6,200	7,783	73.1%	66.6%	82.5%	91.5%
Health	18,345	17,991	19,735	24,210	87.8%	82.6%	86.7%	85.1%
General	424	475	576	574	37.1%	36.9%	38.5%	27.7%

Note: Loss ratio is calculated as net claims incurred divided by net earned premium

Source: SAMA

KSA insurance penetration as a percentage of GDP was 1.3% in 2022 and is projected to reach 2.0% by 2027. In comparison to selected GCC markets, the insurance penetration in the UAE and Bahrain was 2.5% and 1.7% in 2022 respectively. In western economies, such as the UK, Netherlands, and France the insurance penetration is between 8% and 11%, based on data from Allianz Global Insurance Report 2023 and IMF. Insurance penetration in KSA is expected to increase through a shift in customer perception, rising awareness of the benefits of insurance products and regulatory enforcement.

In summary, key trends expected to contribute to growth in KSA's insurance sector are:

- Increasing population which will drive volumes, combined with shift in perception towards insurance products which will lead to higher adoption
- Increasing number of Saudi nationals subscribing to private insurance
- Progressive regulatory policies, in the insurance sector as well as in immigration and long-term visa programs
- Diversification of sectors contributing to the GDP, which will generate greater demand for existing and new insurance products
- Accelerated digitalization in enhancing the customer's journey through easy to access touchpoints with insurance companies from making a purchase, claiming reimbursements and policy renewals. As an example, SAMA has introduced a digital platform called SAMACares in July 2020 to fast-track complaints and insurance claims
- Insurance companies in KSA are collaborating with InsurTechs to digitize sales processes, automate functional processes such as operations, claims management and finance.
- SAMA continues to encourage consolidation in the KSA insurance sector to achieve the objectives of Vision 2030 and deliver in line with the Financial Sector Development Program.
- Low insurance density in KSA underscores a substantial market opportunity.

b- Value chain of Insurance sector

Figure (6): Value chain of Insurance sector

Product Development	Lead Generation and Marketing	Distribution	Pricing and Underwriting	Reinsurance	Claims Management	Customer Service
Improve product creation and redesign based on competitive and regulatory environment	Generate leads and advertise insurance products	Targeted distribution of insurance products	Develop pricing and underwriting strategy, ensuring cost is proportionate to risk	Transfer all or partial risk to reinsurer size and financial strength of the insurance company	Receive and validate insurance claims; issue payments once claim is approved	Provide real-time customer support

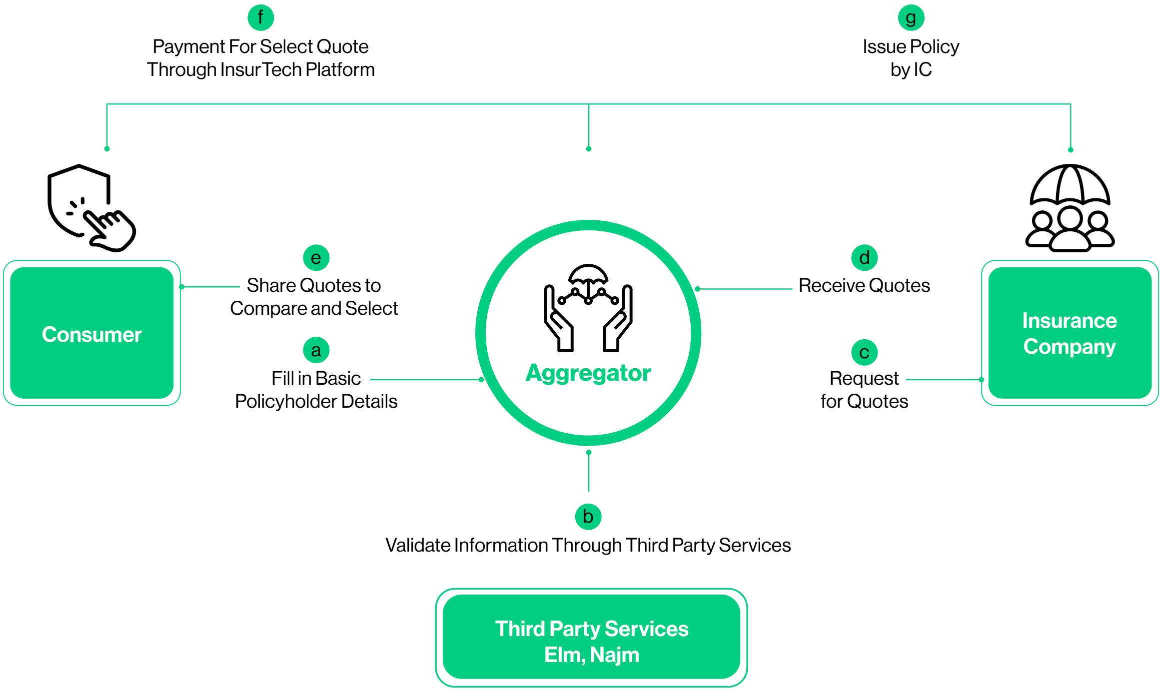
Role of Insurance aggregator in distribution

Insurance aggregators are tech-driven online distribution platforms providing convenient access to various insurance products for consumers. It enables an enhanced user experience by allowing consumers to compare a wide range of insurance products from various insurers in one place to arrive at an informed choice. In the last few years, automation has become a key focus area in the insurance space and insurance aggregators create significant value in product distribution by increasing productivity and improving customer experience.

Insurance aggregators provide consumers with transparency about the policy features, benefits and limitations. They also facilitate insurance companies to customize products through leveraging deep customer insights.

In KSA, there are four insurance aggregators including Tameeni (the other three companies referred to as "Competitor A", "Competitor B" and "Competitor C") which are app-based insurance comparison platforms for individuals and SMEs and have tie ups with various insurance partners in KSA. They continue to disrupt the traditional insurance distribution channel mix with more flexible, transparent, and convenient insurance solutions.

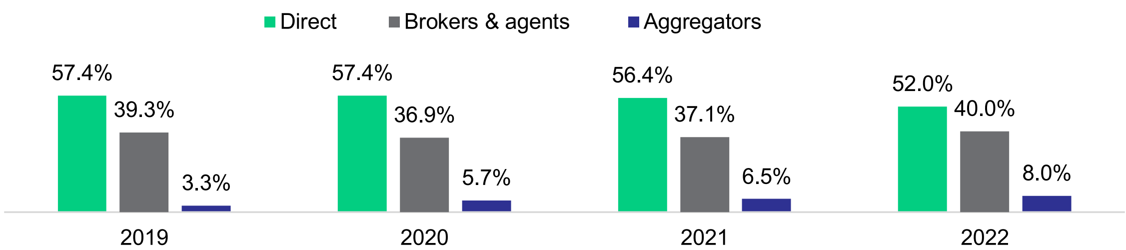
Figure (7): Value chain for the Insurance aggregator



c- Distribution channel mix (overall insurance)

Direct sales by insurance companies remained the largest distribution channel in 2022. It's contribution to total GWP in 2020 was 57.4% which decreased to 52.0% in 2022. Sales through brokers and agents have been in the range of 37%-40% from 2019 to 2022 whereas online sales through aggregators has increased from 3.7% in 2019 to 8.5% in 2022 of the total GWP. The market share of aggregators within motor insurance increased from 16.3% in 2019 to 39.6% in 2022. The aggregator's contribution to total insurance premium in 2023 is estimated to reach ~9-10%.

Figure (8): GWP mix by distribution channel



Source: SAMA, PwC estimate

d- Overview of regulatory environment in insurance sector

The Saudi Arabia Monetary Agency (SAMA) is responsible for regulating and supervising the insurance sector in KSA. SAMA oversees the licensing of insurance companies, monitoring their financial solvency, and ensuring that they comply with the regulations and laws governing the insurance industry. The regulatory environment for health insurance also includes Council of health Insurance (CHI), Ministry of Health (MOH), Saudi Food and Drug Authority, Saudi Health Council, and Health Insurance and Purchasing of Healthcare Services Program. Insurers which are registered locally and publicly listed joint stock companies are also regulated by Capital Market Authority (CMA) and they are required to comply with the laws and regulations of Ministry of Commerce. In addition, Najm for insurance services was established to promote the vehicle insurance sector in KSA in close collaboration between SAMA and General Department of Traffic via accident review, damage assessment and insurance claims.

Some of the key regulations governing the insurance sector in KSA are as follows:

- The Cooperative Insurance Companies Control Law requires insurance companies in KSA to adopt a co-operative insurance model. The law regulates insurance brokers, insurance agents, insurance consultants, surveyors, loss adjusters and actuaries, who are licensed to carry on business in KSA to operate as a cooperative insurance company. The insurers are required to maintain a separate profit and loss accounts for policyholders and for shareholders, and that there must be a distribution of part of the net surplus from the insurance operations among the policyholders.
- The minimum capital requirement for primary insurance and reinsurance company is SAR 100 million and SAR 200 million respectively in KSA. SAMA is currently assessing plans to increase the minimum capital requirements to SAR 500 million for primary insurers and SAR 1 billion for reinsurance companies.
- SAMA introduced a regulatory framework for comprehensive vehicle insurance that aims to regulate the contractual relationship between the insured and the insurance companies.
- SAMA also initiated new amendments to Article 7 (Claims Settlement Procedures) to the Unified Compulsory Motor Insurance Policy in January 2023, allowing the insured an option of repairing the vehicle instead of receiving cash compensation.
- Subject to compliance with the regulatory requirements, foreign insurers may also establish branches in KSA with the approval from SAMA with a view to promote private sector contribution.
- KSA has implemented a compulsory health insurance scheme in 2017, which was established by CHI.
- SAMA mandated the Standard Insurance Policy of Medical Malpractice to come into force from 2022, which sets the minimum coverage to be obtained by medical practitioners to cover against claims of medical malpractice.
- SAMA introduced in February 2020 new regulations governing insurance aggregation activities, specifically online insurance brokerage activities. To obtain the license, an aggregator must:
  - be a joint stock or limited liability company licensed to operate in Saudi Arabia
  - The minimum capital requirement for an insurance aggregator is SAR 500,000 or SAR 3 million for an insurance broker conducting "Insurance aggregation activities".
- In 2023 SAMA approved InsurTech rules to regulate the operations of InsurTech companies within KSA. The regulations present a comprehensive structure to monitor the activities of InsurTech companies, outlining specific responsibilities to safeguard consumer rights and promote fair competition concerning service solutions.
  - According to SAMA regulations, InsurTech activities are defined as "any solutions or services that use technology and are provided in an integrated manner within the scope of the Insurance Activities".
  - The regulation outlines the rules for engaging in InsurTech activities and licensing criteria. It also covers various obligations that InsurTech companies must adhere to such as technology infrastructure and data protection.
- IFRS 17 reporting format for the published financial statements for insurance companies in KSA went live in Q1'2023. Under the new standard, insurance companies have started reporting insurance revenues in place of gross written premiums.
- In August 2023, KSA announced the establishment of the Insurance Authority (IA) in line with Vision 2030 to enhance the mandated supervision of the insurance sector in KSA and ensure growth and development through unifying the regulators SAMA and CHI.
- From October 2023, The Saudi General Traffic Department started electronic monitoring of violations related to motor insurance on 1 October 2023 to all vehicles on the roads across Saudi Arabia. The initiative aims to identify and address vehicles operating without valid insurance, with electronic checks conducted once every 15 days.
- In November 2023, SAMA announced the issuance of the Amended Comprehensive Motor Insurance Rules as part of its ongoing effort to enhance regulations in the sector. The amended rules expand insurance coverage for retail customers to include relatives, private drivers and those sponsored by the insured.

rasan

3.4.2 Motor insurance line of business

Motor insurance in KSA is the second-largest line of business in the insurance sector comprising 19.4% of the GWP (SAR 10.3 billion) in 2022. Third party insurance is mandatory for vehicles in KSA.

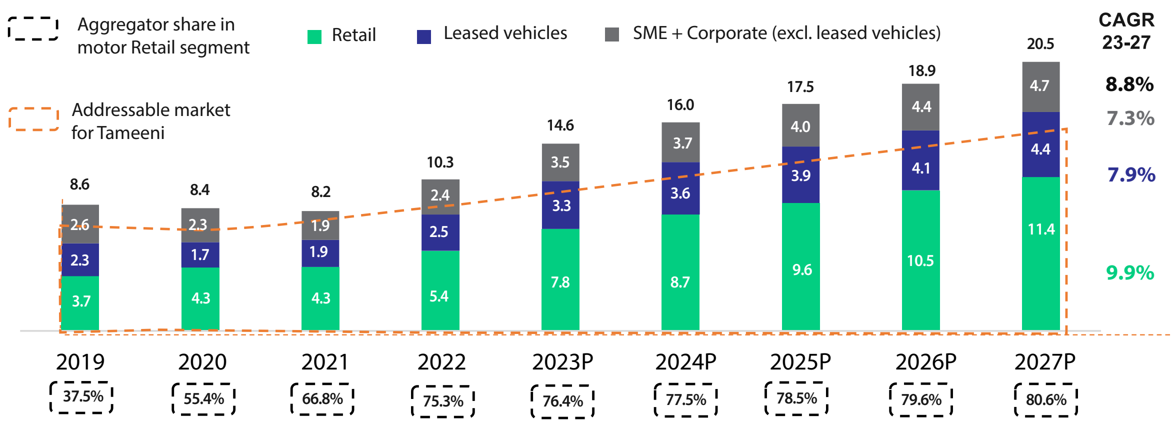
GWP in motor stood at SAR 8.6 billion in 2019 which dipped in 2020 and 2021 by 2.9% and 2.3% respectively, due to social restrictions imposed during the Covid-19 pandemic and reduced vehicle sales due to global supply chain disruptions and higher economic uncertainty. Furthermore, the average premium price for insured vehicles was reduced by insurance companies in 2020 and 2021 to account for decreased frequency of claims during Covid-19. Motor GWP increased to SAR 10.3 billion in 2022, showing a significant recovery and representing a growth of 26.7% compared to 2021. The policy pricing for motor insurance increased significantly in the second half of 2022 and in 2023 factoring in higher number of accidents, sharp increase in spare parts costs and increase in car servicing costs. The number of motor insurance policies increased following the announcement of electronic monitoring of violations of insurance validity by the Traffic Department in August 2023. Based on the recent trends, the motor insurance premiums are projected to grow by 41.3% in 2023 over 2022 to SAR 14.6 billion.

a- Gross written premiums for motor insurance

Motor GWP includes the retail segment (SAR 5.4 billion, 52.7% of 2022 GWP), corporate and SME segments GWP (SAR 2.4 billion, 23.2% of 2022 GWP) and the car lease insurance segment (SAR 2.5 billion, 24.1% of 2022 GWP). Retail customers are the target customer segment for Tameeni, while banks and finance leasing companies are the target segment for Treza (the Company's online leasing platform). The corporate customer segment in motor insurance is not part of the addressable market for Tameeni.

GWP for motor insurance is projected to grow at a CAGR of 8.8% from 2023 to 2027 primarily on account of increase in policy pricing and supported by increase in volumes of insured vehicles sales.

Figure (9): Motor gross written premium (SAR billion)



Note: P: Projected

Source: SAMA, PwC Estimate

b- Key growth drivers

Increase in new vehicle sales: New vehicle sales are projected to grow at a CAGR of 3.7% from 2023 to 2027 primarily driven by replacement of older vehicles, purchase of new vehicles for female drivers and growth in population. High interest rates coupled with high cost of vehicle ownership are likely going to be short term offsetting factors in the growth of new vehicle sales.

Table (3.7): New vehicles sales, KSA

	Units	2019E	2020E	2021E	2022E	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
New vehicle sales	No' in 000	559	478	547	577	600	618	644	669	694	1.1%	3.7%

Note: E: Estimated, P: Projected

Source: Fitch Solutions

Regulatory reforms for motor insurance: Regulations and enhancement in road safety measures will play a pivotal role in increasing insurance penetration rate. Under KSA's traffic regulations, motor insurance is a mandatory requirement. The introduction of electronic monitoring of motor insurance violations is expected to further boost the penetration rate.

Saudi Arabia has relatively low level of insured vehicles at ~55% of total vehicles as of 2022, despite motor insurance being mandatory. The primary reason for this is lack of motor insurance awareness and motorists consider insurance as an add-on rather than as essential component to car ownership. Due to recent changes in the effective enforcement of mandatory vehicle insurance, the percentage of vehicles insured has increased significantly from 52.0% in 2019 to 63.8% in 2023.

Table (3.8): % of insured vehicles, KSA

	Units	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P
Estimated Number of vehicles insured	in million	7.3	7.9	8.5	8.7	10.5	11.3	12.0	12.7	13.5
Estimated number of vehicles uninsured	in million	6.8	7.0	7.2	7.1	5.9	5.8	5.6	5.6	5.6
Estimated number of vehicles in KSA	in million	14.1	15.0	15.7	15.8	16.4	17.0	17.7	18.3	19.0
% of vehicles insured	%	52.0%	53.0%	54.0%	55.0%	63.8%	66.2%	68.1%	69.5%	70.8%

Note: P: Projected

Source: International Organization of Motor Vehicle Manufacturers; PwC Estimate

No. of accidents - After factoring in minor accidents, the total estimated number of vehicle accidents in KSA stood at 1.4 million in 2021 and 1.8 million in 2022. Saudi Ministry of Interior has undertaken several measures to reduce the number of accidents, such as improving road infrastructure including signages, building awareness among people, supporting driving schools and promoting smart vehicles with latest technology. 17,000 major accidents were recorded in 2022, a decrease by 6.8% compared to 2021, when it reached 18,240 accidents, potentially resulting in salvage.

Comprehensive insurance of motor vehicles leased to individuals: SAMA announced the issuance of rules for comprehensive insurance of motor vehicles financially leased to individuals, effective November 2020. Leasing companies will be required to source insurance quotations from a minimum of three insurance companies, and pass on the option to choose the policy to the end user of the vehicle. This is a positive move for the sector as it increases transparency for customers and enhances penetration for insurance companies.

Participation of female drivers have led to increasing number of women drivers and demand for customized insurance products.

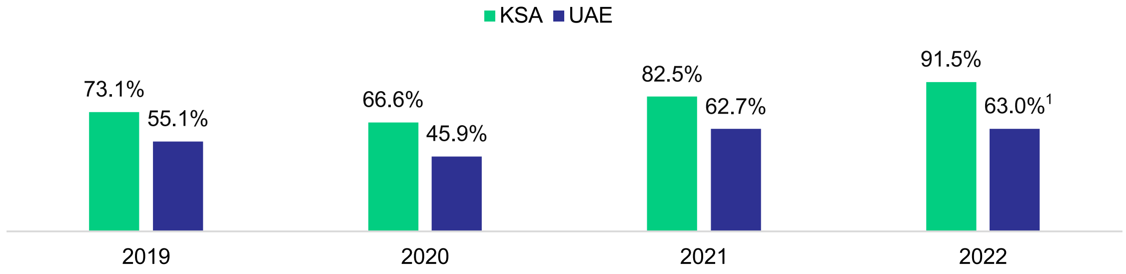
Online platforms: The emergence of tech-driven online intermediaries has facilitated self-service transactions of purchasing motor insurance faster, more conveniently and at the best possible rate which has also helped improve the penetration.

c- Key challenges in KSA's motor insurance sector

Pricing pressure: The motor insurance market is fragmented with many small-scale insurers aggressively competing to increase market share while dealing with a price sensitive customer base. Furthermore, average premium pricing decreased during the pandemic due to a sharp fall in demand leading to a contraction in the overall market in 2020 and 2021. However, insurance companies have raised the premium prices significantly since the last quarter of 2022 and in 2023 to cut losses stemming from high loss ratios.

Rising claims cost: Motor insurance claims as a percentage of premium in KSA is significantly higher than UAE as reflected from the high loss ratios. The loss ratio in KSA has increased to 91.5% in 2022 from 82.5% in 2021.

Figure (10): Motor insurance loss ratio benchmark



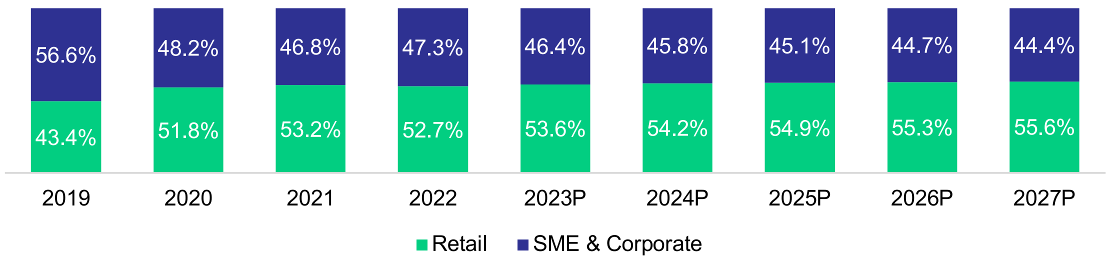
Note: 1: Forecasted

Source: SAMA, Central Bank UAE, PwC Estimates

d- Customer mix

The retail or B2C segment within motor policies accounted for 52.7% of premiums in 2022, whilst the SME and corporate segments accounted for 47.3%. Following a significant improvement in the coverage of motor insurance among registered vehicles in 2023, the retail business segment is projected to grow faster than the corporate segment at a CAGR of 9.9% from 2023 to 2027 to reach 55.6% of motor premiums in 2027. Rising customer awareness and acceptance towards insurance products are expected to facilitate strong growth in all customer segments.

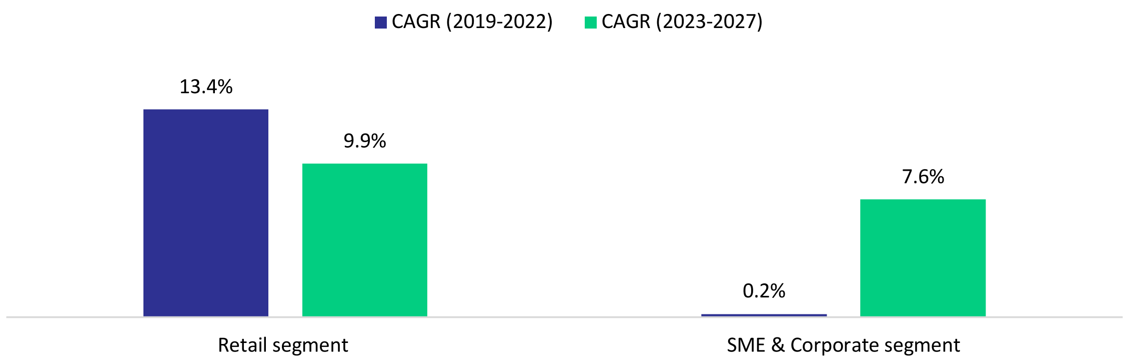
Figure (11): Motor insurance premium mix by customer segment



Note: P: Projected

Source: SAMA, PwC Estimate

Figure (12): Customer segment wise GWP growth outlook



Source: SAMA, PwC Estimate

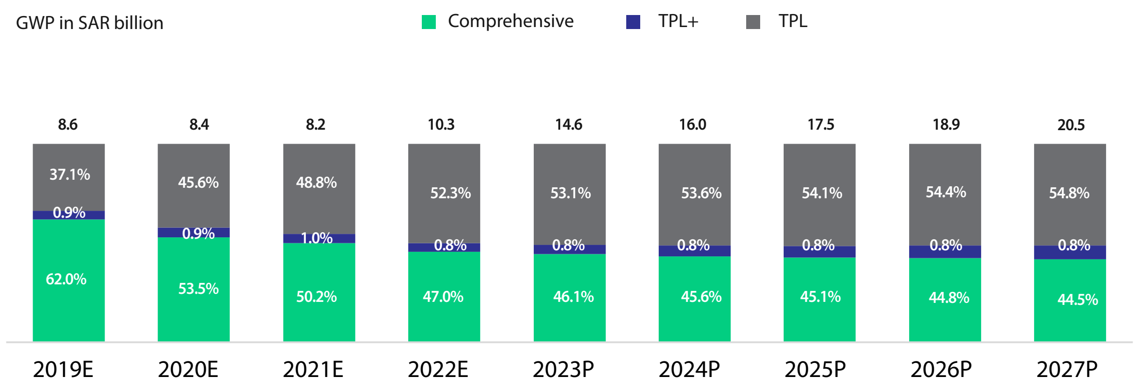
e- Product mix

TPL GWP accounted for 53.0% of motor premiums in 2022. In 2023, there has been significant increase in the number of TPL policies driven by effective enforcement of motor vehicle insurance. Furthermore, the premium price for comprehensive policies charged by insurance companies increased substantially in the second half of 2022 and in 2023. Due to significant increase in premium pricing and the price sensitive nature of customers, GWP of comprehensive polices have been projected to grow at a lower CAGR of 7.9% (2023-2027) compared to a CAGR of 9.6% for TPL policies (2023-2027).

TPL policies accounted for 71.2% of overall vehicles insured in 2022, while comprehensive policies accounted for 28.8%. In 2023, it is projected that TPL policies contribution will increase to 75.2% of the overall vehicles insured driven by high insurance penetration, while comprehensive policies are expected to represent 24.8% of the overall vehicle insured. Going forward, pricing is expected to increase and hence the share of comprehensive policies has been estimated to remain at ~24% over the projected period.

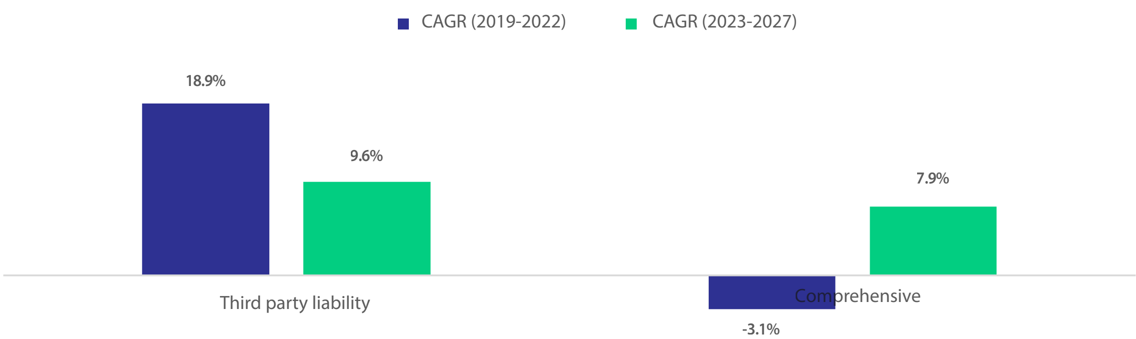
TPL+ policies are sold by some insurance providers as an added feature to TPL policies. Under TPL+ policies, insurance providers offer a limited cover against loss or damage to own vehicle, in addition to all the regular features offered in TPL product. GWP from TPL+ policies accounted for ~1% of overall TPL GWP in 2022.

Figure (13): Motor insurance premium mix by product (including leased vehicles)



Note: E: Estimated; P: Projected
Source: PwC Estimate

Figure (14): Product wise growth outlook (GWP)



Source: PwC Estimate

Table (3.9): No. of vehicles insured by product

In million	2019E	2020E	2021E	2022E	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
TPL	4.8	5.6	6.1	6.1	7.8	8.4	9.0	9.5	10.1	8.0%	6.8%
TPL +	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.9%	6.5%
Comprehensive policies	2.4	2.3	2.3	2.5	2.6	2.7	2.9	3.1	3.2	1.2%	5.7%
Total	**7.3**	**7.9**	**8.5**	**8.7**	**10.5**	**11.3**	**12.0**	**12.7**	**13.5**	**5.9%**	**6.5%**

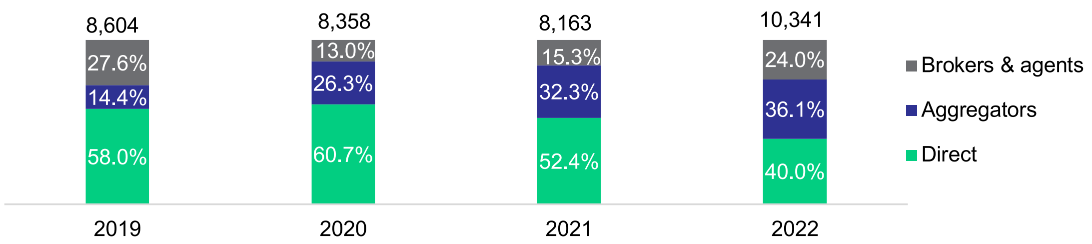
Note: E: Estimated; P: Projected

Source: PwC Estimate

f- Distribution channel mix

Historically, direct sales channel has had the highest share in the channel mix in motor insurance exceeding 50% of premium value. There has been a shift in the distribution channel mix for motor insurance in last 4 years. The share of aggregators has significantly increased from 16.3% in 2019 to 39.6% in 2022. The market share of aggregators in 2023 in the motor insurance sector is expected to remain broadly in line with the trends observed in 2022.

Figure (15): GWP and distribution channel mix for overall motor insurance (SAR million)



Source: SAMA, PwC Estimate

Digital innovation in the sale of motor insurance products is key to increasing productivity and customer experience. Web aggregators accounted for 75.3% market share for motor retail segment in 2022 and their share has been projected to grow to 80.6% by 2027, attributable to convenient access to various insurance products, transparency, user friendly process and quick turnaround which eventually enables customers to make more informed choices with faster speed.

g- Competitive landscape for aggregators within motor retail insurance

Distribution channels in motor insurance include direct sales made by insurance companies (offline or through own website), brokers and agents (offline or through own website) and insurance aggregators having their own marketplace platforms. The role of insurance aggregators includes the comparison of coverage and prices offered by insurance companies, and the facilitation of the sale and purchase of insurance policies. A key differentiating factor between conventional channels and online aggregators is the faster turnaround time by aggregators due to integration with core systems of insurance companies and able to extract the information from government authorities for vehicle verification.

The share of insurance aggregators in motor retail policies has been growing ever since aggregator platforms were launched in KSA. Rasan, operating through the aggregator platform Tameeni was the first insurance aggregator in KSA launched in November 2017. Since its launch, it has captured significant market share in the motor retail segment by offering third party liability and comprehensive products. In 2022, Tameeni had a 44.6% market share of the total motor retail insurance premium in KSA and is projected to reach ~47% in 2023. The other insurance aggregators selling motor retail policies include Competitor A which has been operational since 2018, while Competitor B have been live since 2019.

The aggregators generate revenues from commission received from the insurance partners for the policies sold on their platform. With increasing adoption of technology, customers prefer a quick turnaround time and easy comparison in selecting and purchasing the insurance policy with better disclosures enabling transparency. Also, customers are more inclined towards platforms that can cater to all their insurance needs at one place including renewals, managing claims etc. Value added services provided by aggregators to customers include pre-purchase research and comparison of insurance policies, filling the application, speedy vehicle verification and online payment.

In addition, aggregators also provide various services to the insurance partners including access to a growing customer base, deep consumer insights resulting in better underwriting capabilities, technology integrations for various process flows, premium collection, marketing initiatives for various insurance products and cross selling and up selling to existing customers.

Among the motor retail insurance aggregators in KSA, Tameeni has a significant competitive advantage as it the market leader in insurance aggregator sector in KSA in terms of customer share. Tameeni's share of total premiums within aggregator channel in 2022 amounted to 59.2%. Competitor A is the second largest insurance aggregator under motor retail segment contributing ~39% of the total premiums within aggregator channel in 2022 operating through its own broker license. While Tameeni and Competitor A have partnered with most insurance companies to sell motor policies, Competitor B has partnerships with 14 insurance companies.

Table (3.10): Aggregator's market share in motor insurance retail segment (SAR million)

Distribution channel	2019	2020	2021	2022E	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
Direct, brokers and agents	2,335	1,929	1,443	1,345	1,844	1,954	2,059	2,137	2,212	(16.8%)	4.7%
Aggregators	1,400	2,400	2,900	4,100	5,982	6,727	7,535	8,333	9,184	43.1%	11.3%
Motor GWP under Retail segment	3,735	4,329	4,343	5,445	7,826	8,681	9,594	10,471	11,396	13.4%	9.9%
Aggregator market share	37.5%	55.4%	66.8%	75.3%	76.4%	77.5%	78.5%	79.6%	80.6%	-	-

Note: E: Estimated, P: Projected

Source: PwC Estimate

Table (3.11): Market share of top 3 players within aggregator channel

Aggregators	2019	2020	2021	2022
	%	%	%	%
Rasan (Tameeni)	69.9%	54.8%	54.7%	59.2%
Competitor A1	30.1%	43.6%	43.3%	38.6%
Competitor B1	-	1.7%	2.1%	2.2%
Total GWP	**100%**	**100%**	**100%**	**100%**

Note: 1: Estimated

Source: Company data, PwC Estimate

h- Market share of Tameeni under the retail segment of motor insurance (based on value and volume)

Innovations in technology and business models have enabled growth of InsurTech businesses, with high potential for further growth through market penetration. InsurTechs have the opportunity to scale up and extend their services across further areas of the insurance value chain.

Tameeni has enjoyed a healthy growth trajectory in the market share of retail (or B2C) motor insurance, from 26.2% in 2019 to 36.5% in 2021 led by strong relationships with insurance companies and continued investments in enhancing technology. Growing digital adoption in KSA has further enabled Tameeni to increase its retail segment market share to 44.6% in 2022 and further projected to reach 47.3% in 2023.

rasan

Table (3.12): Tameeni market share based on GWP in motor retail segment

Gross Written premiums SAR million	2019	2020	2021	2022	2023P
Rasan (Tameeni)	979	1,314	1,585	2,426	3,700
Motor retail segment	3,735	4,329	4,343	5,445	7,826
Market share of Tameeni %	**26.2%**	**30.4%**	**36.5%**	**44.6%**	**47.3%**

Source: Company data, PwC Estimate

Based on number of vehicles insured, Tameeni's market share is projected to increase from 30.8% in 2019 to 50.2% in 2023 due to deeper market penetration through the online platform.

3.4.3 Health insurance line of business

As per data from the Council of Health Insurance (CHI), there are 24 active health insurance companies and 4 third-party administrators operating in KSA with ~5.8k total healthcare providers as of November 2023. In 2023, SAMA granted a license to Cigna Worldwide Insurance Company, the first foreign health insurer to set up a branch office in KSA. Health insurance is the largest line of business in terms of premiums written, accounting for 59.7% of total premiums written in 2022. As of November 2023, the number of insured persons in KSA was 11.9 million, of which ~7.7 million were expatriates (including employees and dependents), and ~4.2 million were Saudi nationals. The insured population in KSA in 2022 under private insurance was 35.7%, as ~15 million Saudi nationals (45.7% of the population) were covered under public insurance. The remaining residents not covered under private insurance (potentially unemployed and certain categories of dependents) are mandated by the Council of Health Insurance to be covered under health insurance.

a- Gross written premiums for health insurance

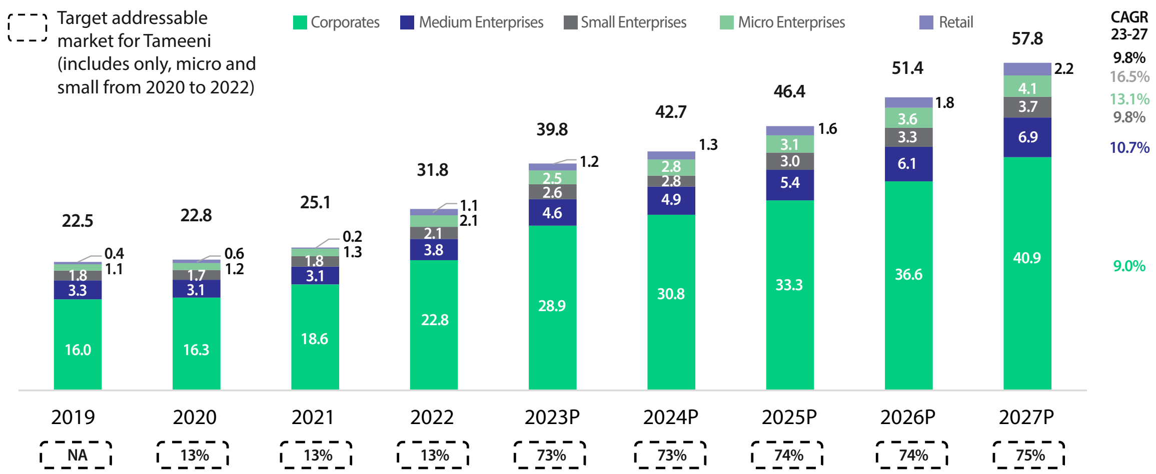
Health insurance GWP grew at a CAGR of 12.3% from 2019 to 2022. Growth in GWP in 2022 is significantly higher at 26.8% compared to 2021 driven by increase in customer awareness of insurance products as an aftermath of the Covid-19 pandemic. Health insurance premiums are projected to reach SAR 39.8 billion in 2023 with a 25.0% growth rate over 2022 largely driven by higher premium pricing due to rise in medical costs and higher claims utilization.

GWP for health insurers have been projected to grow at a CAGR of ~9.8% from 2023 to 2027. Premiums are projected to increase from SAR 39.8 billion in 2023 to SAR 57.9 billion by 2027. Increasing user penetration (especially in the SME segment), rising awareness of the benefits of health insurance protection and government's efforts to increase the utilization of private sector health insurance facilities will be key growth drivers.

Corporate and medium sized establishments are the largest customer segments within health insurance in KSA, comprising 83.5% of the health GWP in 2022. GWP in the corporate and medium enterprise segments are projected to increase at a CAGR of 9.3% (2023-2027) attributable to increase in workforce and increase in the cost of insurance. The micro, small and retail segments, comprising 16.5% of GWP in 2022, are projected to increase at a CAGR of 12.5% (2023-2027), driven by increase in population and higher share of Saudi nationals joining private insurance. While historically, retail, micro and small customers comprised Tameeni's target customer segments, going forward, Tameeni aims to add medium to large corporates into its target segments from 2023 onwards.

rasan

Figure (16): Health insurance gross written premium (SAR billion)



Note: P: Projected

Source: The Council of Health Insurance (CHI), SAMA, PwC Estimate

According to CHI, the number of lives insured by private health insurance in KSA in 2022 was 11.5 million lives which is projected to increase to 18.3 million by 2027.

Table (3.13): Insured and uninsured individuals under private health insurance (In million)

In million	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
Population covered under private health insurance	11.1	9.8	10.9	11.5	12.1	13.4	14.9	16.5	18.3	1.2%	10.9%
Population not covered by private health insurance	19.0	21.8	19.9	20.7	20.7	20.1	19.2	18.3	17.2	2.9%	(4.5%)
Population	30.1	31.6	30.8	32.2	32.8	33.5	34.1	34.8	35.5	2.3%	2.0%

Note: P: Projected

Source: The Council of Health Insurance (CHI), PwC Estimate

b- Key growth drivers

Government policies to bring further reforms in the healthcare system

Vision 2030 aims for further growth and development of the healthcare system and includes a cumulative phased investment of SAR 251 billion in healthcare infrastructure by 2030. The Health Sector Transformation Program, part of Vision 2030 was launched in 2022 as a major step towards achieving the healthcare development objective. The program has made commitments that by 2025, 88% of the population will be covered by inclusive health services, and the unified digital medical records system will cover 100% of the population.

Focus on increasing private health insurance coverage

Vision 2030 aims to drive healthcare reforms by increasing private-sector contribution to healthcare spending. The goal is to increase the share of private sector's contribution towards GDP from ~40% in 2022 to 65% by 2030, targeting the privatization of 295 hospitals and 2,259 healthcare centers. In March 2021, the National Center for Privatization & PPP ('NCP') issued the regulatory base for private sector participation and PPPs in KSA – the Private Sector Participation Law and its implementing regulations ('PSP Law').

Mandatory health insurance coverage

The introduction of compulsory medical insurance has resulted in growth and penetration in health insurance over recent years. KSA began implementing the mandatory unified health insurance scheme in July 2016, with the system fully in place in 2017. There is significant room for insurance penetration within the SME sector.

Demand for healthcare services is expected to rise

Factors such as the rising population, increasing healthcare expenditures, growing prevalence of various lifestyle diseases, improving healthcare infrastructure, etc. are also catalyzing the growth of the health insurance market in KSA.

Increasing use of information technology and digitalization

Several initiatives have been taken by KSA to digitize its healthcare system, including launch of Sehhaty, an e-consultation application, Mawid, a centralized appointment system and digital diagnostics systems. Digital innovations are enabling the monitoring of patients in remote areas and critical early interventions, helping healthcare providers to improve efficiencies and reduce costs. Virtual healthcare facilities, promoted by the Ministry of Health, reached a network 152 hospital across KSA by the end of 2022.

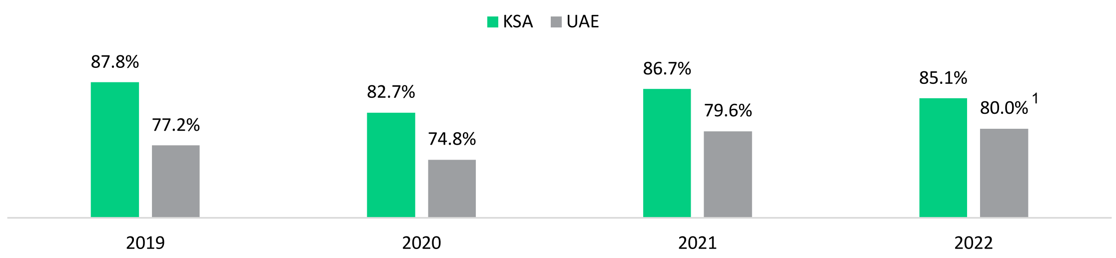
Wasfaty e-prescription services were implemented by the Ministry of Health across 2,070 hospitals and primary healthcare centers in Saudi Arabia by the end of 2022. The e-prescriptions are initiated by physicians and sent electronically to 3,400 private pharmacies where patients can obtain their medications without cash payment. Over 47 million claims have been approved through the e-prescription system since its launch in 2018.

Distribution channels, both online and conventional, will play a key role in catalyzing KSA's population into using the private sector's health insurance coverage. The retail and SME customer segments will be able to benefit from easy access to multiple products offered by aggregators and secure better deals through informed comparison of prices and benefits.

c- Key challenges in health insurance

a- High claims ratio: Health insurance claims as a percentage of premium in KSA is significantly higher than UAE as reflected from the higher loss ratios. The loss ratio in 2022 was 85.1%, indicating a slight improvement over 2021.

Figure (17): Health insurance loss ratio benchmarks



Note: 1: Forecasted

Source: SAMA, Central Bank UAE, PwC Estimate

b- Highly fragmented market: Based on Q3'2023, top 3 players in health insurance had 83% market share, while the remaining 21 players competed for the remaining 17% market share. The top 3 players had 87.4% market share within the corporate segment customers and 73.3% of the SME segment in Q3'2023. This has led to pricing and margin pressure for smaller players who are not able to operate at scale.

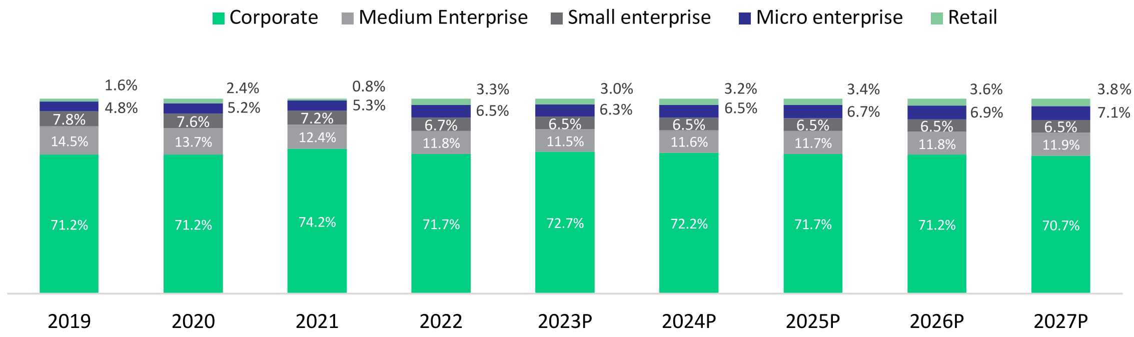
c- Pricing pressure: While on one hand, the cost of healthcare services and claims activity is expected to increase, on the other hand competitive pressures force the insurance companies to contain the price of the health policies, resulting in margin erosion.

d- Claims malpractice: Research data in the Saudi healthcare system suggests the claim rejection rate is 15% on grounds of fraud or abuse, and another report stated that insurance companies in KSA are losing > 1 SAR bn revenues to malpractices. To tackle this issue, the CHI, the National Center for Health Information (NHIC) and Sehati Company aim to implement Value Based Healthcare (VBHC) and Diagnosis Related Group (DRG), which will bring more transparency to the process of prescribing treatments to patients.

d- Customer mix

Corporate and SME segments contribute to ~97% of the health insurance GWP. While historically Tameeni has targeted micro and small customer segments, it plans to expand its customer base from 2023 onwards to also target medium and large corporate customers.

Figure (18): Health insurance GWP split by customer segment

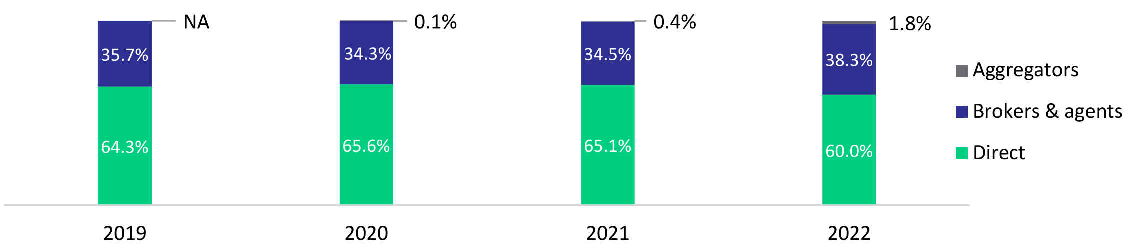


Note: P: Projected
Source: SAMA, PwC Estimate

e- Distribution mix

Direct sales channels dominated the distribution network for health insurance in 2022, accounting for 60.0% of the total health insurance premiums. The market share of aggregators in health insurance premiums is projected to be around 2% in 2023.

Figure (19): Distribution channel for the Health Insurance market



Source: SAMA, PwC estimate

Increasing digitalization and easy access to information through digital channels like web aggregators have increased transparency and cost efficiency and has also increased customers' preference towards digital channels. Going forward, the digital distribution channel is expected to drive greater penetration in the health insurance market, especially in the retail and SME category. The share of aggregators has been projected to grow from 5.0% in 2022 to 31.8% by 2027 in the health retail and SME insurance segment.

f- Competitive landscape for aggregators within retail, SME and corporate health insurance

Historically, corporate policies have been sold through conventional distribution channels. Aggregators entered the SME market from 2018 onwards. The role of insurance aggregators includes the comparison of coverage and prices offered by insurance companies to SMEs, and the facilitation of the sale and purchase of insurance policies. A key differentiating factor between conventional channels and aggregators is the faster turnaround time by aggregators from comparison of multiple quotes to policy issuance.

The share of insurance aggregators in policies has been growing ever since aggregator platforms were launched in KSA. Aggregators started selling health products in 2020 and are in early stages of market penetration.

Table (3.14): Aggregators' market share in the health retail and SME insurance segment

In SAR million	2019	2020	2021	2022E	2023P	2024P	2025P	2026P	2027P	CAGR19-22	CAGR 23-27
Direct, brokers and agents –SME / Retail	6,463	6,556	6,369	8,545	10,120	10,582	10,657	10,828	11,550	9.8%	3.4%
Aggregators -SME / Retail	-	23	103	451	742	1,285	2,472	3,970	5,393	NM	64.2%
Health GWP under SME / Retail	**6,463**	**6,579**	**6,472**	**8,997**	**10,862**	**11,867**	**13,128**	**14,799**	**16,943**	**11.7%**	**11.8%**
Aggregator market share	0%	0.3%	1.6%	5.0%	6.8%	10.8%	18.8%	26.8%	31.8%	-	-

Note: E: Estimated, P: Projected

Source: PwC Estimate

Aggregators in KSA are in the process of launching online price comparison platforms with additional functionalities for large corporates. As this customer segment has historically not been explored by aggregators, the market offers significant growth potential in addition to servicing the SME and retail segments. The aggregator's addressable market for the corporate segment is estimated at SAR 26.5 billion in 2027 and excludes insurance premiums through direct tender.

Table (3.15): Aggregators' addressable market in the health corporate insurance segment

In SAR billion	2022	2023P	2024P	2025P	2026P	2027P	CAGR 23-27
Corporate GWP	22.8	28.9	30.8	33.3	36.6	40.9	9.0%
Addressable market	14.0	18.0	19.4	21.1	23.5	26.5	10.1%

Note: P: Projected

Source: SAMA, PwC Estimate

Table (3.16): Market share of top 3 players within health retail and SME aggregator channel

Aggregators	2020	2021	2022
	%	%	%
Rasan (Tameeni)	72.9%	62.9%	71.9%
Competitor A1	21.9%	33.0%	26.4%
Competitor B1	5.2%	4.1%	1.7%
Total GWP	**100%**	**100%**	**100%**

Note: 1: Estimated

Source: Company data, PwC Estimate

Table (3.17): Tameeni market share in the health SME segment

Gross Written premiums SAR million	2020	2021	2022	2023P
Rasan (Tameeni)	17	65	325	500
Health SME Segment (A)	6,025	6,259	7,945	9,668
Health Micro and Small Segment (current focus of Tameeni) (B)	2,907	3,145	4,191	5,099
Market share of Tameeni % (A)	**0.3%**	**1.0%**	**4.1%**	**5.2%**
Market share of Tameeni % (B)	**0.6%**	**2.1%**	**7.7%**	**9.8%**

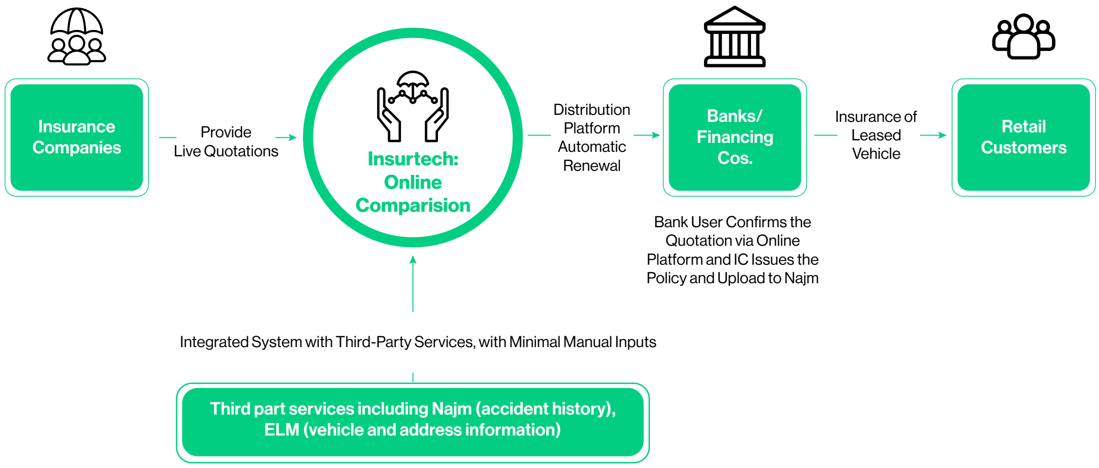
Source: SAMA, Company data, PwC Estimate

3.5 Insurance Platform for Leased Vehicles (sub-segment of motor insurance) in KSA

3.5.1 Overview of insurance for the leased vehicle market

Vehicles are financed by banks and non-banking finance companies to retail and corporate customers on a lease to own model, typically on a five-year tenure. The lender, i.e., banks and financing companies, ensure maximum protection for the vehicles until such time they own the title to the vehicles. They typically purchase comprehensive motor insurance policies to protect the vehicles against damage. The model is referred as Business to Business to Consumer (B2B2C) whereby the policy quotations are referred by the insurance companies to the banks / financing companies which in turn provide the quotations to the customer.

Figure (20): Insurance of leased vehicle – Value chain



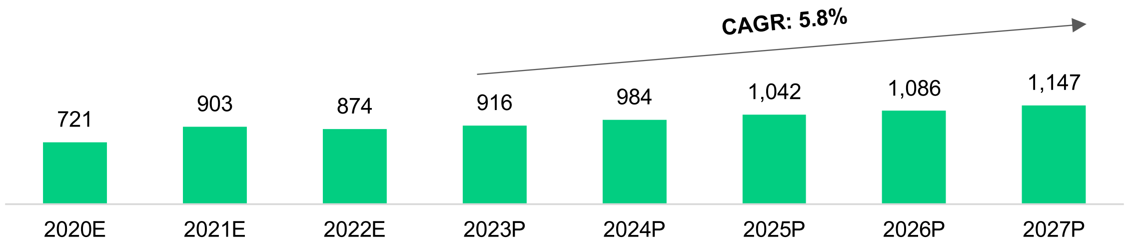
Specialized third party companies e.g., InsurTech provide an integrated platform to banks and lease financing companies to assist them in procuring quotations from multiple insurance companies on real time basis. Treza, operated by Rasan, operates one such insurance platform, offering comparison services for insurance products, integrated with the lenders' operating systems. Back-end integration with the lending companies' core system provides a seamless journey and reduces turnaround times during policy purchase and renewals. The lease financing entity is under a five year contract with the aggregator to renew the insurance policy for the leased vehicles annually. The lender enters the required risk coverage in the aggregator website along with details of the vehicle and receive quotations on a real time basis. The lenders pass on the option to the end customer (user of the vehicle) to select the quotation which is most suitable for them.

In addition to the insurance companies, the InsurTech/aggregators are also integrated with service providers such as Elm (providing verification on Vehicle information) and Najm (providing insurance discount eligibility report) to reduce operational procedures and provide a more seamless experience. Any policy issuance, renewal and cancellation done by insurance companies is received in a timely manner through the aggregator, which is fully integrated with the leasing company.

3.5.2 Size of vehicle leasing market – retail segment

The estimated number of vehicle population under lease financing declined in 2022 to 874,458 relative to 2021 on account of reduced participation by banks in disbursing auto loans as per SAMA reports. The number of leased vehicles is projected to grow from 916 thousand vehicles in 2023 to 1,147 thousand vehicles in 2027 with the value of retail leasing vehicle market growing at a CAGR of 4.6% to reach SAR 32.1 billion. A steady increase in the number of leased vehicles can be expected due to rise in working population, growth in expat population, infrastructure development and increasing number of tourists and other initiatives as part of the Vision 2030 program.

Figure (21): No. of leased vehicles in retail segment (In'000)



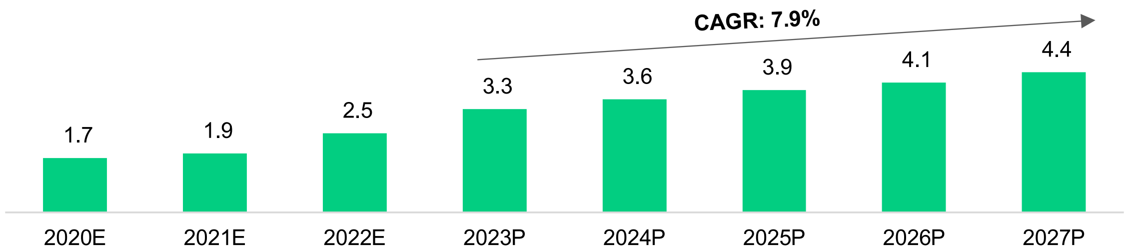
Note: E: Estimate, P: Projected

Source: PwC Estimate

3.5.3 Premiums from insurance of leased vehicles in the retail segment

The GWP for new and renewed insurance policies of vehicles on finance lease in the retail segment is projected to grow at a CAGR of 7.9% from 2023 to 2027 to reach SAR 4.4 billion. Growth in GWP of leased vehicles is largely due to the increase in average premium price in comprehensive motor policies during 2022 and 2023.

Figure (22): Premiums from insurance of leased vehicle under retail segment (SAR billion)



Note: E: Estimate, P: Projected

Source: PwC Estimate

3.5.4 Competitive landscape for aggregators within insurance of leased vehicles

In November 2020, SAMA announced new rules for the insurance of motor vehicles leased by banks and finance companies to retail customers. Following the new rules, banks and finance companies are partnering with insurance companies through aggregators' platforms to issue new policies for the leased vehicle. Typically, the insurance policies for leased vehicles are purchased and renewed over a 5-year period.

Accordingly, since Nov 2020, three specialized platforms including Treza offer insurance services to leasing companies with price comparison platforms. Treza is the leading B2B2C platform for major banks and finance companies for providing the platform for insurance of leased vehicles and has partnered with major banks and leasing companies in KSA, while only a few large finance leasing companies have their own programs, the two other competitors have smaller programs with only a few leasing companies.

Table (3.18): Market share of top 3 players within leased vehicle aggregator channel

Lease vehicles insurance aggregators	2021	2022	2023P
	%	%	%
Treza	29.5%	60.0%	62%
Other Competitors (Two)	0.6%	1.0%	1%
Aggregator GWP	30.1%	61.0%	63%
Brokers / Lease financing companies	69.9%	39.0%	37%
Total GWP	**100%**	**100%**	**100%**

Note: P: Projected

Source: PwC Estimate

Table (3.19): Market share of top 3 players within leased vehicle aggregator channel in terms of number of policies

Lease vehicles insurance aggregators	2020		2021		2022		2023	
	%	No. of Polices	%	No. of Polices	%	No. of Polices	%	No. of Polices
Treza	1.4%	10.3	22.1%	199.7	44.8%	391.7	62.2%	569.2
Other Competitors (two)	0.2%	1.5	0.5%	4.0	0.7%	6.5	0.8%	7.4
The Total Number of Policies for Aggregator	1.6%	11.8	22.6%	203.7	45.5%	398.2	63.0%	576.6
Aggregators	98.4%	709.1	77.4%	699.6	54.5%	476.2	37.0%	339.2
The Total Number of Policies	100%	720.9	100%	903.3	100%	874.4	100%	915.8

Note: P: Projected

Source: PwC Estimate

As of 2022, Treza has a market leading share of 60.0% of the total insurance premium from vehicles on leased financing in the retail segment and is projected to reach ~62% in 2023.

3.5.5 Key regulations impacting demand and supply

Comprehensive insurance of motor vehicles financially leased to individuals – SAMA announced the issuance of rules for Comprehensive Insurance of Motor Vehicles Financially Leased to Individuals came into force in November 2020. These rules aim to regulate the contractual relationship between the financing entities and their individual customers in relation to the insurance coverage of the financially leased vehicles. This step comes as part of SAMA's support to develop leading practices in the insurance sector, protect policyholders' rights, and ensure transparency and fairness in insurance transactions.

- As per the rule, banks/leasing companies, that used to charge a lump sum amount to customers, are now required to offer the best premium rates after obtaining offers from at least three insurers
- SAMA also determined the annual insurance premium should be based on the change in the vehicle's insurance value, pricing factors for individuals, and pricing of the insurance policy that is affected by the individual's driving behavior.
- In addition, the lessor, and the lessee shall agree on determining the repair method and the annual depreciation percentage of the vehicle at the beginning of the contractual relationship, but the lessee can solely request additional benefits and opt of the deductible amount.

Option of repairing the vehicle instead of cash compensation – SAMA introduced new amendments to Article 7 (Claims Settlement Procedures) to the Unified Compulsory Motor Insurance Policy in January 2023, allowing the insured an option of repairing the vehicle instead of receiving cash compensation. The updates come as part of SAMA's goal to efficiently develop and facilitate traffic claim settlement procedures and to protect the rights of the parties to the insurance contract. Given that the insured will have the option of cash compensation over repair, it is likely that a large portion of claimants will continue with the cash compensation option.

3.5.6 Auto loans

Auto Loans: Rasan is also preparing to introduce a digital lending platform for auto loans origination process leveraging its strong partnerships with banks and financial institutions through Treza and its current technological capabilities and agility. The platform offers a B2B solution for banks, connecting them with vehicle marketplaces and dealers for an end-to-end digital experience for the customers. The digital lending platform facilitates a streamlined journey for customers, enabling them to conveniently compare and select a car online, apply for leasing online, get the lease approved online, and the doorstep delivery of the leased vehicle. By leveraging the platform, banks can enhance their operational efficiency and streamline their lending process.

Auto loans witnessed a decline of 6.6% from 2019 to 2022 primarily due to low vehicle sales volume resulting from the pandemic's impact and a global shortage of semi-conductors, leading to reduced cars supply in the market. Auto loans increased to SAR 26.7 billion in 2023 and projected to rebound with a 4.6% (2023 to 2027) growth rate to reach SAR 32.1 billion in 2027 driven by increasing discretionary spending, an increase in female drivers contributing to increase in auto sales volumes, and the growing trend of digitalization in the lending process.

Table (3.20): Auto loans in KSA

SAR billion	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
Auto loans	31.5	27.6	28.1	25.6	26.7	27.9	29.2	30.5	32.1	(6.6%)	4.6%

Note: P: Projected

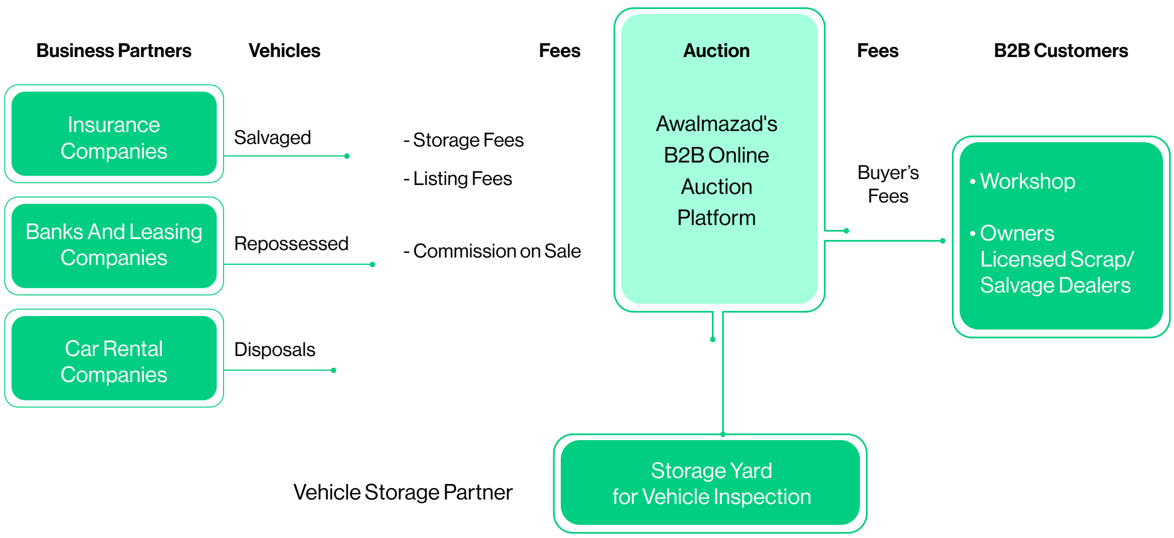
Source: SAMA, PwC Estimate

3.6 Sale of Repossessed, Salvaged and Rental Cars in KSA

This section covers the market size in KSA for sale of used vehicles by banks, finance leasing companies and car rental companies. It also covers the sale of salvaged vehicles by insurance companies. Banks and finance leasing companies sell vehicles that are repossessed due to loan default by the customers. Insurance companies sell vehicles that for their salvage value after they are declared a total loss following an accident. Car rental companies sell older cars from their fleet to replace them with new vehicles. These vehicles are auctioned through various channels and platforms. The vehicle auction industry involves providing a platform to various buyers and sellers to dispose of and monetize used vehicles. These are offline and online auction channels used to facilitate the sale of used vehicles in any condition.

The Company operates a specialized online platform, AwalMazad, for its B2B customers including banks, finance leasing companies, insurance companies and car rental companies to auctions its vehicles. The business is still in early stages and has significant potential to capture market share from the conventional auction channels.

Figure (23): Auction Platform – Value chain



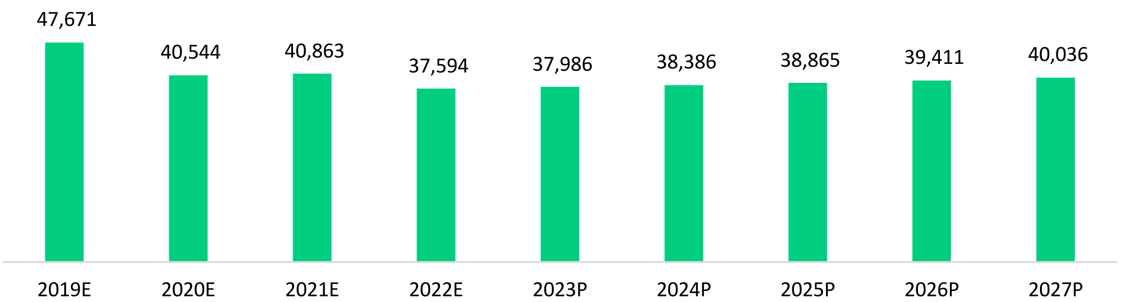
3.6.1 Repossessed vehicles sold by banks and leasing finance companies through auction

Banks and finance leasing companies act as lenders to extend loan facilities to retail customers for vehicles purchase. In the event of default on instalment payments, the lending companies have a right to repossess the vehicle from customer and sell it to an interested buyer, typically through an auction process. Various online and offline channels provide a platform for making such a sale. Under online auction process, interested buyers participate in the auction by placing their bids in the online platforms.

The number of repossessed cars has been projected to increase from 37,986 to 40,036 between 2023 and 2027. Due to the increasing trend of risk adjusted approach of underwriting and customer selection process by banks and lease financing companies, the default ratios are expected to improve leading to lower non-performing vehicle loans and as a result the availability of repossessed cars will be limited.

AwalMazad's online marketplace for banks and lease financing companies to sell repossessed vehicles is in its early phase and has significant growth opportunities to capture market share from traditional platforms.

Figure (24): Number of repossessed vehicles in retail segment



Note: E: Estimate, P: Projected
Source: PwC Estimate

3.6.2 Salvage vehicles sold by insurance companies through auction

A car is declared to be a 'total loss' by the insurance company if the cost of repairing surpasses a specified percentage of the car's value, as mentioned in the motor policy of the insurance company. The threshold for total loss, i.e., damages as a percentage of the pre-accidental value of the vehicle, varies based on the underwriting policies of insurance companies. The insurance company determines whether the estimated damage sustained by the motor vehicle is considered a total loss. If the damage is considered total loss, the insurance pays out the claim in accordance with the terms and conditions of the insurance policy. Upon settlement of the vehicle value, the insurance company can sell the vehicle as salvage to a scrap dealer, auction house or other interested parties.

The salvage vehicle market size is driven by factors such as number of car accidents in KSA, severity of accidents and the terms and conditions of insurance companies for deciding the total loss category. Typically, surveyors are appointed to determine the extent of loss in ascertaining the repair value and loss total loss value.

a- Key factors impacting the salvage vehicle market

Accident prevention efforts by KSA: One of the key objectives of the Saudi National Transformation Program is to enhance traffic and reduce road accident injuries and deaths. The country aims to reduce the number of road traffic fatality to less than 10 per 100,000 by 2030. The KSA government implemented a collaborative approach between the Ministry of Health, Ministry of Interior and other bodies to address the different causes of road traffic accidents and reduce traffic incidents. The reported incidents of road traffic injuries have reduced by 55% since 2016 since WHO began supporting KSA's road safety vision. Drivers are more aware of road safety measures after a penalty point system was introduced in 2020 for erroneous drivers. Public education campaigns, school-based traffic safety education, improvement in vehicle safety technology, road infrastructure and played pivotal role in reducing accidents.

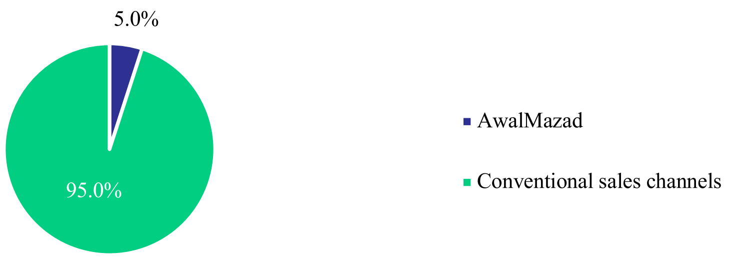
SAMA's recent announcement for comprehensive motor insurance rules: In November 2022, SAMA announced the Comprehensive Motor Insurance Rules to regulate the contractual relationship between the insurer and the insured by standardizing the minimum coverage limit of the non-compulsory comprehensive motor insurance. Previously, each insurance company had its own criteria for comprehensive insurance policy and therefore, there was no standard form for comprehensive insurance. Standardization of provisions and exceptions on the sum insured will bring transparency to the process of declaring the vehicle as a total loss in the sector.

b- Market size of salvaged vehicles

The market size of salvaged vehicles in KSA is in the range of 15,000 to 20,000 vehicles in 2022, based on the claims experience from participants in the motor insurance sector. As per data published by the Traffic Safety department of Ministry of Interior in Saudi Arabia, the number of major accidents in KSA decreased to 17,000 accidents in 2022 from 18,200 accidents in 2021.

AwalMazad currently has a lower market share of 3-5% of the overall salvage vehicle market, based on the estimated number of annual sales of salvaged vehicles.

Figure (25): AwalMazad market share for salvage vehicle via online platform (2023)



Source: PwC Estimate

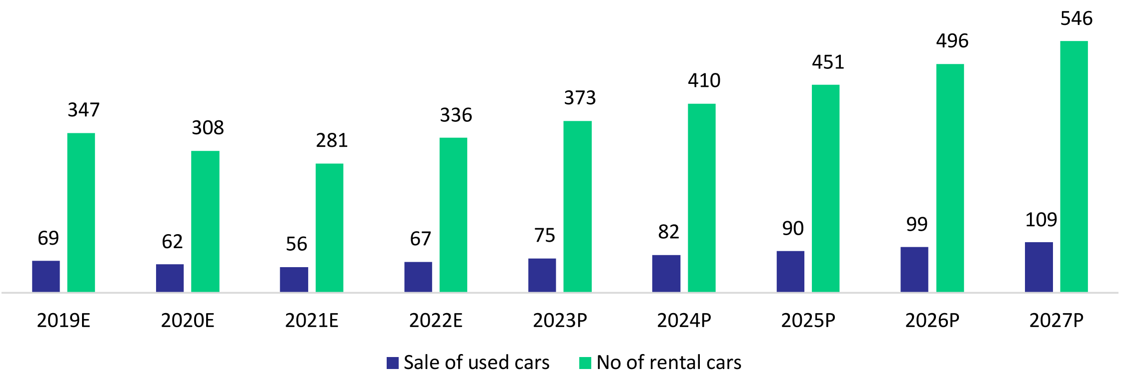
3.6.3 Used cars sold by car rental companies through auction

The estimated size of the rental car market is ~335,989 in 2022, projected to grow at 10.0% per annum. Several factors are attributed towards the growth including growth in tourism particularly the Hajj and Umrah travelers, ease of visa regulations, increase in travel in the corporate and government travel sector, increase in the number of trade fairs, entertainment events and exhibitions and the increase in the volume of temporary workers engaged in the development of KSA giga projects. Potential benefits for the customers of rented cars over owning a car includes a wider selection of cars, cheaper upfront payment and less complicated paperwork for auto loan application.

Sale of used cars is a key part of the operations for car rental companies to maintain a young fleet of vehicles to enhance customer satisfaction and avoid expensive maintenance costs. Car companies typically replace used cars between 3 and 4 years of purchase, depending on the usage and the condition of the vehicles. The number of used cars sold by car rental companies is estimated to grow from 74,590 cars in 2023 to 109,207 cars in 2027. A portion of the used vehicles for sale are exported out of Saudi Arabia and sold in other countries, while others are sold within the country.

The Company's specialized online platform business, AwalMazad, for car rental corporate customers is still in early stages and has significant potential to list the growing number of replacement vehicles for sale in its platform.

Figure (26): Number of rental cars and used cars sold by car rental companies each year (In'000)



Note: E: Estimated, P: Projected

Source: PwC Estimate

3.6.4 Competitive landscape for repossessed, salvaged and rental cars in KSA

Awalmazad operates a B2B online platform for bidding and auction of repossessed, salvaged and rental vehicles in KSA. The platform offers an additional distribution channel for the sale of damaged, scrapped or used vehicles for its business partners, insurance companies, banks, auto finance leasing and car rental companies.

Insurance companies have traditionally auctioned salvaged vehicles through various distribution channels including yard auctions, sale to workshop owners or licensed scrap dealers.

Banks and finance leasing companies historically sold repossessed or used vehicles through auctions arranged by a third parties such as brokers or used car dealers.

Car rental companies have their own sales teams which arranges for regular disposals of their cars as part of their fleet management.

Since the launch of online auction platforms such as Awalmazad in 2019 and another competitor's platform in 2020, which deal in repossessed, used and salvaged cars, insurance companies, banks and car rental companies have started listing their vehicles for online auctioning which is an easier process for both buyers and sellers in terms of vehicle information, transparency in bid tracking and payment.

While online motor marketplace platforms in KSA offer leasing companies and car rentals the option to list their vehicles, they operate as an online marketplace and not as auction platforms with live bidding.

3.7 UAE Macroeconomic and Insurance Overview

3.7.1 Macroeconomic Factors

Following a strong post pandemic recovery in the UAE economy and growth in oil and non-oil sectors, real GDP in 2022 is estimated to grow by 7.9% compared to 2021. The strong economic growth is driven by increase in oil production, as well as a strong rebound across sectors such as travel and tourism, real estate and construction sectors. Macroeconomic situation in other countries has strengthened UAE's position as an investment destination in the region. However, higher inflation, rising interest rates, and overall economic uncertainty in US and Europe may temporarily slow down the growth in the UAE economy.

Table (3.21): Gross Domestic Product, UAE

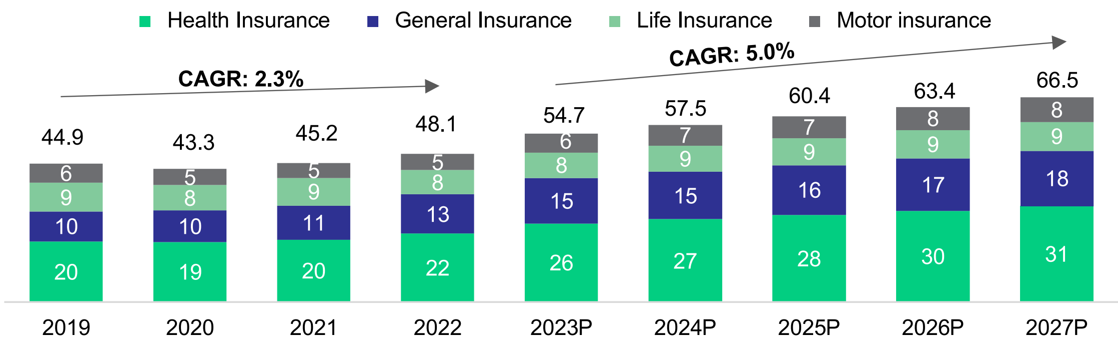
	Units	2019	2020	2021	2022E	2023P	2024P	2025P	2026P	2027P	CAGR 19-22	CAGR 23-27
Nominal GDP	SAR billion	1,566	1,309	1,555	1,899	1,907	2,011	2,102	2,205	2,319	6.7%	5.0%
Real GDP	SAR billion	1,548	1,471	1,535	1,656	1,711	1,784	1,858	1,938	2,022	2.3%	4.3%
Real GDP growth	%	3.9%	(5.0%)	4.4%	7.9%	3.3%	4.3%	4.2%	4.3%	4.4%	-	-

Note: E: Estimated, P: Project

Source: IMF, UAE FCSC, UAE Central Bank report

3.7.2 Insurance Overview

Figure (27): Gross written premium by line of business, UAE (SAR billion)



Note: P: Projected,

Source: Central Bank UAE, PwC Estimate

The insurance market is set to experience rising volumes of premiums in the over the next 5 years. GWP is projected to grow at a CAGR of 5.0% over the next 4 years driven by increase in government spend towards a diversified economy, leading to expansion in insurable infrastructure assets and growth in the job market. Insurance companies in the UAE collaborate with banking channels, government agencies, businesses, and brokers/ aggregators and InsurTechs to widen their point of sales and customer base. In addition, insurance providers are investing across the value chain particularly focusing on digitalization and automation including sales, operations, claims management and finance to enhance customer experience and bring operational efficiencies.

The insurance sector in the UAE is largely protected by mandatory regulation. Health premiums comprised the largest portion of the gross premiums in the UAE at 46.2% in 2022, followed by general insurance (including motor insurance) at 37.7% and life insurance at 16.1%. Expatriate workers (comprising c.85% of UAE's population) are reliant on private health insurance, which is mandatory in In Abu Dhabi and Dubai (c.60% of UAE's population). GWP in 2021 was back to 2019 levels demonstrating post pandemic recovery. The insurance sector in 2022 recorded strong growth of 6.5% compared to 2021 driven by all lines of businesses except life insurance. The growth has been driven by higher volumes as well as higher prices of insurance policies. However, the profitability of insurance companies was significantly eroded due to higher commission expense and lower investment income.

rasan

4. Company Overview

4.1 Overview

Rasan Information Technology Company is a Saudi closed joint stock company pursuant to Ministry of Commerce resolution number 1158 dated 10/01/1444H (corresponding to 08/08/2022G), registered in Riyadh under commercial registration number 1010476663 dated 05/08/1437H (corresponding to 12/05/2016G). Its registered address is 3413 Al Thoumamah Road, 8135 Qurtubah District, Riyadh – 13248, Kingdom of Saudi Arabia.

As of the date of this Prospectus, the Company's capital is seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000) divided into seventy million, five hundred thousand (70,500,000) ordinary shares with an equal nominal value of one Saudi Riyal (SAR 1) per share. The Company's capital after the Offering will be seventy-five million, eight hundred thousand Saudi Riyals (SAR 75,800,000) divided into seventy-five million, eight hundred thousand (75,800,000) ordinary shares with an equal nominal value of one Saudi Riyal (SAR 1) per share, as a result of the Company's capital increase through the issue and Offering of five million, three hundred thousand (5,300,000) new shares (representing 7.0% of the Company's capital after the Offering) for public subscription.

The Group operates within the FinTech industry, offering several products and platforms to cater to an array of customer needs and markets within the area of technological solutions in the insurance sector and other areas of the FinTech industry. The Group is a leading provider of products and services within the FinTech industry with over 7.5 million customers served in the Kingdom since the launch of its operations in 2017G and up to 30 September 2023G. As of the date of this Prospectus, the Group has four (4) main business segments, namely: (i) Tameeni Motor, under which the Group manages through an online motor insurance aggregation platform for individual customers operated by Tameeni Company; (ii) Tameeni Health, under which the Group manages through an online health insurance aggregation platform that targets SMEs operated by Tameeni Company; (iii) the leasing segment, under which the Group offers Treza operated by the Company, which is a software product that integrates systems of banks and leasing companies with those of motor insurance companies allowing banks and leasing companies to receive motor insurance products individually or in bulk for their finance leased vehicles; (iv) the online auction segment, under which the Group offers Awal Mazad operated by the Company, which is an online auction platform for salvaged, repossessed and used vehicles; in addition to its fifth business segment which includes (v) providing its new R solutions by the Company, consisting of data analysis and portfolio performance monitoring software, models and solutions for forecasting business models in the insurance sector under the name R2, which target insurance companies as the end customer, data analysis and business intelligence solutions, and building predictive pricing models that were launched through Treza as an optional addition under the name R3 targeting banks and financial institutions. The Group was the first entity to obtain a license from SAMA for the provision of electronic insurance aggregation activities in the Kingdom, noting that the total subscribed premiums of the Group amounted to SAR 4.2 billion in 2022G, increasing from SAR 1.4 billion in 2020G. The total subscribed premiums of the Group amounted to SAR 4.8 billion on 30 September 2023G, increasing from SAR 2.9 billion on 30 September 2022G. It is also worth noting that the Group was ranked among the top 25 FinTech companies in the Middle East and classified among the 50 most funded startups in the Middle East by Forbes Middle East in 2022G.

As of the date of this Prospectus, the Company directly owns five (5) subsidiaries, namely (i) Awal Mozawadah Company; (ii) Tameeni Company; (iii) Treza Company; (iv) Rasan – UAE; and (v) Rasan Egypt (the "**Subsidiaries**") (for further information, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus).

The Directors declare, to the best of their knowledge and belief, that no material change in the nature of the Company's business is contemplated as of the date of this Prospectus.

4.1.1 The Company's Shareholding Structure Pre- and Post-Offering

As of the date of this Prospectus, the Company's capital is seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000) divided into seventy million, five hundred thousand (70,500,000) ordinary shares with an equal nominal value of one Saudi Riyal (SAR 1) per share. The Company's capital after the Offering will be seventy-five million, eight hundred thousand Saudi Riyals (SAR 75,800,000) divided into seventy-five million, eight hundred thousand (75,800,000) ordinary shares with an equal nominal value of one Saudi Riyal (SAR 1) per share, as a result of the Company's capital increase through the issue and Offering of five million, three hundred thousand (5,300,000) new shares (representing 7.0% of the Company's capital after the Offering) for public subscription.

The following table shows the Company's shareholding structure pre- and post-Offering:

Table (4.1): The Company's Shareholding Structure Pre- and Post-Offering[1]

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Ownership (%)[2]	Number of Shares	Total Nominal Value (SAR)	Ownership (%)[2]
1-	Impact Funds for Financial Technology Company	13,148,250	13,148,250	18.65%	9,895,690	9,895,690	13.06%
2-	Theib Hudeiban Ghallab AlMutairi	9,975,750	9,975,750	14.15%	7,507,990	7,507,990	9.91%
3-	Muheideb Ali Mohammed AlMuheideb	8,643,300	8,643,300	12.26%	6,505,156	6,505,156	8.58%
4-	Samer Mohammed Raslan	6,648,150	6,648,150	9.43%	5,003,558	5,003,558	6.60%
5-	Mohammed Muheideb Ali AlMuheideb	4,653,000	4,653,000	6.60%	3,501,960	3,501,960	4.62%
6-	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	4,519,050	6.41%	3,401,146	3,401,146	4.49%
7-	Fahad Ahmed Mohammed Abuhaimed	3,454,500	3,454,500	4.91%	2,599,940	2,599,940	3.44%
8-	Majed Abdullah Mohammed AlBawardi	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
9-	Moayad Abdullah Suleiman AlFallaj	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
10-	Abdulrahman Abdullah Abdulrahman Bin Aiban	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
11-	Sami Muheideb Ali AlMuheideb	3,327,600	3,327,600	4.72%	2,504,432	2,504,432	3.30%
12-	Ayman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
13-	Suleiman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
14-	Thamer Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
15-	Abdulelah Mohammed Manei AlGhufaili	1,198,500	1,198,500	1.71%	902,020	902,020	1.20%
16-	Public	-	-	-	22,740,000	22,740,000	30.0%
Total		**70,500,000**	**70,500,000**	**100%**	**75,800,000**	**75,800,000**	**100%**

(1) There are no shareholders with indirect ownership of 5% or more of the Company's shares.

(2) The ownership percentages are rounded to the nearest integer.

Source: The Company

4.1.2 Corporate History and Evolution of the Company's Ownership Structure and Capital

a- Incorporation (2016G)

The Company was established on 05/08/1437H (corresponding to 12/05/2016G) as a limited liability company with a fully paid-up capital of three million Saudi Riyals (SAR 3,000,000), divided into one thousand (1,000) cash shares with a fully paid nominal value of three thousand Saudi Riyals (SAR 3,000) per share, and is registered in Riyadh under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G).

The following table sets out the ownership structure of the Company upon incorporation:

Table (4.2): The Company's Ownership Structure as at 05/08/1437H (corresponding to 12/05/2016G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %
1-	Muheideb Ali Mohammed AlMuheideb	370	3,000	1,110,000	37.00%
2-	Suleiman Abdullah Suleiman AlFallaj	168	3,000	504,000	16.80%
3-	Mohammed Muheideb Ali AlMuheideb	130	3,000	390,000	13.00%
4-	Thamer Abdullah Suleiman AlFallaj	83	3,000	249,000	8.30%
5-	Abdulrahman Abdullah Abdulrahman Bin Aiban	83	3,000	249,000	8.30%
6-	Majed Abdullah Mohammed AlBawardi	83	3,000	249,000	8.30%
7-	Moayad Abdullah Suleiman AlFallaj	83	3,000	249,000	8.30%
Total		**1,000**	**-**	**3,000,000**	**100%**

Source: The Company

b- Change of Ownership Structure (2017G)

On 11/02/1439H (corresponding to 31/10/2017G), the shareholder Majed Abdullah Mohammed AlBawardi, transferred ownership of his entire shareholding amounting to eighty-three (83) shares to Suleiman Abdullah Suleiman AlFallaj, without consideration.

The following table shows the Company's ownership structure following the change in ownership structure:

Table (4.3): The Company's ownership structure as of 11/02/1439H (corresponding to 31/10/2017G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %
1-	Muheideb Ali Mohammed AlMuheideb	370	3,000	1,110,000	37.00%
2-	Suleiman Abdullah Suleiman AlFallaj	251	3,000	753,000	25.10%
3-	Mohammed Muheideb Ali AlMuheideb	130	3,000	390,000	13.00%
4-	Thamer Abdullah Suleiman AlFallaj	83	3,000	249,000	8.30%
5-	Abdulrahman Abdullah Abdulrahman Bin Aiban	83	3,000	249,000	8.30%
6-	Moayad Abdullah Suleiman AlFallaj	83	3,000	249,000	8.30%
Total		**1,000**	**-**	**3,000,000**	**100%**

Source: The Company

c- Change of Ownership Structure (2021G)

On 10/08/1442H (corresponding to 23/03/2021G), the shareholders Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj, transferred the ownership of one hundred and forty (140) shares and ten (10) shares, respectively, to Theib Hudeiban Ghallab AlMutairi, without consideration. Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj also transferred ownership of seven (7) shares and fifty-nine (59) shares, respectively, to Ayman Abdullah Suleiman AlFallaj, without consideration. Suleiman Abdullah Suleiman AlFallaj further transferred fifty (50) shares to Sami Muheideb Ali AlMuheideb and sixty-six (66) shares to Majed Abdullah Mohammed AlBawardi without consideration. Muheideb Ali Mohammed AlMuheideb, Thamer Abdullah Suleiman AlFallaj, Moayad Abdullah Suleiman AlFallaj and Abdulrahman Abdullah Abdulrahman Bin Aiban also transferred one (1) share, seventeen (17) shares, seventeen (17) shares and seventeen (17) shares, respectively, to Fahad Ahmed Mohamed Abuhaimed without consideration. In addition, Muheideb Ali Mohammed AlMuheideb transferred fifty-two (52) shares to Abdulelah Mohammed Manei AlGhufaili, without consideration.

The following table shows the Company's ownership structure following the change in ownership structure:

Table (4.4): The Company's ownership structure as of 18/10/1442H (corresponding to 23/03/2021G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %
1-	Muheideb Ali Mohammed AlMuheideb	230	3,000	690,000	23.00%
2-	Theib Hudeiban Ghallab AlMutairi	150	3,000	450,000	15.00%
3-	Mohammed Muheideb Ali AlMuheideb	70	3,000	210,000	7.00%
4-	Suleiman Abdullah Suleiman AlFallaj	66	3,000	198,000	6.60%
5-	Thamer Abdullah Suleiman AlFallaj	66	3,000	198,000	6.60%
6-	Abdulrahman Abdullah Abdulrahman Bin Aiban	66	3,000	198,000	6.60%
7-	Majed Abdullah Mohammed AlBawardi	66	3,000	198,000	6.60%
8-	Moayad Abdullah Suleiman AlFallaj	66	3,000	198,000	6.60%
9-	Ayman Abdullah Suleiman AlFallaj	66	3,000	198,000	6.60%
10-	Abdulelah Mohammed Manei AlGhufaili	52	3,000	156,000	5.20%
11-	Fahad Ahmed Mohammed Abuhaimed	52	3,000	156,000	5.20%
12-	Sami Muheideb Ali AlMuheideb	50	3,000	150,000	5.00%
Total		**1,000**	**-**	**3,000,000**	**100%**

Source: The Company

d- The Investment Round and Increase in Capital and Structure Amendment (2021G)

On 26/02/1443H (corresponding to 03/10/2021G), the Company has carried out an investment round led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000), based on a valuation of three hundred fifty-one million fifty-seven thousand four hundred sixty-two Saudi Riyals (SAR 351,057,462) at the time. The purpose of the investment round was to (i) increase the capital of the Company from three million Saudi Riyals (3,000, 000) to twenty five million five hundred thousand Saudi Riyals (25,500, 000); and (b) acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, whose shareholding amounted 19.40% and 5.66%, respectively, following the capital increase and purchase of Shares detailed in the paragraphs below.

On 19/03/1443H (corresponding to 25/10/2021), Suleiman Abdullah Suleiman AlFallaj, transferred forty (40) shares representing 4.0% of the Company's capital, and Thamer Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Ayman Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Abdulelah Mohammed Manei AlGhufaili transferred thirty-two (32) shares representing 3.2% of the capital, and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred fourteen (14) shares representing 1.4% of the capital, and Majed Abdullah Mohammed AlBawardi transferred fourteen (14) shares representing 1.4% of the capital, and Moayad Abdullah Suleiman AlFallaj transferred fourteen (14) shares representing 1.4% of the capital to the two (2) new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, with shares in the amount of one hundred sixty-six (166) shares and twenty-eight (28) shares, representing 16.57% and 2.83% of the Company's capital, respectively, in conjunction with an investment round of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) which included the purchase of shares representing 19.40% of the Company's capital from the current Shareholders for the two (2) new Shareholders and the increase in capital from three million Saudi Riyals (SAR 3,000,000) to twenty five million five hundred thousand Saudi Riyals (SAR 25,500,000), as detailed below.

Additionally, pursuant to the Shareholders' resolution recorded in the Company's articles of association, dated 19/03/1443H (corresponding to 25/10/2021G), the capital of the Company was increased from three million Saudi Riyals (SAR 3,000,000) to twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000) divided into two million five hundred fifty thousand (2,550,000) shares of equal nominal value of ten Saudi Riyals (SAR 10) each, representing an increase of 750% in the Company's capital. The increase of twenty-two million five hundred thousand Saudi Riyals (SAR 22,500,000) was fully paid in cash by the two new shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, on their own behalf and equally between them on behalf of the other Shareholders in the Company, following which the shareholding of Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology in the Company's capital was 2.83% and 2.83% respectively, and the total shareholding of the other Shareholders of the Company – collectively – was 94.34% of the capital. The capital increase was made in conjunction with an investment round on 26/02/1443H (corresponding to 03/10/2021) led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) for the purpose of increasing the Company's capital as referenced above and for the purpose of acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, whose shares amounted to four hundred ninety-four thousand, seven hundred (494,700) one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the Company's capital, respectively, following the capital increase and purchase of Shares.

The following table sets out the ownership structure of the Company following such capital increase and change in ownership:

Table (4.5): The Company's Ownership Structure as at 19/03/1443H (corresponding to 25/10/2021G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %[1]
1-	Muheideb Ali Mohammed AlMuheideb	553,302	10	5,533,020	21.70%
2-	Impact Funds for Financial Technology Company	494,700	10	4,947,000	19.40%
3-	Theib Hudeiban Ghallab AlMutairi	360,849	10	3,608,490	14.15%
4-	Mohammed Muheideb Ali AlMuheideb	168,396	10	1,683,960	6.60%
5-	Assets Custody Development Impact Company for Communications and Information Technology	144,340	10	1,443,400	5.66%
6-	Fahad Ahmed Mohammed Abuhaimed	125,094	10	1,250,940	4.90%
7-	Abdulrahman Abdullah Abdulrahman Bin Aiban	123,073	10	1,230,730	4.83%
8-	Majed Abdullah Mohammed AlBawardi	123,074	10	1,230,740	4.83%
9-	Moayad Abdullah Suleiman AlFallaj	123,073	10	1,230,730	4.83%
10-	Sami Muheideb Ali AlMuheideb	120,283	10	1,202,830	4.72%
11-	Ayman Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
12-	Thamer Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
13-	Suleiman Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
14-	Abdulelah Mohammed Manei AlGhufaili	43,494	10	434,940	1.71%
Total		**2,550,000**	**-**	**25,500,000**	**100%**

(1) The shareholding percentages are rounded to the nearest integer.

Source: The Company

e- Conversion to Joint Stock Company and Change of Ownership Structure (2022G)

Pursuant to the Ministry of Commerce resolution number 1158 dated 10/01/1444H (corresponding to 08/08/2022G), the Company was converted from a limited liability company into a joint stock company under the name "شركة رسن لتقنية المعلومات (شركة مساهمة مقفلة)" (Rasan Information Technology Company (Closed Joint Stock Company)) with a capital of twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000) divided into two million five hundred and fifty thousand (2,550,000) fully paid ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) each.

In addition, Impact Funds for Financial Technology Company transferred nineteen thousand and ninety-eight (19,098) of its shares in the Company with a nominal value of ten Saudi Riyals (SAR 10) each to Assets Custody Development Impact Company for Communications and Information Technology, without consideration. Moreover, Muheideb Ali Mohammed AlMuheideb transferred two hundred and forty thousand and five hundred sixty-six (240,566) of his shares in the Company with a nominal value of ten Saudi Riyals (SAR 10) each to Samer Mohammed Raslan, a new shareholder in the Company, without consideration.

The following table sets out the ownership structure of the Company following its conversion into a joint stock company and the change in the ownership structure:

Table (4.6): The Company's Ownership Structure as at 10/01/1444H (corresponding to 08/08/2022G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %[1]
1-	Impact Funds for Financial Technology Company	475,602	10	4,756,020	18.65%
2-	Theib Hudeiban Ghallab AlMutairi	360,849	10	3,608,490	14.15%
3-	Muheideb Ali Mohammed AlMuheideb	312,736	10	3,127,360	12.26%
4-	Samer Mohammed Raslan	240,566	10	2,405,660	9.43%
5-	Mohammed Muheideb Ali AlMuheideb	168,396	10	1,683,960	6.60%
6-	Assets Custody Development Impact Company for Communications and Information Technology	163,438	10	1,634,380	6.41%
7-	Fahad Ahmed Mohammed Abuhaimed	125,094	10	1,250,940	4.90%
8-	Moayad Abdullah Suleiman AlFallaj	123,073	10	1,230,730	4.83%
9-	Abdulrahman Abdullah Abdulrahman Bin Aiban	123,073	10	1,230,730	4.83%
10-	Majed Abdullah Mohammed AlBawardi	123,074	10	1,230,740	4.83%
11-	Sami Muheideb Ali AlMuheideb	120,283	10	1,202,830	4.72%
12-	Ayman Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
13-	Suleiman Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
14-	Thamer Abdullah Suleiman AlFallaj	56,774	10	567,740	2.23%
15-	Abdulelah Mohammed Manei AlGhufaili	43,494	10	434,940	1.71%
Total		**2,550,000**	**-**	**25,500,000**	**100%**

(1) The shareholding percentages are rounded to the nearest integer.

Source: The Company

f- Capital Structure Increase and Amendment (2023G)

Pursuant to a resolution by the extraordinary general assembly dated 21/12/1444H (corresponding to 09/07/2023G), the capital of the Company was increased from twenty-five million, five hundred thousand Saudi Riyals (SAR 25,500,000) to seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million, five hundred thousand (70,500,000) shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 176.5% in the Company's capital, through capitalization of thirty-seven million, three hundred and fifty thousand Saudi Riyals (SAR 37,350,000) from the retained earnings account and seven million, six hundred and fifty thousand Saudi Riyals (SAR 7,650,000) from the statutory reserve account.

In addition, the extraordinary general assembly resolved to reduce the Company's share nominal value from ten Saudi Riyals (SAR 10) to one Saudi Riyal (SAR 1), through a forward split of seven million and fifty thousand (7,050,000) shares to seventy million, five hundred thousand (70,500,000) shares, without any changes to the ownership percentages of the existing shareholders.

The following table sets out the ownership structure of the Company following the capital increase and the reduction of the Company's share nominal value:

Table (4.7): The Company's Ownership Structure as at 21/12/1444H (corresponding to 09/07/2023G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding %(1)
1-	Impact Funds for Financial Technology Company	13,148,250	[1]1	13,148,250	18.65%
2-	Theib Hudeiban Ghallab AlMutairi	9,975,750	1	9,975,750	14.15%
3-	Muheideb Ali Mohammed AlMuheideb	8,643,300	1	8,643,300	12.26%
4-	Samer Mohammed Raslan	6,648,150	1	6,648,150	9.43%
5-	Mohammed Muheideb Ali AlMuheideb	4,653,000	1	4,653,000	6.60%
6-	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	1	4,519,050	6.41%
7-	Fahad Ahmed Mohammed Abuhaimed	3,454,500	1	3,454,500	4.90%
8-	Moayad Abdullah Suleiman AlFallaj	3,405,150	1	3,405,150	4.83%
9-	Abdulrahman Abdullah Abdulrahman Bin Aiban	3,405,150	1	3,405,150	4.83%
10-	Majed Abdullah Mohammed AlBawardi	3,405,150	1	3,405,150	4.83%
11-	Sami Muheideb Ali AlMuheideb	3,327,600	1	3,327,600	4.72%
12-	Ayman Abdullah Suleiman AlFallaj	1,572,150	1	1,572,150	2.23%
13-	Suleiman Abdullah Suleiman AlFallaj	1,572,150	1	1,572,150	2.23%
14-	Thamer Abdullah Suleiman AlFallaj	1,572,150	1	1,572,150	2.23%
15-	Abdulelah Mohammed Manei AlGhufaili	1,198,500	1	1,198,500	1.71%
Total		**70,500,000**	**-**	**70,500,000**	**100%**

(1) The shareholding percentages are rounded to the nearest integer.

Source: The Company

g- Capital Increase (2023G)

On 27/01/1445H (corresponding to 08/14/2023G), the extraordinary general assembly of the Company approved an increase in the Company's capital from seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000) to seventy-five million, eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million, eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 7.5% in the Company's capital, through Offering five million and three hundred thousand (5,300,000) New Shares for public subscription.

4.1.3 Overview of the Company's Substantial Shareholders

As of the date of this Prospectus, the Company has a total of six (6) substantial shareholders directly owning 5% or more of the Company's capital ("**Substantial Shareholders**"), namely (i) Impact Funds for Financial Technology Company; (ii) Theib Hudeiban Ghallab AlMutairi; (iii) Muheideb Ali Mohammed AlMuheideb; (iv) Samer Mohammed Raslan; (v) Mohammed Muheideb Ali AlMuheideb; and (vi) Assets Custody Development Impact Company for Communications and Information Technology. Two (2) of the Substantial Shareholders are corporate entities, details of such shareholders are as follows:

a- Impact Funds for Financial Technology Company

Impact Funds for Financial Technology Company is a Saudi single-shareholder limited liability company registered in Riyadh under commercial registration number 1010745484 dated 23/02/1443H (corresponding to 30/09/2021G). As of the date of this Prospectus, the capital of Impact Funds for Financial Technology Company is five thousand Saudi Riyals (SAR 5,000) divided into five hundred (500) shares with an equal nominal value of ten Saudi Riyals (SAR 10) each.

According to its commercial registration certificate, Impact Funds for Financial Technology Company's main activity is financial technology (FinTech) solutions. As of the date of this Prospectus, Impact Funds for Financial Technology Company holds thirteen million, one hundred and forty-eight thousand, two hundred and fifty (13,148,250) shares in the Company, representing 18.65% of the Company's capital.

Impact Funds for Financial Technology Company is wholly owned by Osool and Bakheet Investment Company, a closed joint stock company registered under commercial registration number 1010219805 dated 02/05/1427H. (corresponding to 29/05/2006G) and licensed by the CMA under license number 08126-07 to provide, among other matters, custody services. Impact Funds for Financial Technology Company was established by Osool and Bakheet Investment Company as a custodian on behalf of Venture Capital InsurTech Fund for the purpose of holding and registering the assets of Venture Capital InsurTech Fund (which include the Shares representing 18.65% of the Company's capital), in accordance with the Investment Funds Regulations issued by the CMA Board pursuant to its resolution number 1-219-2006 dated 03/12/1427H (corresponding to 24/12/2006G), as amended, which requires the custodian to segregate each investment fund's assets from its own assets and from the assets of its other clients, and to register its ownership in unlisted companies that are not deposited in the depository center in the name of a company fully owned by the custodian.

In addition, the fund manager of Venture Capital InsurTech Fund is Impact Financial Company, a closed joint stock company registered under commercial registration number 1010519508 dated 25/05/1440H (corresponding to 31/01/2019G) ("**Impact46**").

The below table sets out the ownership structure of Impact Funds for Financial Technology Company:

Table (4.8): The Ownership Structure of Impact Funds for Financial Technology Company as of the date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership (%)
1-	Osool and Bakheet Investment Company(1)	500	10	5,000	100%
Total		**500**	**10**	**5,000**	**100%**

(1) Osool and Bakheet Investment Company are acting as a custodian on behalf of Venture Capital InsurTech Fund for the purpose of holding and registering the assets of Venture Capital InsurTech Fund in accordance with the Investment Funds Regulations, which requires the custodian to separate the assets of all investment funds from its own and the assets of its other clients, and to register its ownership in unlisted and unregistered companies with Edaa in the name of a company wholly owned by the custodian.

Source: The Company

b- Assets Custody Development Impact Company for Communications and Information Technology

Assets Custody Development Impact Company for Communications and Information Technology is a Saudi single-shareholder limited liability company registered in Riyadh under commercial registration number 1010629783 dated 06/07/1441H (corresponding to 01/03/2020G). As of the date of this Prospectus, the capital of Assets Custody Development Impact Company for Communications and Information Technology is five thousand Saudi Riyals (SAR 5,000) divided into five hundred (500) shares with an equal nominal value of ten Saudi Riyals (SAR 10) each.

According to its commercial registration certificate, Assets Custody Development Impact Company for Communications and Information Technology's main activity is acting as custodian and holding the assets of Impact Growth Fund. As of the date of this Prospectus, Assets Custody Development Impact Company for Communications and Information Technology holds four million, five hundred and nineteen thousand and fifty (4,519,050) shares in the Company, representing 6.41% of the Company's capital.

Assets Custody Development Impact Company for Communications and Information Technology is wholly owned by Osool and Bakheet Investment Company, a closed joint stock company registered under commercial registration number 1010219805 dated 02/05/1427H (corresponding to 29/05/2006G) and licensed by the CMA under license number 08126-07 to provide – among other matters – custody services. Assets Custody Development Impact Company for Communications and Information Technology was established by Osool and Bakheet Investment Company as a custodian on behalf of Impact Growth Fund for the purpose of holding and registering the assets of Impact Growth Fund (which include the Shares representing 6.41% of the Company's capital), in accordance with the Investment Funds Regulations issued by the CMA Board pursuant to its resolution number 1-219-2006 dated 03/12/1427H (corresponding to 24/12/2006G), as amended, which requires the custodian to segregate each investment fund's assets from its own assets and from the assets of its other clients, and to register its ownership in unlisted companies that are not deposited in the depository center in the name of a company fully owned by the custodian.

In addition, the fund manager of Impact Growth Fund is Impact46.

The below table sets out the ownership structure of Assets Custody Development Impact Company for Communications and Information Technology:

Table (4.9): The Ownership Structure of Assets Custody Development Impact Company for Communications and Information Technology as of the date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership (%)
1-	Osool and Bakheet Investment Company[1]	500	10	5,000	100%
Total		**500**	**10**	**5,000**	**100%**

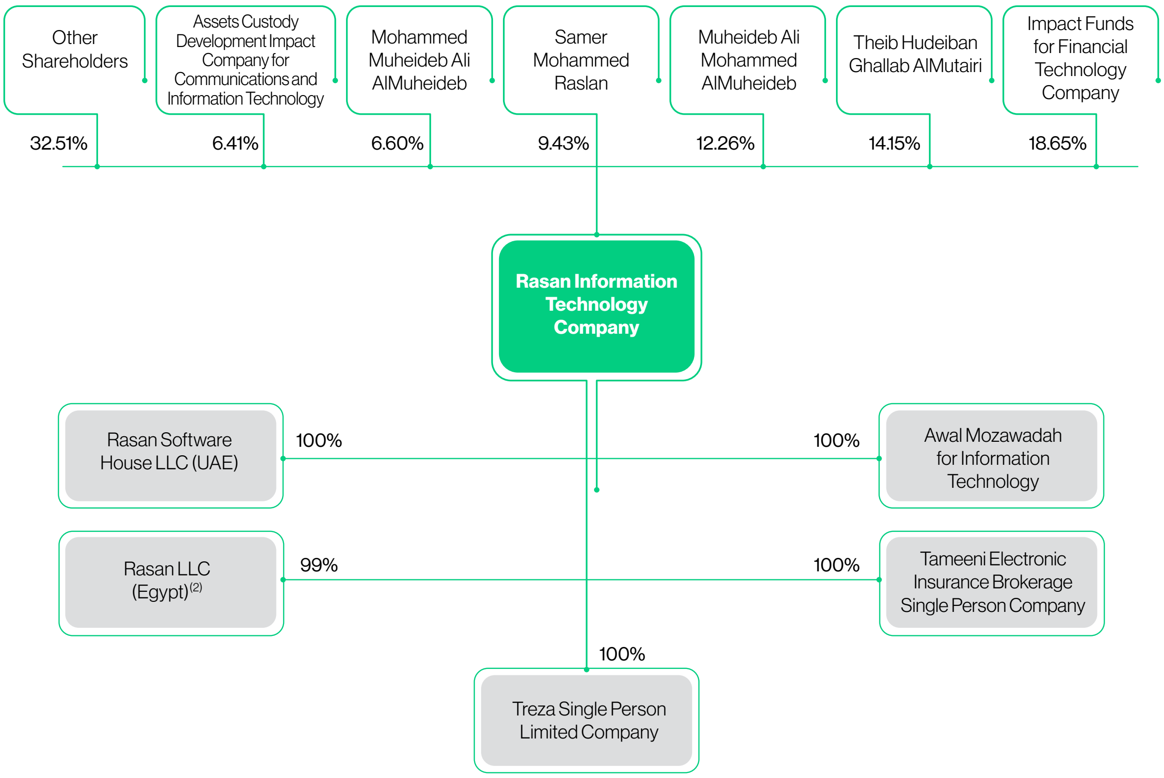
(1) Osool and Bakheet Investment Company are acting as a custodian on behalf of Impact Growth Fund for the purpose of holding and registering the assets of Impact Growth Fund in accordance with the Investment Funds Regulations, which requires the custodian to separate the assets of all investment funds from its own and the assets of its other clients, and to register its ownership in unlisted and unregistered companies with Edaa in the name of a company wholly owned by the custodian.

Source: The Company

4.1.4 Group Structure

The following figure represents the Group's structure as of the date of this Prospectus:

Figure (28): The Group's Structure as of the date of this Prospectus(1)



Source: The Company

(1) The figures are rounded to the nearest integer.

4.1.5 Overview of the Company's Subsidiaries

The Company owns five (5) Subsidiaries located in the Kingdom, the UAE and Egypt. The following table sets out details of the Company's Subsidiaries as of the date of this Prospectus:

Table (4.10): The Group's Subsidiaries

#	Name of the Subsidiary	Nationality	Commercial Registration / Professional License Number	Date of Incorporation	Capital	Direct and Indirect Ownership of the Company	Other Partners (if any)
1-	Awal Mozawadah Company	Saudi	1010627669	24/06/1441H (corresponding to 18/02/2020G)	SAR 100,000	100%	-
2-	Tameeni Company	Saudi	1010838913	12/04/1444H (corresponding to 06/11/2022G)	SAR 500,000	100%	-
3-	Treza Company	Saudi	1010867990	21/08/1444H (corresponding to 13/03/2023G)	SAR 500,000	100%	-
4-	Rasan Software House LLC - UAE	Emirati	1411638	28/06/1438H (corresponding to 27/03/2017G)	AED 300,000	100%	-
5-	Rasan LLC – Egypt	Egyptian	137619	15/11/1440H (corresponding to 18/07/2019G)	EGP 100,000	99%	1% held by Moayad Abdullah AlFallaj(1)

(1) Moayad Abdullah AlFallaj holds a 1% stake in Rasan LLC – Egypt on behalf of the Company pursuant to a nominee arrangement (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus). It is worth noting that the nominee arrangement has not been documented through a written agreement between the Company and Moayad Abdullah Suleiman AlFallaj (for further details, please see Section 2.1.50 "**Risks related to the nominee arrangement in Egypt**" of this Prospectus).

Source: The Company

For the purpose of measuring the materiality of the Subsidiaries, the Company and its Financial Advisors took into account their impact on the decision to invest in the Offer Shares and their price, including, but not limited to, whether a Subsidiary would constitute 5% or more of the Company's total assets, liabilities, revenues, profits or contingent liabilities (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus).

Based on the foregoing, the Company has three (3) Subsidiaries that are considered material (the "**Material Subsidiaries**"), two (2) of which are located outside the Kingdom, namely in the UAE and Egypt. The Group's Material Subsidiaries are as follows:

a- Tameeni Company

Tameeni Company is a limited liability company incorporated in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010838913 dated 12/04/1444H (corresponding to 06/11/2022G) with a capital of five hundred thousand Saudi Riyals (SAR 500,000) divided into one (1) share with a nominal value of five hundred thousand Saudi Riyals (SAR 500,000). Tameeni Company is licensed by the Saudi Central Bank ("**SAMA**") under license number WTA/SH/1/202305 to provide electronic insurance aggregation activities. The Company owns 100% of Tameeni Company.

According to Tameeni Company's articles of association and commercial registration certificate, its business activities include electronic insurance aggregation.

The below table sets out the details of the shareholding structure of Tameeni Company as of the date of this Prospectus:

Table (4.11): The Shareholding Structure of Tameeni Company as of the date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership (%)
1-	The Company	1	500,000	500,000	100%
Total		**1**	**500,000**	**500,000**	**100%**

Source: The Company

b- Rasan Software House LLC – UAE

Rasan Software House LLC – UAE is a limited liability company incorporated in Dubai, the UAE under commercial registration number 1411638 dated 28/06/1438H (corresponding to 27/03/2017G) and commercial license number 779139 dated 28/06/1438H (corresponding to 27/03/2017G), with a capital of three hundred thousand Emirati Dirhams (AED 300,000) divided into three hundred (300) shares with an equal nominal value of one thousand Emirati Dirhams (AED 1,000) each. The Company owns 100% of Rasan Software House LLC – UAE.

According to Rasan Software House LLC – UAE's commercial license, its business activities include computer systems and communication equipment software design. The Group relies on Rasan Software House LLC – UAE to support its business (for further details regarding the Group's cost centers, please refer to Section 4.6.1 "**Cost Centers**" of this Prospectus).

The below table sets out the details of the shareholding structure of Rasan Software House LLC – UAE as of the date of this Prospectus:

Table (4.12): The Shareholding Structure of Rasan Software House LLC – UAE as of the date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (AED)	Total Nominal Value of Shares (AED)	Ownership (%)
1-	The Company	300	1,000	300,000	100%
Total		**300**	**1,000**	**300,000**	**100%**

Source: The Company

c- Rasan LLC – Egypt

Rasan LLC – Egypt is a limited liability company incorporated in Egypt under commercial registration number 137619 dated 15/11/1440H (corresponding to 18/07/2019G) with a capital of one hundred thousand Egyptian Pounds (EGP 100,000) divided into one thousand (1,000) shares with an equal nominal value of one hundred Egyptian Pounds (EGP 100) each. The Company owns 99% of Rasan LLC – Egypt. The remaining 1% is held by Moayad Abdullah AlFallaj on behalf of the Company pursuant to a nominee arrangement (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus). It is worth noting that the nominee arrangement has not been documented through a written agreement between the Company and Moayad Abdullah Suleiman AlFallaj (for further details, please see Section 2.1.50 "**Risks related to the nominee arrangement in Egypt**" of this Prospectus).

According to Rasan LLC – Egypt's articles of association and commercial registration certificate, its business activities include (i) characterization, analysis and design of programs, databases and various applications; (ii) production and development of programs and applications, setup and operation of databases and electronic data systems, and training on the same; (iii) production of electronic content in various formats, including visual, audio and data; (iv) data entry through computer devices using electronic means; (v) characterization and design of various computer systems; and (vi) production and development of integrated systems, and training on the same. The Group relies on Rasan LLC – Egypt to support its business (for further details regarding the Group's cost centers, please refer to Section 4.6.1 "**Cost Centers**" of this Prospectus).

The below table sets out the details of the shareholding structure of Rasan LLC – Egypt as of the date of this Prospectus:

Table (4.13): The Shareholding Structure of Rasan LLC – Egypt as of the date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (EGP)	Total Nominal Value of Shares (EGP)	Ownership (%)
1-	The Company	990	100	99,000	99%
2-	Moayad Abdullah AlFallaj[(1)]	10	100	1,000	1%
Total		**1,000**	**100**	**100,000**	**100%**

(1) Moayad Abdullah AlFallaj holds a 1% stake in Rasan LLC – Egypt on behalf of the Company pursuant to a nominee arrangement (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus). It is worth noting that the nominee arrangement has not been documented through a written agreement between the Company and Moayad Abdullah Suleiman AlFallaj (for further details, please see Section 2.1.50 "**Risks related to the nominee arrangement in Egypt**" of this Prospectus).

Source: The Company

4.2 The Group's Vision, Mission, Strengths and Strategy

4.2.1 The Group's Vision

Accelerate digital adoption.

4.2.2 The Group's Mission

To simplify customers' access to financial services by offering competitive and pioneering digital solutions.

4.2.3 The Group's Core Values

- **Simplicity:** Expanding its success story by relying on technology to provide simple and clear products to its broad customer base.
- **Innovation:** Providing innovative and unprecedented solutions in the insurance technology (Insurtech) and financial technology (FinTech) markets more broadly, in the Kingdom and the MENA region.
- **Sustainability:** Promoting sustainable social and economic growth in line with the Kingdom Vision 2030 and the vision of the Middle East.
- **Customer Centricity:** Customers are a central focus and are considered before making any decision regarding providing customized solutions for the purpose of providing added value to stakeholders.
- **Financial Inclusion:** Ensuring the right to information through effective communication with each individual, taking into account the different levels of financial knowledge of customers.

4.2.4 The Group's Strengths and Competitive Advantages

The Group believes that the following are among its key competitive strengths:

a- Massive and growing total addressable market supported by sustainable regulatory legislation, leveraging secular trends of accelerated FinTech disruption in the Kingdom

The Group benefits from strong local macroeconomic tailwinds supporting further developments of the FinTech market in the Kingdom. The Group engages in its activities in the Kingdom which is the largest economy in GCC with a real GDP of SAR 3.0 trillion as of the year 2022G and is expected to grow at a CAGR of 4.6% between the years 2023G and 2027G. The Group also benefits from large government-led digital transformation initiatives backed by the Kingdom's Vision 2030, fueling industry-wide change in the digital economy, improving the digital infrastructure, and increasing FinTech contribution to GDP. In addition, the Kingdom is one of the countries with the highest smartphone penetration in the GCC and in the world with 98.6% of the population having access to the internet as of 2022G. These factors have supported the Group's market and will continue to play a pivotal role in the Group's growth.

As the Group owns one of the leading FinTech platforms in the Kingdom, it has continuously increased its market share within its respective business segments, most notably Tameeni Motor, Tameeni Health and the leasing segment via Treza. The Group had an estimated total addressable market in the Kingdom of SAR 18.5 billion in the year 2022G comprised of Gross Written Premiums ("**GWP**") for retail motor insurance, health insurance for SMEs, finance leased vehicles and salvaged, used rental and repossessed vehicles services. The Group's total addressable market is expected to grow by approximately 450% by the year 2027G to approximately SAR 82.5 billion mainly attributed to the growth in insurance premium volumes in the Kingdom on the back of a growing population, supportive regulatory tailwinds, rapid digitization of Insurtech and Fintech services, the Group's product expansion plans into adjacent insurance verticals, namely corporate health insurance, medical malpractice, life insurance, SME motor insurance and general insurance, as well as the vehicle repair and maintenance sector. The motor insurance sector for individuals grew at a CAGR of 13.4% from the year 2019G to 2022G and is expected to grow significantly at a CAGR of 15.9% from SAR 5.4 billion in the year 2022G to SAR 11.4 billion in the year 2027G. The Group will also benefit from their increased focus on the SMEs health insurance sector and corporate health insurance sector targeted by insurance aggregators, which are both forecasted to witness an increased CAGR of 13.1% from SAR 7.9 billion in 2022G to SAR 14.7 billion in the year 2027G, and 13.6% from SAR 14.0 billion in 2022G to SAR 26.5 billion in 2027G, respectively. Additionally, the market size of the Group's leasing segment and online car auction platform for salvaged, used rental and repossessed vehicles, are expected to grow at a CAGR of 12.1% and 3.3% between the years 2022G and 2027G, respectively, and the motor insurance sector for SME vehicles at 14.3% during the same period to reach SAR 4.7 billion in 2027G and the life insurance sector with 16.1% to reach SAR 4.0 billion in 2027G from SAR 1.9 billion in 2022G.

As part of its near-term strategy, the Group plans to launch new products and services within the broader FinTech space which are expected to grow in line with the Kingdom's digital transformation ambitions benefiting the Group as the region's leading diversified FinTech operator (for further details, please refer to Section 4.2.5 "**The Group's Strategy**" of this Prospectus).

The following table presents the total addressable market for each of the Group's existing and future markets:

Table (4.14): The Group's existing and future markets

Currency: SAR billion(1)	2022G	2027G(2)	CAGR 2022G-2027G(2)
Existing markets in which the Group operates as of 31 December 2022G			
SMEs health insurance(3)	7.9	14.7	13.1%
Retail motor insurance	5.4	11.4	15.9%
Finance leased vehicles	2.5	4.4	12.1%
Salvaged, used rental and repossessed vehicles	2.6	3.1	3.3%
Total existing markets	**18.5**	**33.6**	**12.7%**
Future markets addressable by the Group(4)			
Corporate health insurance(3)	14.0	26.5	13.6%
General insurance	9.0	13.1	7.9%
SME motor insurance	2.4	4.7	14.3%
Life insurance	1.9	4.0	16.1%
Medical malpractice insurance	0.3	0.6	11.8%
Total future markets	**27.6**	**48.9**	**12.1%**
Total addressable existing and future markets	**46.1**	**82.5**	**12.3%**

(1) Market sizes are expressed in GWP apart from market size of salvaged, used rental and repossessed vehicles which is expressed in estimated revenue.

(2) The above figures are estimates.

(3) As of 2022G, the Group targeted SMEs health insurance which had a market size of SAR 7.9 billion and plans to target the broker channel in the corporates health insurance sector which had a market size of SAR 14.0 billion in 2022G and is a promising area for the Group.

(4) The new markets the Group plans to expand into in the future.

Source: PwC market assessment report.

b- Undisputed leading market position across product propositions

The Group occupies a leading position in the FinTech space with diversified presence across the value chains of insurance and FinTech verticals. The Group has a unique business model that is differentiated by its scalable IT infrastructure and ability to continuously develop innovative solutions and adapt existing products for changes in customers' needs.

The Group spent its early years enhancing its technology and expanding its network and partnerships following the launch of Tameeni Motor in 2017G, which resulted in a rapid increase in brand awareness and building a broad customer base. The Group served over 7.5 million customers in the Kingdom since the launch of its operations in 2017G and up to the 30 September 2023G.

The Group has gained a dominant market share in the Kingdom across its product offerings and particularly within the retail motor insurance and leasing segments, benefiting from first mover advantages and its ability to scale. Tameeni Motor's market share of the total volume of retail motor insurance in terms of GWP increased from 30.4% in the year 2020G to 44.6% in the year 2022G. Additionally, in 2022G, the Group insured approximately 5 out of every 10 vehicles on the Kingdom's roads. Treza's market share in terms of number of policies in the retail leased vehicles segment also increased from 22% in the year 2021G to 55% in 2022G.

The Group is well-positioned to duplicate the success story of market leadership in the motor insurance segment across other existing and new products and in particular Tameeni Health by further growing its market share in the SME segment, which grew historically from 0.3% in the year 2020G to approximately 4% in the year 2022G, and venturing into the corporates segment. The corporates segment is a promising area for the Group primed for digital disruption which it intends to focus on significantly in the future. This includes the corporates health insurance segment in the Kingdom, which represents a sizeable market valued at SAR 14.0 billion in the year 2022G and is expected to grow at a CAGR of 13.6% between the years 2022G and 2027G, and reach SAR 26.5 billion by 2027G. which represents the targeted market for insurance aggregators in the corporate insurance sector, excluding insurance premiums written through direct tenders and including broker channel as well as direct non-tenders. However, it aims to disrupt the corporate health segment through a digital proposition in partnership with health insurance companies. This is backed by the Group's experienced management, robust business model, best-in-class tech stack and deeply rooted network and partnerships in the insurance ecosystem.

c- Future-proof proprietary tech stack, allowing continued innovation, scalability and operating leverage, including attractive technology-enabled proposition for customers, insurances and leasing partners

Since the launch of its operations, the Group has invested approximately SAR 51.1 million in its technology stack between the year 2019G and the nine-month period ended 30 September 2023G, and has placed technological development and innovation at its core. Today, the Group offers disruptive technology-enabled services to its customers, insurance, bank and leasing partners alike which resolves pain points in the legacy insurance industry through best-in-class solutions.

The Group has built its powerful proprietary tech platform in-house from the ground up, which enables the Group to run operations efficiency, prioritize resources and focus on developing disruptive products rather than being dependent on third-party vendors. Innovation being in its DNA, the Group has continuously launched new products, upgraded tools and added new features and options on its platforms and plans to continue to do so.

The key differentiators behind the Group's technology platforms are outlined below:

- **Scalable IT Architecture:** The Group has over 150 employees specialized in digital technology and a scalable and expandable digital technology infrastructure, which supports the Group's growth plans. The IT architecture of the Group's platforms and products are built using reliable technologies and software including the Microsoft technology stack and JavaScript, in addition to advanced market-leading technologies which enable the Group to provide messaging services, distributed cache services and micro-services. The scalability of the Group's platforms is clearly demonstrated by the number of policies sold historically which increased from approximately 1.9 million policies in the year 2020G to approximately 3.4 million policies in the year 2022G and 3.2 million policies in the nine-month period ended 30 September 2023G. The Group achieved high growth despite a decrease in GWP on vehicles and an increase in insurance premium rates, as shown in Table 4.14 "**KPIs of the Group**" of this Prospectus. Furthermore, the number of quotations increased from 2.9 million in 2019G to 5.9 million in 2022G and 6.5 million in the nine-month period ended 30 September 2023G, as the Group's robust IT infrastructure is able to support the increased number of users compared to its current capacity with minimal upgrades required. During the year 2022G, the Group experienced a large number of visits reaching approximately 1 million users per month. It is also worth noting that the General Department of Traffic announced the commencement of automation the electronic monitoring of violations related to vehicle insurance validity as of 1 October 2023G, as part of the initiatives launched related to vehicle insurance. The aforementioned announcement is a positive catalyst for the insurance sector in general, and for the Group in particular, as it obliges vehicle drivers to comply with regulatory requirements, specifically the requirement to obtain and maintain valid insurance for their vehicles. The Group witnessed increased demand from customers purchasing insurance products through Tameeni Motor due to the ease of using the platform by comparing insurance policies and the prompt issuance and linkage of policies with the concerned authorities and third parties, which is an indication of the robustness and scalability of the Group's IT infrastructure. Accordingly, the Group witnessed remarkable growth of approximately 290% in the daily average of policies issued through Tameeni Motor in September 2023G, with the daily average of policies issued reaching twenty-five thousand, six hundred and thirty-six (25,636) as of 30 September 2023G, compared to eight thousand, nine hundred and ninety-four (8,994) as of 30 September 2022G.

The following table presents certain key performance indicators of the Group:

Table (4.15): Group's Key Performance Indicators

#	Million	Financial Year Ended 31 December			Nine-month period ended 30 September
		2020G	2021G	2022G	2023G
1-	Number of insurance policies	1.9	2.6	3.3	3.2
2-	Number of quotes provided	2.9	4.3	5.9	6.5

Source: Company information

- **Data Integration and Analytics:** The Group's systems are well integrated via application programming interface (API) and payment gateways with various stakeholders in the industry including insurance companies, insurance brokers, leasing companies, banks and data providers. As of 30 September 2023G, the Group had more than 90 integration points and more than 800 data points collected and analyzed.
- **Artificial Intelligence and Actuarial Capabilities:** The Group utilizes the Python programming language and machine learning capabilities to offer business intelligence solutions and predictive business modeling solutions and provide its stakeholders with insights on the insurance ecosystem culminating into data-driven decisions.
- **Data Privacy and Cyber Security:** The Group places a high priority on ensuring the data privacy and security of its systems are maintained. The Group seeks to ensure that all customer data is adequately protected from the hacking risks, in addition to its role in managing a large portfolio of customer data. The Group has effective systems in place to maintain data privacy and security, such as Cloudflare, Fortinet and Forcepoint. The Group's effective data privacy and system security are compliant with latest national cybersecurity and SAMA standards, respectively. Since the start of its operations in 2017G, the Group has consistently demonstrated operational excellence without any impact on its operations caused by any data privacy or cyber security breaches.

The Group's IT and innovation processes are based on the following guidelines:

- **Smooth Flow of Technology Business:** This is done by ensuring that there is a clear division of responsibilities in accordance with a strict guide for policies and procedures related to IT and aspects of integration and development between work teams responsible for producing products as well as those in charge of developing such products, allowing each of them to combine technical and industrial know-how.
- **Soft Information Technology:** This is done by responding quickly to market developments, developing new products within a short time frame and improving the process of providing services by relying on and benefiting from previous experiences.
- **Human Capital without Borders:** The ability to benefit from talents from various technology centers and facilitate the exchange and loan of talents among the Group's various technology teams located in the Kingdom, UAE and Egypt.

d- Trusted partner of choice, building a FinTech ecosystem with unique brand recognition and experience, translating into superior customer engagement

Through its unique service offering and value proposition, the Group thrives to provide the best user-centric experience for its customers and partners through its seamless and distinctive platforms. As of 30 September 2023G, the Group has partnerships with twenty-four (24) insurance companies, twenty-two (22) banks, leasing companies, data providers and several payment portals. The Group was able to serve more than 7.5 million customers through its platforms and products between 2017G and the nine-month period ended 30 September 2023G. The high reliability and attractive innovative features of the Group's platforms and products promote high levels of customer and partners' adoption and retention.

As of the year 2022G, the customer satisfaction rate reached 4.7 out of 5 based on the satisfactory resolved queries on the Tameeni platforms. High satisfaction rate is a result of the added value the Group brings to its customers. For example, the Tameeni platforms offer the following unique features to its individual customers and SMEs:

- **Easy Comparison:** Precise and real time quotes from multiple products and insurance companies with customization features and coverages tailored to customers' needs, to enable customers to easily compare.
- **Instant Upload to Centralized Government Databases:** Immediate and systematic policy uploads to centralized government databases in relation to motor and health insurance, respectively.
- **Time Saving:** Users could complete the process and purchase policies within approximately 90 seconds and 13 clicks.
- **Uniform Pricing:** Policy pricing is guaranteed to match that of the insurance companies.
- **Flexible and Convenient Payment Options:** Users can pay using a variety of available options, which generally include credit and debit cards, Apple Pay, SADAD and through instalments via Buy-now-pay-later Platforms such as Tabby and Tamara for select products as well as promotional loyalty points and programs, such as Saudi Telecom Company's Qitaf program.

e- Attractive financial model with strong unit economics

The Group has a strong track record of delivering consistent and rapid financial growth. The Group's revenue increased by 3.7 times from SAR 43.4 million in the year 2020G to SAR 162.5 million in the year 2022G achieving a CAGR of 93.6% during the same period. The Group's growth is attributed to increase in volume of policies sold and ramp-up of Tameeni Health, Awal Mazad and Treza given their recent commencement of operations. With respect to operating performance indicators, the Group's GWP grew at a CAGR of 73.20% from SAR 1.4 billion in the year 2020G to SAR 4.9 billion in the year 2022G.

In addition to the significant increase in revenues, the Group generated high margins and consistently achieved profits during the years 2020G to 2022G. The Group's EBITDA grew at a CAGR of 214% from SAR 5.2 million in the year 2020G to SAR 51.2 million in the year 2022G resulting in an EBITDA margin of 31.5% in the year 2022G. The Group's net income grew at a CAGR of 675.6% from SAR 571.9 thousand in the year 2020G to SAR 34.4 million in the year 2022G resulting in a net margin of 21.2% in the year 2022G. In 2022G, the Group generated strong free cash flows and achieved high cash conversion of 44.1 million and 128.3%, respectively, which further supports the Group's continued investment in innovation and its future growth plans.

The following table presents a summary of the Group's financial information:

Table (4.16): Summary of the Group's Financial Information

Million SAR (except as disclosed otherwise)	Financial Year Ended 31 December			
	2020G	2021G	2022G	CAGR 2020G-2022G
Subscribed premiums	1,363.9	2,200.7	4,241.7	73.2%
Total revenues	43.4	86.9	162.5	93.6%
EBITDA	5.2	39.1	51.2	214.0%
Net profits	0.6	35.3	34.4	675.6%
Cash conversion ratio (%)[1]	94.3%	64.4%	128.3%	-

(1) The cash conversion ratio is calculated by dividing operating cash flows by EBITDA.

Source: The consolidated audited financial statements for the financial years ended 31 December 2021G and 2022G and Management information.

f- Multiple avenues of future sustainable growth

The Group has a track record of value-added growth with attractive opportunities to capture further growth in the FinTech space. This is supported by structural market growth driven by adoption and population growth, increased digital penetration and growing customer and partner base underpinned its strong brand awareness and wide service offerings.

In line with its strategy and identified growth opportunities, the Group aims to expand into adjacent industry verticals and plans to introduce life, general and medical malpractice insurance to its product portfolio. In addition to product diversification, the Group plans to further expand across the insurance value chain to tap into product development, pricing and underwriting solutions for insurance companies, and claims management.

Furthermore, there are multiple opportunities for further diversification through achieving strategic inorganic growth through mergers and acquisitions, entering new markets in the GCC region and accelerating innovation opportunities in new digital markets, payments and online marketplaces for financial products. The Group plans to leverage its innovation capabilities, expertise in the FinTech sector and relationships with insurance companies and financial institutions to design and develop innovative products to offer solutions within the consumer lending space part of a financial marketplace product.

The Group has a strong track record of developing and launching products in an efficient and accelerated manner which is underpinned by its robust technology infrastructure and best-in-class in house software developers as well as industry know-how. This enables the Group to continuously expand its product portfolio while capitalizing on new opportunities in a rapid fashion and offering new products and services to its customers in line with their evolving needs.

g- Founder-led Executive Management team with unique track record of growth, innovation and execution

The Group is led by one of its founders and is managed by a highly experienced leadership team in the insurance and technology space who has over one-hundred (100) years of combined executive management experience and FinTech expertise. The Group's management is supported by its strong corporate governance structure and has strong local market knowledge, regulatory expertise and a deep commitment to maintaining the highest standards of excellence at the Group.

4.2.5 The Group's Strategy

The Group's strategy aims to reinforce its competitive position in the FinTech industry. During the years 2019G to 2022G, the Group expanded rapidly and has identified a set of strategic themes to outline its future growth ambitions. The Group has established comprehensive initiatives under each pillar and has designed a clear plan of action to achieve its objectives. These pillars are outlined below as follows:

a- Maintaining and growing market leadership in existing businesses and other core segments

The Group plans to protect and grow its current leading market position across its product offerings and maintain focus and agility against the evolving FinTech landscape. Today, the Group has leading market positions across its core business segments, namely Tameeni Motor, with a market share of 59.2% in terms of the total value of insurance policies issued through the platforms of insurance aggregators as of 2022G, and leasing segments, with a market share in the Kingdom of approximately 75.0% as of the year 2022G. The Group aims to protect and grow its market leadership across its four business segments by (i) increasing policies penetration and capturing uninsured vehicles in the Kingdom which represent 45.0% of vehicles in the Kingdom as of 2022G; (ii) increasing the rate of customers renewing their insurance policies; (iii) converting third party liability (TPL) insurance policy holders to comprehensive (COMP) motor insurance, which yields higher commissions; and (iv) building new partnerships with banks and leasing companies and introducing add-on services through Treza, including an insurance claim tracking service, an after-sales services portal for leasing customers, and an online store for vehicle accessories and services.

The Group holds a strong position in the Tameeni health insurance sector and is working to grow the volume of its business by (1) increasing the number of SME customers by attracting users and acquiring a larger number of customers; (2) increasing the rate of customers renewing their insurance policies; and (3) offering Tameeni Health to corporate customers.

The Group is also working on enhancing the performance and scalability of Awal Mazad by building new partnerships, optimizing efficiency and improving brand awareness.

This part of the strategy is primarily focused on protecting and building on the Group's existing market share with a view to strengthening its financial and operational performance, raising brand awareness and streamlining operations to enable a best-in-class experience for its customers.

b- Creating growth opportunities across the insurance value chain and adjacent verticals

Part of the Group's strategy is to build new opportunities to target high margin products, create unique value propositions for its customers, and accelerate value creation in the insurance sector by (i) addressing the gaps in the insurance value chain; (ii) offering new customers ease of purchase; and (iii) generating a larger footprint in the insurance landscape.

The insurance sector remains to be a core market for the Group. It aims to maximize its growth potential through expanding into adjacent verticals by providing life, general and medical malpractice insurance services as well as other insurance vertical products. Moreover, the Group plans to create further opportunities expanding across the value chain by introducing product development, pricing and underwriting solutions and claims management for insurance companies.

Since the launch of Tameeni Motor in 2017G, the Group has been continuously growing its product portfolio. For example, the Group has launched a number of products at the end of 2023G, including a medical malpractice product and a travel insurance product which offers a digital platform which individuals can use to issue insurance products after comparing offerings from a large network of insurance companies (for further details, please refer to Section 4.4.5 "**Overview of the Group's New Product Offering**" of this Prospectus).

c- Diversification and innovation across existing and new FinTech verticals

The Group has stringent criteria when considering undertaking investments and implementing product diversification initiatives. These identified parameters include (i) attractive return on investments; (ii) selecting opportunities for market disruption to create unique value propositions for its customers; (iii) ease of implementation and execution; (iv) assessment of synergies with existing products and capabilities within the Group's ecosystem; (v) geographic focus primarily in the GCC region; and (vi) alignment with the Kingdom's Vision 2030 ambitions in relation to FinTech.

- **Innovation and product diversification:** The Group aims to contribute to the Kingdom's Vision 2030's ambitions to grow the number of FinTech players operating in the Kingdom to 525 companies in the year 2030G from 147 in the year 2022G, and thereby increasing the FinTech sector's GDP contribution from approximately SAR 2.0 billion in the year 2022G to SAR 13 billion in the year 2030G.

  The Group plans to capitalize on its existing infrastructure to complement its existing products and create opportunities across the FinTech value chain and innovating in new digital markets, payments and online marketplaces for financial products while targeting the Group's existing and new customers. Part of its ongoing innovation initiatives, the Group plans to launch a financial marketplace product to offer financial services in order to benefit from the customer base of Tameeni and Treza.
- **Expansion of geographic footprint:** After achieving scale in the core markets, the Group intends to identify adjacent markets with attractive value propositions and enter new geographies to unlock growth opportunities. The Group could potentially diversify its current geographic footprint in new markets across GCC states via inorganic growth through mergers and acquisitions.

4.3 Overview of the Group's Business

The Group is a leading provider of products and services within the FinTech industry with over 7.5 million customers served in the Kingdom since the launch of its operations in 2017G and up to the nine-month period ended 30 September 2023G, across its four (4) main business segments, namely, Tameeni Motor, Tameeni Health, the leasing segment and the online auction segment, including to the Group's new business segment, which includes providing R solutions, consisting of data analysis technology software R2 and data analysis and business intelligence solutions R3. As of the date of this Prospectus, the Company owns five (5) Subsidiaries, namely (i) Awal Mozawadah Company; (ii) Tameeni Company; (iii) Treza Company; (iv) Rasan Software House LLC - UAE; and (v) Rasan LLC – Egypt (for further details, please refer to Section 12.2.3 "**Subsidiaries**" of this Prospectus).

The Group offers several products and platforms to individual customers, corporate customers and SMEs within the FinTech sector. The Group's products and services bring value to its customers, as well as insurance companies and other beneficiaries such as banks and leasing companies. The Group has developed its platforms and product offerings within its business segments to cater to an array of customer needs and markets. The Group's business segments include the following four (4) main segments, in addition to its new business segment:

- **Tameeni Motor:** Tameeni Motor is an online motor insurance aggregation platform which provides individual customers with a one-stop shop for motor insurance products through Tameeni Company. Tameeni Motor enables individual customers to instantly generate and compare quotes for motor insurance products from insurance companies, purchase their policy of choice by making an online payment and renew their insurance policies using the features provided through Tameeni Motor. Tameeni Motor is integrated with the systems of partnering insurance companies, payment gateways and data providers, which enables the Group to provide customers with a seamless experience that requires minimal data entry. As of 30 September 2023G, Tameeni Motor offers motor insurance products from twenty-four (24) insurance companies. Tameeni Motor revenues amounted to SAR 40.4 million, SAR 63.3 million, SAR 99.7 million and SAR 113.6 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 93.1%, 72.9%, 61.3% and 60.9% of the Group's revenues in the same periods, respectively;
- **Tameeni Health:** Tameeni Health is an online health insurance aggregation platform which provides its targets customers, namely SMEs, with a one-stop shop for health insurance products for their employees and dependents, through Tameeni Company. Tameeni Health enables SMEs to instantly generate and compare quotes for health insurance products, purchase their policy of choice by making an online payment, and renew their insurance policies using the features provided through Tameeni Health. Tameeni Health is integrated with the systems of partnering insurance companies, payment gateways and data providers, which enables the Group to provide customers with a seamless experience that requires minimal data entry. As of 30 September 2023G,

Tameeni Health offers health insurance products from twelve (12) insurance companies. Tameeni Health revenues amounted to SAR 1.4 million, SAR 5.5 million, SAR 28.0 million and SAR 30.7 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 3.1%, 6.3%, 17.2% and 16.5% of the Group's revenues in the same periods, respectively;

- **Leasing:** The leasing segment offers Treza, provided by the Company, a software product that integrates systems of banks and leasing companies with those of motor insurance companies allowing banks and leasing companies to electronically retrieve, compare, issue policies and manage motor insurance products for their finance leased vehicles through integration with the systems of insurance companies for the purpose of issuing policies and making financial settlements between banks and insurance companies. The Group provides the necessary technical solutions in the form of software, in addition to technical support. Treza is available through two (2) channels: (i) the direct channel where Treza is available to banks and leasing companies directly; and (ii) the Broker Channel, where Treza is made available to clients of brokers. As of 30 September 2023G, Treza integrates two (2) banks, namely Saudi National Bank and Al Rajhi Bank, and eight (8) insurance companies through Treza's direct channel while it integrates nineteen (19) banks and leasing companies and nineteen (19) insurance companies through Treza's Broker Channel. Treza revenues amounted to SAR 0.3 million, SAR 17.0 million, SAR 32.8 million and SAR 39.0 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 0.7%, 19.4%, 20.2% and 20.9% of the Group's revenues in the same periods, respectively; and
- **Online Auction:** The online auction segment offers Awal Mazad, an online auction platform provided by the Company for salvaged, repossessed and used vehicles. It connects banks, leasing companies, rental companies and insurance companies selling salvaged, repossessed and used vehicles with potential buyers such as individuals, used vehicle dealers and licensed scrap traders. Awal Mazad offers an optimized search function and enables buyers to submit online bids and participate in auctions for the vehicle of their choice by making an online payment. Awal Mazad revenues amounted to SAR 1.3 million, SAR 1.1 million, SAR 2.1 million and SAR 2.7 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing 3.1%, 1.3%, 1.3% and 1.5% of the Group's revenues in the same periods, respectively.
- **R Solutions:**
  - **R2:** The Group launched the latest technical software to analyze data and monitor portfolio performance, as well as models and solutions for anticipating business models in the insurance sector under the name of R2 in the third quarter of 2023G. The Group, through product R2, targets insurers as the end customer. The program was developed by insurance professionals with extensive experience to deliver integrated solutions that combine the capabilities of a business intelligence platform with a pricing modeling program, enabling customers to reduce costs and streamline actuarial processes, as well as providing the most significant addition by providing executive management with a defined path to profitable growth.
  - **R3:** The Group also launched solutions for data analysis, business intelligence and predictive pricing model building, which was optionally launched under the name R3 in the third quarter of 2023G through Treza for an additional fee. The Group is targeting banks and financial institutions through R3 solutions. The R3 solutions enable the integration of business intelligence programs with rental sector data, including relevant information and comparisons and the possibility of introducing predictive pricing for the rental sector.

  Revenues of R solutions amounted to SAR 0.4 million for the nine-month period ended 30 September 2023G, representing 0.2% of the Group's revenues during the same period.

It is worth noting that the Group is working to expand its product offerings as of the date of this Prospectus, in accordance with its strategy to strengthen its competitive position in the FinTech sector (for further details regarding the Group's new product offerings, please refer to Section 4.4.5 "**Overview of the Group's New Product Offering**" of this Prospectus).

The below table sets out a summary of the Group's selected non-financial key performance indicators during the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G:

rasan

Table (4.17): Summary of Selected Non-Financial Key Performance Indicators

#	KPI	Financial Year Ended 31 December			Nine-Month Period Ended 30 September
		2020G	2021G	2022G	2023G
Group's Key Performance Indicators					
1-	Total value of subscribed premiums	SAR 1,363.9 million	SAR 2,200.7 million	SAR 4,241.6 million	SAR 4,809.7 million
2-	Total number of insurance policies	1.9 million policies	2.6 million policies	3.4 million policies	3.2 million policies
Tameeni Motor					
3-	Value of subscribed premiums	SAR 1,314.4 million	SAR 1,584.9 million	SAR 2,426.2 million	SAR 2,645.1 million
4-	Number of insurance policies	1.8 million policies	2.3 million policies	2.7 million policies	2.6 million policies
Tameeni Health					
5-	Value of subscribed premiums	SAR 16.7 million	SAR 64.8 million	SAR 324.5 million	SAR 357.8 million
6-	Number of beneficiaries	36.9 thousand beneficiaries	121.9 thousand beneficiaries	641.9 thousand beneficiaries	728.7 thousand beneficiaries
7-	Number of insurance policies	10.0 thousand policies	32.6 thousand policies	163.2 thousand policies	210.1 thousand policies
Leasing Segment					
8-	Value of subscribed premiums	SAR 32.8 million	SAR 551.1 million	SAR 1,491.0 million	SAR 1,806.9 million
9-	Number of insurance policies	10.0 thousand policies	199.6 thousand policies	391.7 thousand policies	410.5 thousand policies
Online Auction Segment					
10-	Auction sales	SAR 15.0 million	SAR 16.3 million	SAR 33.0 million	SAR 27.5 million
11-	Auction fees payable by the buyer	SAR 1.1 million	SAR 1.0 million	SAR 1.2 million	SAR 2.0 million
12-	Number of vehicles sold	772 vehicles	659 vehicles	963 vehicles	896 vehicles

Source: The Company

4.3.1 Summary of Key Milestones

The below table shows a summary of the Group's key milestones.

Table (4.18): Summary of the Group's Key Milestones

Date	Milestones
2016G	• Incorporation of the Company as a limited liability company.
2017G	• Launch of Tameeni Motor as the first motor insurance aggregation platform offering thirdparty liability motor insurance in the Kingdom.
2018G	• 600,000 motor insurance policies sold within the first year of launch. • Expanded product offering on Tameeni Motor to include Comprehensive Motor Insurance.
2019G	• Launch of Awal Mazad. • Launch of Tameeni Health as the first health insurance aggregation platform in the Kingdom. • Expanded product offering on Tameeni Motor to include third party insurance with additional coverage (TPL+).
2020G	• Number of customers surpassed 1.9 million since the launch of the Group's operations. • Launch of Treza. • Onboarded the Saudi National Bank as the first customer of Treza's Direct Channel. • Integrated with a total of 23 insurance companies across platforms and products. • Onboarding of Insurance House Company ("**IHC**") as a broker on Treza's Broker Channel.
2021G	• Launched Group's strategic direction to expand the business across the insurance value chain. • Carried out an investment round for SAR 87,975,000 led by Impact46, a venture capital firm, to increase the capital of the Company from SAR 3,000,000 to SAR 25,500,000 and purchase 19.40% of the capital from the current Shareholders in favor of 2 new Shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, whose shareholding amounted to 19.40% and 5.66%, respectively, following the capital increase and purchase of Shares (for further details on the investment round, please see section 4.1.2(d) "**The Investment Round and Increase in Capital and Structure Amendment (2021G)**" on this Prospectus). • Launch of sale of repossessed finance leased vehicles under Awal Mazad. • Onboarded Al Rajhi Bank as the second customer of Treza's Direct Channel. • Onboarded 20 lessors in Treza, across both the direct and Broker Channel.
2022G	• Number of customers surpassed 6.0 million since launch of operations in 2017G. • Number of customers of Tameeni Health surpassed 150 thousand, and the provision of insurance coverage to over 600 thousand individuals. • Conversion to a closed joint stock company. • Launch of sale of used rental vehicles under Awal Mazad. • Developed the Tameeni Platform to ensure ease of use and improved customer service by providing discounts to comprehensive insurance customers in agreement with several insurance companies, in addition to encouraging customers to purchase comprehensive insurance. • Availability of the option to pay premiums in installments on Tameeni Motor. • Developed Tameeni Health to ensure ease of use by improving the health declaration form and linking addition and deletion processes directly with insurance companies.
2023G	• Obtained SAMA license for the Group's subsidiary, Tameeni Company, to undertake online aggregation services on an independent basis. • Capital of the Company was increased from SAR 25,500,000 to SAR 70,500,000. • Launch of the R2 and R3 solutions product for data analysis and monitoring of portfolio performance. • Obtained SAMA's approval to launch the Tameeni medical malpractice insurance product and the Tameeni travel insurance product. • As of 30 September 2023G, the number of customers exceeded 7.5 million since the launch of operations in 2017G. • As of 30 September 2023G, the gross written premiums through the Group's platforms were in excess of SAR 4.8 billion. • As of 30 September 2023G, the Group's revenues amounted to SAR 186.4 million.

Source: The Company

rasan

4.4 Overview of the Group's Business Segments

The Group operates within the FinTech industry, offering several products and platforms to cater to an array of customer needs and markets within the area of technological solutions in the insurance sector and other areas of the FinTech industry. The Group's products and platforms are offered across a number of stages in the value chain of the insurance sector. The insurance value chain consists of several key stages and involves a complex network of regulators, stakeholders, agents, brokers, insurance companies, reinsurance companies and investors. The insurance value chain generally runs in parallel with the customer journey, starting with lead generation and marketing, followed by the distribution stage, during which customers conduct the necessary research and purchase their insurance products of choice. The process then follows with the stage of pricing, underwriting and servicing in parallel with customers' use of their insurance products, including relevant processes in case of accidents, before the final two (2) stages of the insurance value chain which consist of both claims management and/or repairs, as applicable, and span over the claim filing and/or settlement process for customers.

As of the date of this Prospectus, the Group has four (4) main business segments, namely: (i) Tameeni Motor through Tameeni; (ii) Tameeni Health through Tameeni; (iii) leasing through the Company; and (iv) online auction through the Company. In addition, the Group is working on launching a number of new products including travel insurance, claims management and corporate health insurance products. Set out below is a description of each of the Group's main business segments and new product offerings. The following table details the Group's main business segments and the Group's operating companies as at the date of this Prospectus:

Table (4.19): The Group's Main Business Segments and the Group's Operating Companies

#	Company Name	Business Segment	Financial Year Ended 31 December						The Nine month period ended in 30 September 2023G	
			2020G		2021G		2022G			
			Revenue in SAR	Percentage of the total revenue	Revenue in SAR	Percentage of the total revenue	Revenue in SAR	Percentage of the total revenue	Revenue in SAR	Percentage of the total revenue
1.	The Company	• Leasing segment (Treza product) • Online auction segment (Awal Mazad platform) • Motor insurance segment (Tameeni platform)(1) • Health insurance segment (Tameeni Health platform) (1)	43.2 million	99.5%	86.6 million	99.6%	162.4 million	100%	141.0 million	75.7%
2.	Awal Mozawadah Company	-	0.2 million	0.5%	0.3 million	0.4%	0.04 million	0.0%	-	-
3.	Tameeni Company(1)	• Motor insurance sector (Tameeni platform) • Health insurance sector (Tameeni Health platform)	-	-	-	-	-	-	45.4 million	24.3%
4.	Treza Company(2)	-	-	-	-	-	-	-	-	-
5.	Rasan - UAE(3)	-	-	-	-	-	-	-	-	-
6.	Rasan LLC - Egypt(4)	-	-	-	-	-	-	-	-	-
Total		**43.4 million**	**100%**	**86.9 million**	**100%**	**162.5 million**	**100%**	**186.4 million**	**100%**	

(1) Tameeni Company was established by the Group in November 2022G as a wholly-owned subsidiary for the purpose of operating Tameeni Motor and Tameeni Health and providing insurance aggregation services to its customers on an independent basis. It is worth noting that all procedures for the transition of Tameeni Motor and Tameeni Health operations to Tameeni Company were completed by the Company on 19/11/1444H (corresponding to 07/07/2023G) (for more details, Please see Section 2.1.45"**Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company**" and Section 4.4.1"**Tameeni Motor**" of this Prospectus).

(2) As at the date of this Prospectus, the Group provides the Treza product directly through the Company; noting that the Group is in the process of applying for a license for insurance FinTech activities in accordance to the resolution issued by the Governor of SAMA dated 08/01/1445H (corresponding to 26/07/2023G), as part of the Group's plans to transfer Treza's operations to Treza Company at a later date (for further details, please refer to Section 2.1.44 "**Risks related to licenses, certificates, permits and approvals**" of this Prospectus).

(3) As at the date of this Prospectus, Rasan – UAE is operated as a cost center for the purpose of providing support to the Group's operations in the Kingdom (for further details please refer to Section 4.6.1 "**Cost Centers**" of this Prospectus).

(4) As at the date of this Prospectus, Rasan – Egypt is operated as a cost center for the purpose of providing support to the Group's operations in the Kingdom (for further details please refer to Section 4.6.1 "**Cost Centers**" of this Prospectus).

Source: the Company

4.4.1 Tameeni Motor

Tameeni Motor is a business-to-customer online insurance aggregation platform, which was launched in 2017G, and is considered the first online motor insurance aggregator of its kind in the Kingdom. Tameeni Motor is positioned within the lead generation, marketing and distribution segments of the insurance value chain. It connects its target customers, namely individuals requiring motor insurance products, with insurance companies via a user-centric web and application-based platform that enables individual customers to receive quotes from multiple insurance companies and purchase their motor insurance product of choice via a single seamless process, using a one-stop-shop platform. As of 30 September 2023G, Tameeni Motor offers motor insurance products from twenty-four (24) insurance companies, including Tawuniya Cooperative Insurance Company and Al Rajhi for Cooperative Insurance Company (Al Rajhi Takaful).

Tameeni Motor provides a fully digitized process through which initial quotes from insurance companies are provided, payments are made online and motor insurance policies of choice are issued and uploaded to the centralized government databases, such as Najm. Tameeni Motor leverages its integration with the systems of partnering insurance companies, payment gateways, SMS and email service providers and data providers, which enables individual customers to purchase motor insurance policies in a streamlined and seamless process. Issuance and purchase of insurance products via Tameeni Motor is done through an instantaneous process and follows the following steps:

a- **Verification and Identification:** The process of issuing insurance policies on Tameeni Motor commences with individual customers providing their basic identification information, such as the national identification or Iqama number of the customer and serial number of the vehicle. Customer and vehicle data are then verified relying on the infrastructure and databases of governmental portals, including Najm and the databases of government portals affiliated with the Absher platform and Elm's Yakeen platform;

b- **Request for Quotes:** Quotes are requested from insurance companies in real time using the relevant information retrieved, populated and provided on Tameeni Motor including the sought insurance coverage;

c- **Preparation and Issuance of Quotes:** Partnering insurance companies automatically process the relevant information and factors in line with their respective pricing guidelines using their pricing engines, before immediately issuing quotes for individual customers to consider. Quotes provided to individual customers are guaranteed by insurance companies until a purchase is made or the quote expires;

d- **Selection of Policy:** After receiving several quotes provided by various insurance companies, customers may compare and select the most appropriate policy prior to the expiry of the respective quotes. Customers are also presented with a summary of the policies' details and are offered to add additional features to their policy coverage such as roadside assistance, geographic coverage and replacement vehicles;

e- **Payment:** After selecting their policies of choice, customers are required to make a payment of the relevant price of the insurance product of their choice directly through Tameeni Motor using any of the available methods of payment, which include a variety of third-party payment service providers (such as VISA, Mastercard, Mada, SADAD and Apple Pay), Tabby and Tamara buy-now-pay-later platforms for select products and promotional loyalty points and programs (such as Saudi Telecom Company's Qitaf program); and

f- **Issuance of Policy and Notification:** Upon completing the online payment successfully, the customers' policies of choice are then issued by insurance companies and automatically submitted by such insurance companies to the databases of government portals affiliated with the Absher portal and Najm in compliance with the applicable regulatory requirements, before confirming completion of the process to individual customers via Tameeni Motor.

Tameeni Motor also automatically notifies customers of the expiry of their policies and permits customers to renew their insurance policies in a customized process which considers various variables to ensure issuance of an appropriate quote, including the value and depreciation of the insured vehicle over time (for further details regarding product offerings under Tameeni Motor, please refer to Section 4.4.1(b) "**Product Offerings**" of this Prospectus). Tameeni Motor also retrieves the relevant customer and vehicle data, to facilitate the renewal process for respective returning customers.

a- Business Model

Tameeni Motor acts as a web and application-based insurance aggregation platform, which enables customers to compare prices and purchase insurance products from respective insurance companies. Historically, the Group acted as a technical service provider providing access to Tameeni Motor as a technical solution to IHC, who acted as a partnering insurance broker licensed by SAMA and who, in turn, operated Tameeni Motor pursuant to an intellectual property rights and technical services license agreement and a technical support agreement, according to which the Group generated revenues therefrom based on a revenue sharing arrangement between the Group and IHC. The Group has since established a wholly owned subsidiary in November 2022G, Tameeni Company, which obtained the requisite SAMA e-brokerage license in May 2023G for the purpose of operating Tameeni Motor and providing insurance aggregation services to its customers on an independent basis. Tameeni Motor's intellectual property rights and technical services license agreement and technical support agreement with IHC, in relation to the scope of Tameeni's services, was also terminated thereafter, on 13/12/1444H (corresponding to 01/07/2023G). As of the date of the Prospectus, Tameeni Company has entered into several agreements with insurance companies in order to integrate their systems with Tameeni Motor allowing customers to retrieve quotes and purchase insurance products therefrom (for further details, please refer to Section 12.4 "**Material Agreements**" of this Prospectus).

Revenues from Tameeni Motor amounted to SAR 40.4 million, SAR 63.3 million, SAR 99.7 million and SAR 113.6 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing approximately 93.1%, 72.9%, 61.3% and 60.9% of the Group's total revenues for the same periods, respectively. As of the date of this Prospectus, the pricing of insurance products presented on the Group's platforms is the same as the insurance products of insurance companies, and commissions are included in the final price displayed to the customer. The revenue structure of Tameeni Motor primarily consists of the following:

- **Commissions from Sales:** The Group applies commissions on the sale of insurance products, which are indirectly charged to the purchasing customers and included in the quotation price presented thereto. Customers are charged the full price of the relevant product including the commission, which are then deducted by the Group prior to transferring the remaining amount to the relevant insurance company in lump sums within 24-hour periods. Commission rates are calculated based on contractually agreed percentages, factoring in market conditions and pricing methods and strategies in compliance with the applicable maximum percentages for commissions regulated by SAMA. Commissions generally vary by product and are calculated based on the value of the relevant product, before applying any tax and fees. It is also worth noting that all insurance products provided by insurance companies, including additional valueadded products, require prior approval from SAMA in connection with the coverage offered and the commission charged if not within the SAMA pre-approved commission structure; and
- **Other Fees:** The Group also receives additional fees from a number of service providers, including payment gateways, in return for referring its customers to them. Such fees are calculated on the basis of contractually agreed percentages of the total value of the underlying purchase transaction.

b- Product Offerings

The Group aggregates a total of two (2) main insurance products via Tameeni Motor, namely third-party liability (TPL) insurance and comprehensive (COMP) insurance, in addition to a number of value-added third-party liability (TPL+) products provided by specific insurance companies to meet customers' needs and budgets. The products provided on Tameeni Motor are based on the available product offerings of insurance companies and include:

- **Third-Party Liability (TPL) Motor Insurance:** Third-party liability (TPL) motor insurance is a compulsory motor insurance policy that covers the damage caused by the insured party's vehicle to a third party and does not cover the damage inflicted on the insured party or their vehicle. It is the minimum required coverage to operate and drive vehicles in the Kingdom. Commissions for third-party liability (TPL) motor insurance is set at a certain percentage of the product value and may be supplemented with additional fees for additional features to the policy coverage such as roadside assistance.
- **Comprehensive (COMP) Motor Insurance:** Comprehensive (COMP) motor insurance is a motor insurance policy that covers damages suffered by the insured party, the insured vehicle and other passengers, in addition to damages suffered by a third party. Comprehensive Motor Insurance may, for an additional premium, be extended to include additional coverage and services, such as: (i) an alternative vehicle rented during the period of repair of the insured vehicle; (ii) roadside assistance; and (iii) repair of the damaged vehicle in a specialized service center or workshop. Commissions for comprehensive (COMP) motor insurance generally do not exceed a set percentage of the product value and may be supplemented with additional fees for additional features to the policy coverage such as roadside assistance, geographic coverage and replacement vehicle.

- **Other Value-Added Insurance Products:** Other value-added third-party liability (TPL+) insurance products provided on Tameeni Motor include a number of products provided by specific insurance companies, such as (i) SANAD plus motor insurance provided by the Company for Cooperative Insurance (Tawuniya) which offers coverage for third-party liability motor insurance, in addition to coverage for damages suffered by the insured party, the insured vehicle and other passengers in an amount not exceeding ten thousand Saudi Riyals (SAR 10,000); (ii) Wafi Smart motor insurance provided by Al Rajhi for Cooperative Insurance Company (Al Rajhi Takaful) which offers coverage for third-party liability motor insurance, in addition to damages suffered by the insured party, the insured vehicle and other passengers in an amount not exceeding twenty-five thousand Saudi Riyals (SAR 25,000); and (iii) own damage motor insurance provided by Malath Cooperative Insurance Company (Malath) which offers coverage for the costs of repair and compensation for the insured party's vehicle, to supplement the compulsory third-party liability (TPL) insurance. Commissions for such insurance products generally do not exceed a set percentage of the product value and may be supplemented with additional fees for additional features to the policy coverage such as roadside assistance and geographic coverage.

c- Customers

Tameeni Motor operates and provides its services to individual customers in the Kingdom, which include a diverse customer base from various backgrounds and with varied preferences. Therefore, the Group focuses on providing a wide selection of insurance products from a number of insurance companies in order to meet diverse customer needs and help retain and grow the customer base (for further details on the risks relating to customer retention, please refer to Section 2.1.15 "**Risks related to the inability to retain and attract customers**" of this Prospectus). As of 30 September 2023G, Tameeni Motor served over 6.2 million individual customers who issued over 11.6 million motor insurance policies using Tameeni Motor.

The Group's ongoing efforts in retaining and growing its Tameeni Motor customer base include providing userfriendly features and options such as:

- the ability to compare from among a wide selection of insurance products provided on the platform;
- payment using a variety of payment gateways and options on the platform, including debit and credit cards, and payment in installments via the Tabby and Tamara buy-now-pay-later platforms for select products;
- offering promotional loyalty points and programs;
- a policy monitoring feature, which allows customers to monitor and renew their policies at or prior to expiry;
- offering promotional scheme discounts, such as discounts for renewing policies through Tameeni Motor;
- contacting and notifying customers of their expiring policies by the Group's tele sales team in order to timely renew such policies through Tameeni Motor; and
- providing customers with multiple notifications through the Group's communication channels, including SMS, email and in-app notifications, in relation to expiring policies to timely renew such policies through Tameeni Motor.

4.4.2 Tameeni Health

Tameeni Health is a business-to-business online insurance aggregation platform, which was launched in 2019G, and is considered the first online health insurance aggregator of its kind in the Kingdom. Tameeni Health is positioned within the lead generation, marketing and distribution segments of the insurance value chain. It connects its target customers, namely SMEs requiring health insurance products, with insurance companies via a user-centric web and application-based platform that enables SMEs to receive quotes from multiple insurance companies and purchase their health insurance product of choice via a single seamless process, using a one-stop-shop platform. As of 30 September 2023G, Tameeni Health offers health insurance products from twelve (12) insurance companies.

Tameeni Health provides a fully digitized process, through which initial quotes from insurance companies are provided, payments are made online and health insurance policies of choice are issued and uploaded to the centralized government databases of the Absher platform and the NPHIES platform of the Council of Health Insurance. Tameeni Health leverages its integration with the systems of partnering insurance companies, payment gateways, SMS and email service providers and data providers, which enables SMEs to purchase health insurance policies in a streamlined and seamless process. Issuance and purchase of insurance products via Tameeni Health is done through an instantaneous process and follows the following steps:

a- **Verification and Identification:** The process of issuing insurance policies on Tameeni Health commences with SMEs providing basic identification information, such as commercial registration number. Customer data, including employee and dependents data, are then verified relying on the infrastructure and databases of governmental portals, including the Absher platform and Elm's Yakeen platform;

b- **Addition of Employee Details:** SMEs may then insert details of their employees and relevant dependents using the electronic health declaration questionnaire provided on Tameeni Health. SMEs may also specify the insurance class and coverage for each employee and dependents, subject to the coverage classes offered by each insurance company;

c- **Request for Quotes:** Quotes are requested from insurance companies in real time using the relevant information retrieved, populated and provided on Tameeni Health, including demographic data of employees and their dependents, in addition to the sought insurance coverage. Tameeni Health also provides SMEs with a general note regarding the minimum number of employees and dependents which require insurance, pursuant to the applicable regulations for its consideration in the process;

d- **Preparation and Issuance of Quotes:** Partnering insurance companies automatically process the relevant information and factors in line with their respective pricing guidelines using their pricing engines, before immediately issuing quotes for SMEs to consider. Quotes provided to customers are guaranteed by insurance companies until a purchase is made or the quote expires;

e- **Selection of Policy:** After receiving several quotes provided by various insurance companies, customers may compare policies, including based on networks of partnering healthcare providers and relevant benefits, and select the most appropriate policy prior to the expiry of the respective quotes. Customers are also presented with a summary of the policies' details;

f- **Payment:** After selecting their policies of choice, customers are required to make a payment of the relevant price of the insurance product of their choice directly through Tameeni Health using any of the acceptable methods of payment, which include a variety of third-party payment service providers (such as VISA, Mastercard, Mada and SADAD); and

g- **Issuance of Policy and Notification:** Upon completing the online payment successfully, the customers' policies of choice are then issued by insurance companies and automatically submitted by such insurance companies to the centralized government databases in compliance with the applicable regulatory requirements, before confirming completion of the process to the SMEs via Tameeni Health.

Tameeni Health automatically notifies customers of the expiry of their policies and permits customers to renew their insurance policies in a customized process which considers various variables to ensure issuance of an appropriate quote, including the number of employees and their dependents. Tameeni Health also retrieves the relevant customer data to facilitate the renewal process for its returning customers. In addition, Tameeni Health enables customers to add and remove any employee or dependent to any active policy and cancel such policy, as part of its after-sale service offering.

a- Business Model

Tameeni Health acts as a web and application-based insurance aggregation platform, which enables customers to compare prices and purchase insurance products from respective insurance companies. Historically, the Group acted as a technical service provider providing access to Tameeni Health as a technical solution to IHC, who acted as a partnering insurance broker licensed by SAMA and who, in turn, operated Tameeni Health pursuant to an intellectual property rights and technical services license agreement and a technical support agreement, according to which the Group generated revenues therefrom based on a revenue sharing arrangement between the Group and IHC. The Group has since established a wholly owned subsidiary in November 2022G, Tameeni Company, which obtained the requisite SAMA e-brokerage license in May 2023G for the purpose of operating Tameeni Health and providing insurance aggregation services to its customers on an independent basis. Tameeni Motor's intellectual property rights and technical services license agreement and technical support agreement with IHC, in relation to the scope of Tameeni's services, was also terminated thereafter, on 13/12/1444H (corresponding to 01/07/2023G). As of the date of the Prospectus, Tameeni Company has entered into several agreements with insurance companies in order to integrate their systems with Tameeni Motor, allowing customers to retrieve quotes and purchase insurance products therefrom (for further details, please refer to Section 12.4 "**Material Agreements**" of this Prospectus).

Revenues from Tameeni Health amounted to SAR 1.4 million, SAR 5.5 million, SAR 28.0 million and SAR 30.7 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing approximately 3.1%, 6.3%, 17.2% and 16.5% of the Group's total revenues for the same periods, respectively. As of the date of this Prospectus, the pricing of insurance products presented on the Group's platforms is the same as the insurance products of insurance companies, and commissions are included in the final price displayed to the customer. The revenue structure of Tameeni Health primarily consists of the following:

- **Commissions from Sales:** The Group applies commissions on the sale of insurance products, which are indirectly charged to the purchasing customer and included in the quotation price presented thereto. Customers are charged the full price of the relevant product including the commission, which are then deducted by the Group prior to transferring the remaining amount to the relevant insurance company in lump sums within 24-hour periods. Commission rates are calculated based on contractually agreed percentages, factoring in market conditions and pricing methods and strategies in compliance with the applicable maximum percentages for commissions regulated by SAMA. Commissions generally vary by product and the SME's requirements, and are calculated based on the value of the relevant product, before applying any tax and fees;

- **Supplementary Commissions:** The Group also charges supplementary commissions for adding any new employees, spouses or dependents to active insurance policies, based on a preagreed commission rate; and
- **Other Fees:** The Group also receives additional fees from respective payment gateways in return for referring its customers to the payment gateway's portal to conclude the purchase transaction. Such fees are calculated on the basis of contractually agreed percentages of the total value of the underlying purchase transaction.

b- Product Offerings

The Group's product offering within Tameeni Health is concentrated on aggregating employee health insurance packages customized to the customer's needs, as a single product. Such product may be customized by customers on Tameeni Health by compiling one (1) or more classes of insurance with varying scopes of coverage and benefits, to meet their needs and budgets. The classes of coverage provided on Tameeni Health vary among insurance companies based on the various health insurance coverage provided by such insurance companies, their network providers (i.e., healthcare clinics and hospitals) and breakdowns of classes coverage.

c- Customers

Tameeni Health operates and provides its services to SMEs in the Kingdom, which include a diverse customer base from various industries with varied preferences. Therefore, the Group focuses on providing a wide selection of insurance products, packages and classes from a number of insurance companies in order to meet diverse customer needs and help retain and grow the customer base (for further details on the risks relating to customer retention, please refer to Section 2.1.15 "**Risks related to the inability to retain and attract customers**" of this Prospectus). As of 30 September 2023G, Tameeni Health served over 544.7 thousand SMEs. In addition, Tameeni Health's customer base witnessed a growth of approximately 237.7% and 278.8% in the financial years ended 31 December 2021G and 2022G, respectively, after the launch of Tameeni Health in October 2019G. The growth rate of the customer base of Tameeni Health was 113.2% in the nine-month period ended 30 September 2023G, compared with the nine-month period ended 30 September 2022G, respectively.

The Group's ongoing efforts in retaining and growing its Tameeni Health customer base include providing userfriendly features and options such as:

- the ability to compare from among a wide selection of insurance products provided on the platform;
- payment using a variety of payment gateways and options on the platform, including debit and credit cards;
- a policy monitoring feature, which allows customers to monitor and renew their policies at or prior to expiry;
- a feature allowing customers to add and remove any employee or dependent to any active policy or cancel the policy, as part of its after-sale service offering;
- contacting and notifying customers of their expiring policies by the Group's tele sales team in order to timely renew such policies through Tameeni Health; and
- providing customers with multiple notifications through the Group's communication channels, including SMS, email and in-app notifications, in relation to expiring policies to timely renew such policies through Tameeni Health.

4.4.3 Leasing

The leasing segment offers Treza, a software product that integrates systems of banks and leasing companies with those of motor insurance companies allowing them to electronically retrieve, compare, issue policies and manage motor insurance products for their finance leased vehicles, through integration with the systems of insurance companies for the purpose of issuing policies and making financial settlements between banks and insurance companies. In 2020G, SAMA introduced certain changes to its regulations which require banks and leasing companies to obtain at least three (3) insurance policies' quotes for each of their finance leased vehicles. In response to such regulatory changes, the Group has launched Treza as a software product within the leasing segment to enable banks and leasing companies to meet the regulatory requirement of obtaining such minimum number of quotes. Treza is positioned within the lead generation and marketing segments of the insurance value chain. The Group provides Treza (in the form of a web-based platform or integrated system) with the required system integration with insurance companies enabling banks and leasing companies to retrieve, compare, issue policies and manage motor insurance products for their finance leased vehicles. Treza also provides the necessary technical and operational support services.

Treza is available to banks and leasing companies through two (2) channels: (i) direct channel, whereby the Group contracts directly with banks and vehicle insurance companies; and (ii) Broker Channel, whereby the Group contracts with brokers to serve banks and leasing companies who are customers of such brokers. In both channels, banks, leasing companies and brokers contract directly with insurance companies and outsource the technical integration and connectivity between their systems to the Group through Treza. Payments for insurance products purchased through either channel are settled directly between banks, leasing companies, brokers and/or insurance companies, and the Group generally does not collect nor transfer any such payments. Set out below is a description of each of Treza's channels:

- **Direct Channel:** The Group enters into technical service agreements directly with banks and leasing companies to enable them to retrieve quotes and instantly issue motor insurance policies for finance leased vehicles. Treza's direct channel provides banks and leasing companies with a whitelabel custom software as a service (SaaS) product and integrates the systems of banks and leasing companies with the systems of the relevant insurance companies. The Group also provides technical and operational support. Lessees who are provided with motor insurance products that are purchased by banks and leasing companies through Treza's direct channel may also access the customer portal which enables customers to amend and/or expand their insurance coverage. As of 30 September 2023G, Treza's direct channel is integrated with the systems of a total of eight (8) insurance companies.
- **Broker Channel:** The Group enters into technical services agreements with brokers to enable banks and leasing companies who are customers of such brokers to retrieve quotes and instantly issue motor insurance policies for finance leased vehicles. Treza's Broker Channel provides a web-based software as a service (SaaS) platform to banks and leasing companies who are customers of brokers and integrates the systems of such banks or leasing companies with the systems of the relevant insurance companies. The Group also provides technical and operational support, while the brokers provide banks and leasing companies with additional services such as claim management. As of 30 September 2023G, Treza's Broker Channel integrates the systems of twenty (20) banks and leasing companies with the systems of a total of nineteen (19) insurance companies.

a- Business Model

Under the leasing segment, the Group acts as a provider of the Treza software designed to integrate systems of banks and leasing companies with those of motor insurance companies allowing them to electronically retrieve, compare, issue policies and manage motor insurance products for their finance leased vehicles. Through both Treza's Direct and Broker Channels, the Group does not enter into agreements with insurance companies and instead acts as a third-party technology and technical service provider for banks and leasing companies (in the direct channel) or brokers (in the Broker Channel) who outsource the technical scope of services under their agreements with insurance companies to the Group in line with the applicable regulations.

Revenues from Treza amounted to SAR 0.3 million, SAR 17.0 million, SAR 32.8 million and SAR 39.0 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing approximately 0.7%, 19.5%, 20.2% and 20.9% of the Group's total revenues for the same periods, respectively. As of the date of this Prospectus, the revenue structure of Treza (in both its Direct and Broker Channels) primarily consists of tiered fixed fees payable to the Group by banks and leasing companies (in the Direct Channel) or brokers (in the Broker Channel) and are calculated based on the volume of insurance policies purchased utilizing Treza before applying any taxes and fees. Fees are contractually agreed between the Group and banks and leasing companies (in the Direct Channel) or brokers (in the Broker Channel), and they generally vary from one customer to the other. The Group invoices and charges banks and leasing companies (in the Direct Channel) or brokers (in the Broker Channel) on a monthly basis, based on the accrued fees of the preceding month.

b- Product and Service Offerings

Products and service offerings in the leasing segment are provided via Treza, through both its Direct and Broker Channel, which offers the following services to banks, leasing companies and brokers:

- software as a service (SaaS) in the form of a web-based platform or integrated system with the required system integration with insurance companies, which include the following:
  - Direct Channel: Treza provides a white-label custom software as a service (SaaS) product, whereby the Group customizes the software by inserting the color scheme and logo of each bank or leasing company onto the relevant interface, and integrates the systems of such banks and leasing companies with the systems of the relevant insurance companies.
  - Broker Channel: Treza provides a web-based software as a service (SaaS) platform to customers of brokers, whereby the Group customizes the platform by inserting the color scheme and logo of each bank or leasing company who is a customer of brokers onto the relevant interface, and integrates the systems of such banks or leasing companies with the systems of the relevant insurance companies.
- support to end-users for any technical issues; and
- support to banks, leasing companies and insurance companies for any system integration technical issues.

The underlying insurance products offered to banks and leasing companies utilizing Treza consist of Comprehensive Motor Insurance from various insurance companies, provided directly by the relevant insurance company through the system integration solutions provided by Treza.

c- Customers

The leasing segment operates and provides its services to banks and leasing companies in the Kingdom via Treza, through its direct and Broker Channels. The Group focuses on providing user-friendly features on the software interface of Treza to achieve integration with insurance companies and facilitate the processes and operations in connection with issuing, renewing and managing insurance policies, which enables banks and leasing companies to utilize their resources effectively and better serve their customers.

Set out below are details of the Group's customers under both Treza's direct and Broker Channels:

- **Direct Channel:** As of 30 September 2023G, Treza's direct channel has two (2) customers, both of which are commercial banks in the Kingdom, namely the Saudi National Bank and Al Rajhi Bank. Revenues generated by customers of Treza's direct channel amounted to SAR 0.3 million, SAR 9.6 million, SAR 17.6 million and SAR 17.3 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, constituting 0.7%, 11.1%, 10.8% and 9.3% of the Group's total revenues, and 100%, 56.7%, 53.6% and 44.5% of Treza's revenues for the same periods, respectively.
- **Broker Channel:** As of 30 September 2023G, Treza's Broker Channel has one (1) customer who is IHC. However, it is worth noting that twenty (20) banks and leasing companies utilize Treza through the Broker Channel, who are customers of IHC. Revenues generated by customers of Treza's Broker Channel amounted to nil, SAR 7.3 million, SAR 15.2 million and SAR 21.6 million in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, constituting nil, 8.4%, 9.4% and 11.6% of the Group's total revenues for the same periods, respectively, and nil, 43.3%, 46.4% and 55.5% of Treza's revenues for the same periods, respectively.

The Group's efforts in retaining its customer base of banks and leasing companies have been successful in light of its efforts across the product and service offerings, user experience and service, as its returning customers amounted to approximately 75.0%, 100% and 100% of the total customer base from Treza's direct and Broker Channels since their launch in 2020G, specifically in the financial years ended 31 December 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. The Group's ongoing efforts in retaining and growing its Treza customer base include providing user-friendly features and support services such as:

- facilitating and providing the required basic technical support to allow insurance companies to instantly generate insurance quotations, issue insurance policies, and enable customers to automatically renew their policies, add additional drivers and geographic coverage, and update contact information; and
- providing after sales technical support to customers, in addition to required maintenance and updates and facilitating account management.

4.4.4 Online Auction

The online auction segment offers Awal Mazad, an online auction platform for salvaged, repossessed and used vehicles. Awal Mazad provides a three-way marketplace that connects banks, leasing companies, rental companies and insurance companies selling salvaged, repossessed and used vehicles with potential buyers, such as individuals, used vehicle dealers and licensed scrap traders. Awal Mazad is positioned in the claims management segment of the insurance value chain. It provides a user-friendly platform to its users, as an alternative to conventional means of selling salvaged, repossessed and used vehicles via marketplaces or auction houses. The Group assumes the role of agent in connection with the sale of vehicles and orchestrates the pick-up, delivery and storage of vehicles in designated yards, for up to thirty (30) days prior to the auction and sale, through contracted third parties.

The process of listing, advertising and selling vehicles on Awal Mazad generally includes the following steps:

- vehicles are submitted to Awal Mazad by banks, leasing companies, rental companies and/or insurance companies for review and approval by the Group;
- once vehicle details are reviewed and confirmed, the request is then approved by the Group;
- the vehicle is then towed to the storage location, via an external service provider instructed by the Group, and its condition is inspected before and after towing and before and after entering the storage yard;
- the vehicle is cleaned and photos of the vehicle are taken in preparation for the auction, and its condition is inspected before and after the auction;
- the vehicle may also be towed to specific valuation centers for pricing, as necessary;
- pricing of the vehicle may take place in-house or by using an auction starting price, which may be provided on instruction from the seller;

- the offer is registered on Awal Mazad and made available for potential purchasers to make bids;
- potential purchasers are required to submit a refundable deposit to allow them to submit a bid or bids for the purchase of vehicles, as applicable;
- potential purchasers may then submit live bids on the platform and/or configured bids, with specific maximum values powered by an auto-bidding feature which allows customers to set a maximum bid, and enables the feature to automatically bid up to such maximum;
- once the bids are finalized and the auction is closed after a period generally lasting between one (1) to seven (7) days, the vehicle is allocated to the highest bidder before commencement of the required procedures to effect the sale. The platform may also occasionally offer release flash auctions for periods not exceeding several hours, and extended auctions for periods extending past seven (7) days;
- the highest bidder is then required to pay the full purchase to Awal Mazad via the online payment feature on the platform or through a bank transfer; and
- following satisfaction of the payment, the purchaser is then connected to the location of the partner dealer to receive the vehicle. Transfer of legal title is arranged directly between the sellers and buyers without involvement by Awal Mazad.

Vehicles sold on Awal Mazad are sold "**as is**"; however, they are generally subject to an assessment to confirm the status of the vehicle, which may include:

- providing various photos that illustrates the current condition of the car;
- providing car details including make, model, year, odometer readings and details of missing parts;
- confirming and providing all required documentation for transfer of ownership of the vehicle;
- identifying the direct selling price and/or the start auction price, if available; and
- conducting up to three (3) checks regarding the condition of the vehicle, excluding the mechanical component, prior to towing the vehicle, once delivered to the storage yard, and a further check by the storage yard manager.

a- Business Model

Under the online auction segment, the Group acts as both a service provider and arranger for the purpose of connecting banks, leasing companies, rental companies and insurance companies selling salvaged, repossessed and used vehicles with potential buyers, such as individuals, used vehicle dealers and licensed scrap traders, and facilitating the sale of salvaged, repossessed and used vehicles.

Revenues from Awal Mazad amounted to SAR 1.3 million, SAR 1.1 million, SAR 2.1 million and SAR 2.7 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively, representing approximately 3.1%, 1.3%, 1.3% and 1.5% of the Group's total revenues for the same periods, respectively. As of the date of this Prospectus, the revenue structure of Awal Mazad primarily consists of the following:

- **Buyer Auction Fee:** Buyers are generally required to pay an auction fee based on the vehicle condition and the agreement with the sellers. The fee generally ranged between SAR 1,300 and SAR 5,000 during the financial years ended 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, and are collected once an auction concludes and a sale is successful.
- **Additional Fee:** In the event that an auction ends with a selling price greater than a previously approved figure, the Group charges the seller a flat additional fee for such auctions.

b- Product and Service Offerings

Products and service offerings in the online auction segment are provided via Awal Mazad, which consists of a marketplace for sale of salvaged, repossessed and used vehicles, in addition to its support, management, arrangement and towing services. Through Awal Mazad, the Group facilitates the advertisement and sale of salvaged, repossessed and used vehicles provided by respective insurance companies, banks and leasing companies, and rental companies. Vehicles sold on Awal Mazad include:

- **Salvaged Vehicles:** Salvaged vehicles are vehicles provided and sold by insurance companies after being deemed impractical and futile to repair and declaring such vehicle a total loss. This assessment generally follows severe damage due to an accident, a natural disaster or other circumstances;
- **Used Vehicles:** Used vehicles are vehicles provided and sold by vehicle rental companies as the last step of the vehicle lifecycle for the purpose of rental activities, after releasing such vehicle from its operations; and
- **Repossessed Vehicles:** Repossessed vehicles are vehicles provided and sold by banks and leasing companies after being repossessed from lessees, due to the failure of the lessee to uphold contractual obligations, such as failure to make due payments, as may be permitted by the relevant contractual provisions.

c- Customers

The online auction segment operates and provides its services in the Kingdom via Awal Mazad, alongside its respective partners. The targeted customer base includes both individual customers and corporate customers, with varying requests, demands and preferences in connection with the vehicle of choice. As of 30 September 2023G, Awal Mazad served over 433 customers who sold and purchased over 3,509 vehicles using Awal Mazad.

The Group's ongoing efforts in retaining and growing its Awal Mazad customer base include providing userfriendly features and support services such as:

- real-time online bidding;
- optimized auction searches;
- real-time notifications and follow-ups regarding relevant bids and auctions;
- watchlist feature, which allows customers to save and follow preferred auctions;
- customer service and support throughout the registration, auction participation, documentation and post-sale service processes; and
- on-site assistance to customers at the relevant storage yards to support customers during the inspection process and to address any auction-related queries.

4.4.5 Overview of the Group's New Product Offering

As of the date of this Prospectus, the Group aims to expand its product offering, in accordance with its strategy to strengthen its competitive position in the FinTech sector. The Group's new product offerings include the following:

a- Recently Launched Products:

- **Medical malpractice insurance:** The Group is working on providing health practitioners with a practical service to obtain professional insurance, namely medical malpractice insurance, after comparing the offers presented by a number of insurance companies. The service will allow health practitioners to make decisions based on the available information after comparing the available offers, before selecting the features and prices best suited to them.
- **Travel insurance:** The Group is currently working through a digital platform to provide a simplified service to individuals who are international travelers, by providing them with immediate access to travel insurance companies and products thereof, in order to enable individual users to make decisions regarding the required insurance coverage, as well as making it possible to save time and money. The platform will allow users to compare products provided by a wide network of insurance companies, and subsequently purchase the chosen product and renew it as needed.

b- Products to be Launched in the Near Term:

- **Domestic worker contract insurance:** The Group is developing digital solutions that allow recruiters of domestic workers to obtain insurance coverage for domestic workers' contractual obligations during their employment term. The digital solution will allow easy access to the desired product and linkage with the relevant government agencies.
- **Life insurance:** The Group is launching an electronic platform to provide protection and savings solutions to individual customers, both Saudis and residents, who are represented by their employers in the Kingdom. The platform will allow individuals to view and benefit from information related to the use of personal savings and retirement pensions to reach a sustainable solution with respect to the management of their personal funds. Moreover, the platform will enable individuals to buy practically and make informed decisions when selecting a protection and savings plan.
- **General insurance:** The Group is developing digital solutions in the field of general insurance which target SMEs. The service will be accessible via one or more of the available technical solutions to enable customers to benefit from a seamless purchase experience.
- **Corporate health insurance:** The Group is working on solutions to enable companies and insurance brokers to communicate directly with brokers and insurance companies in order to obtain health insurance quotes from various insurance companies and compare between them. The solutions provided shall allow companies to review quotes and coverage available for consumption and use by their employees, families and the available health care provider networks, thus allowing the Company to make an informed decision regarding the appropriate insurance product.

- **Claim management:** The Group provides insurance companies with integrated solutions to reduce their claim costs and improve operational efficiency and customer experience. This is done by supporting insurance companies in managing claim processes, including submitting claims, managing repairs, managing the specialized workshop network and communicating with customers, as well as managing settlements, through a time and cost-efficient process.
- **Consumer lending sector solutions:** The Group is working on launching solutions within the consumer lending sector as a financial product, based on the Group's leading position in the insurance market and its share of approximately 50% of the vehicle insurance space for individuals having served more than 7.5 million customers as of 30 September 2023G, in addition to increased demand and growth in lending products in the Kingdom. This is driven by the growth of the local economy and changes in the levels of customer preferences, since consumer lending products focus on vehicle financing and loans, credit cards and personal and real estate loans. Accordingly, the Group intends to rely on its knowledge and work with banks and financial institutions to provide its products in a practical and timely manner.

4.5 Overview of the Group's Partners and External Data Providers

The Group's operations for the purpose of each of its four (4) platforms are reliant on products and services provided by partners and external service providers, including (i) insurance companies; (ii) leasing companies and banks; (iii) payment gateways; (iv) data providers; (v) pick-up and towing providers; and (vi) vehicle storage service providers.

The following tables shows details of the Group's key customers and the insurance companies with which the Group deals.

Table (4.20): The Group's Key Customers and the Insurance Companies for the Financial Year Ended 31 December 2020G

Customer Name(1)	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2020G	
				Amount in SAR	As a Percentage of Total Revenue for the Period
Insurance Company 1	Tameeni Motor, Treza	Independent	Contractual	7.7 million	17.0%
Insurance Company 2	Tameeni Motor, Treza, Awal Mazad	Independent	Contractual	7.4 million	16.4%
Insurance Company 3	Tameeni Motor, Tameeni Health, Treza, Awal Mazad	Independent	Contractual	4.0 million	8.9%
Insurance Company 4	Tameeni Motor, Tameeni Health	Independent	Contractual	3.2 million	7.1%
Insurance Company 5	Tameeni Motor, Treza, Awal Mazad	Independent	Contractual	2.9 million	6.5%
Total	**25.2 million**	**55.5%**			

(1) The Group's key customers and the insurance companies have been identified for each period separately.

Source: The Company

Table (4.21): The Group's Key Customers and the Insurance Companies for the Financial Year Ended 31 December 2021G

Customer Name(1)	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2021G	
				Amount in SAR	As a Percentage of Total Revenue for the Period
Insurance Company 1	Tameeni Motor, Treza, Awal Mazad	Independent	Contractual	10.1 million	12.8%
Insurance Company 2	Tameeni Motor, Tameeni Health	Independent	Contractual	8.0 million	10.0%
Insurance Company 3	Tameeni Motor, Tameeni Health, Treza, Mazad Awal	Independent	Contractual	7.6 million	9.7%
Insurance Company 4	Tameeni Motor, Treza,	Independent	Contractual	6.7 million	8.5%
Insurance Company 5	Tameeni Motor, Treza,	Independent	Contractual	6.2 million	7.8%
Total	**38.6 million**	**49.0%**			

(1) The Group's key customers and the insurance companies have been identified for each period separately.

Source: The Company

Table (4.22): The Group's Key Customers and the Insurance Companies for the Financial Year Ended 31 December 2022G

Customer Name(1)	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2022G	
				Amount in SAR	As a Percentage of Total Revenue for the Period
Insurance Company 1	Tameeni Motor, Tameeni Health, Treza, Awal Mazad	Independent	Contractual	16.6 million	11.2%
Insurance Company 2	Tameeni Motor, Treza	Independent	Contractual	15.4 million	10.4%
Insurance Company 3	Tameeni Motor, Tameeni Health, Treza, Awal Mazad	Independent	Contractual	14.4 million	9.7%
Insurance Company 4	Tameeni Motor, Tameeni Health, Treza,	Independent	Contractual	14.1 million	9.5%
Insurance Company 5	Tameeni Motor, Tameeni Health, Treza	Independent	Contractual	12.6 million	8.5%
Total	**73.1 million**	**49.3%**			

(1) The Group's key customers and the insurance companies have been identified for each period separately.

Source: The Company

Table (4.23): The Group's Key Customers and the Insurance Companies for the Nine-Month Period Ended 30 September 2023G

Customer Name(1)	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Nine-Month Period Ended 30 September 2023G	
				Amount in SAR	As a Percentage of Total Revenue for the Period
Insurance Company 1	Tameeni Motor, Treza	Independent	Contractual	21.3 million	14.3%
Insurance Company 2	Tameeni Motor, Treza, Awal Mazad	Independent	Contractual	21.1 million	14.1%
Insurance Company 3	Tameeni Motor, Tameeni Health	Independent	Contractual	11.8 million	7.9%
Insurance Company 4	Tameeni Motor, Tameeni Health, Treza, Awal Mazad	Independent	Contractual	11.9 million	7.9%
Insurance Company 5	Tameeni Motor, Tameeni Health, Treza	Independent	Contractual	10.4 million	7.0%
Total	**76.5 million**	**51.2%**			

(1) The Group's key customers and the insurance companies have been identified for each period separately.

Source: The Company

Table (4.24): Group's Key Suppliers for the Financial Year Ended 31 December 2020G

Supplier Name(1)	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2020G	
				Amount in SAR	As a Percentage of Total Revenue for the Period
Supplier 1	Data query service	Independent	Contractual	3.4 million	7.4%
Supplier 2	Technical services	Independent	Non-contractual	1.2 million	2.7%
Supplier 3	Text messaging service	Independent	Non-contractual	1.0 million	2.1%
Supplier 4	Insurance services	Independent	Contractual	0.7 million	1.5%
Supplier 5	Technical Services	Independent	Non-contractual	0.5 million	1.1%
Total	**6.8 million**	**14.7%**			

(1) The Group's key suppliers have been identified for each period separately.

Source: The Company

Table (4.25): Group's Key Suppliers for the Financial Year Ended 31 December 2021G

Supplier Name[1]	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2021G	
				Amount in SAR	As a Percentage of Total revenue for the Period
Supplier 1	Data query service	Independent	Non-contractual	11.5 million	21.4%
Supplier 2	Advertising services	Independent	Non-contractual	2.9 million	5.4%
Supplier 3	Contracting and Maintenance Services	Independent	Non-contractual	1.6 million	3.1%
Supplier 4	Technical services	Independent	Non-contractual	1.4 million	2.5%
Supplier 5	Text messaging service	Independent	Non-contractual	1.2 million	2.1%
Total	**18.5 million**	**34.5%**			

(1) The Group's key suppliers have been identified for each period separately.

Source: The Company

Table (4.26): Group's Key Suppliers for the Financial Year Ended 31 December 2022G

Supplier Name[1]	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Financial Year Ended 31 December 2022G	
				Amount in SAR	As a Percentage of Total revenue for the Period
Supplier 1	Data query service	Independent	Contractual	27.4 million	22.7%
Supplier 2	Advertising services	Independent	Non-contractual	3.1 million	2.5%
Supplier 3	Text messaging service	Dependent	Contractual	2.7 million	2.2%
Supplier 4	Insurance services	Independent	Non-contractual	2.3 million	1.9%
Supplier 5	Technical Services	Independent	Contractual	1.3 million	1.1%
Total	**36.6 million**	**30.4%**			

(1) The Group's key suppliers have been identified for each period separately.

Source: The Company

Table (4.27): Group's Key Suppliers for the Nine-Month Period Ended 30 September 2023G

Supplier Name[1]	Type of Product / Service	Customer Capacity (Independent / Dependent)	Contractual / Non-Contractual Relationship	The Nine-Month Period Ended 30 September 2023G	
				Amount in SAR	As a Percentage of Total revenue for the Period
Supplier 1	Data query service	Independent	Contractual	35.4 million	24.0%
Supplier 2	Gateway payment services	Independent	Contractual	4.1 million	2.7%
Supplier 3	Data query services	Dependent	Contractual	3.6 million	2.5%
Supplier 4	Text messaging service	Independent	Non-contractual	2.2 million	1.5%
Supplier 5	Technology information services	Independent	Non-contractual	1.9 million	1.3%
Total	**47.2 million**	**32.0%**			

(1) The Group's key suppliers have been identified for each period separately.

Source: The Company

4.5.1 Insurance Companies

Insurance companies provide the Group with the main product offerings under Tameeni Motor and Tameeni Health, which collectively generated 96.2%, 79.2%, 78.6% and 77.4% of the Group's total revenues for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. It is also worth noting that insurance companies provide the underlying insurance products in both the Treza direct and Broker Channels. In addition, motor insurance companies also provide the Group with salvaged vehicles to sell through Awal Mazad. As of 30 September 2023G, the Group has partnerships with two (2) insurance companies for such purpose.

As of 30 September 2023G, the total number of partnering insurance companies across its platforms amounted to twenty-four (24) insurance companies, which has seen noticeable growth since 2020G, as it has increased from approximately twenty-two (22) insurance companies, including merged entities and companies. It is also worth noting that nineteen (19) of the Group's partnering insurance companies provide products via two (2) or more of its platforms. The process for onboarding new partnering insurance companies generally includes the following steps:

- initial introductory calls and meetings, in which the Group provides insight regarding the sought collaboration, and services and products to be provided;
- agreement and acceptance of terms of partnership by the insurance company;
- integration of systems for the purpose of ensuring a seamless process across the relevant products and platforms;
- deployment and listing of the new insurance company's insurance products on Tameeni Motor, following integration quality assurance and user acceptance testing.

a- Motor Insurance Companies

As of 30 September 2023G, the Group partners with twenty-four (24) insurance companies, for the purpose of Tameeni Motor, to enable customers to compare quotes for products from different insurance companies through its platforms and products via an integrated process before purchasing their policy of choice. The number of partnering insurance companies allows the Group's to offer a broader range of motor insurance products for the Group's individual customers, corporate customers and SMEs to compare and choose from.

In addition, certain motor insurance companies also provide the Group with salvaged vehicles for the purpose of selling such vehicles on Awal Mazad. As of 30 September 2023G, the Group partners with two insurance companies for such purpose.

b- Health Insurance Companies

As of 30 September 2023G, the Group partners with twelve (12) insurance companies to enable customers to compare quotes for products from different insurance companies through Tameeni Health via an integrated process before purchasing their policy of choice. The number of partnering insurance companies has seen evident growth since 2020G, as it has increased from approximately eight (8) insurance companies to twelve (12) insurance companies, as of 30 September 2023G. The growth in the number of partnering insurance companies has resulted in a broader range of options in terms of coverage and price points for the Group's customers to compare and choose from.

4.5.2 Banks, Leasing Companies and Rental Companies

Banks, leasing companies and rental companies provide the Group with repossessed and used vehicles for the purpose of selling such vehicles on Awal Mazad. As of 30 September 2023G, the Group has a partnership with one (1) bank for such purpose, which enables the Group to provide customers with a product selection to choose from.

4.5.3 Payment Gateways

The Group does not process any payments or relevant payment data directly on its systems, but rather relies on payment gateways for the purpose of authorizing and executing payments by customers across all of its platforms and products. Payments using VISA, Mastercard, Mada, SADAD and Apple Pay are generally acceptable by the Group's payment gateways, in addition to payment in installments via the Tabby and Tamara Buy-now-pay-later Platforms for select products. The Group also accepts payment using promotional loyalty points and programs, such as the Saudi Telecom Company's Qitaf program. Certain arrangements between the Group and service providers include referral fees and rebate in favor of the Group, in return for its referral of customers to such service providers. Referral fees and rebates are calculated on the basis of contractually agreed percentages of the total value of the underlying purchase transaction.

The role of the providers of payment gateways includes processing electronic payments, third-party licensed encryption and authentication technologies, which ensure that personal data is securely transferred.

To facilitate customers' journeys and mitigate risks to the customers' journeys, the Group contracted several payment gateway services providers, such as HyperPay, Edaat, Direct Sadad and Sadad via a bank to reduce the pressure on any one service provider and make the payment process easier.

4.5.4 Data Providers

In its efforts to provide a seamless platform to enable its customers to purchase products on its platforms and products, the Group relies on features provided by the integration of its platforms and products with infrastructure and databases of data providers. The relevant data providers supply the Group with customer, vehicle and employee data, as applicable, all of which facilitate the process for purchasing the relevant products offered on the Group's platforms and products. The key entities who provide the Group with data are as follows:

- **Najm for Insurance service Co. (Najm):** Najm for Insurance service Co. is an entity resulting from cooperation between SAMA and the General Traffic Department of the Ministry of Interior. Najm provides services, including accident review, damage assessment and insurance claims for insured vehicles in the Kingdom, through a central process served by data and cross-insurance claims from various insurance companies. The data provided by Najm allows the Group to view customers' accident records and share them with insurance companies to take into account relevant data and information for the purpose of issuing and submitting quotes, in addition to evaluating customers' eligibility for any discounts. It is also worth noting that vehicle insurance companies, in general, should upload the insurance policies issued to Najm for the benefit of the customer. Through Tameeni Motor, the Group notifies customers of the success of the policy upload process.
- **Yakeen Platform of Elm Company (Yakeen):** The Yakeen platform comprises electronic services that were launched in 2003G, enabling public entities and financial institutions, including insurance companies and other institutions, to verify the data of any individual with whom they have an official relation, whether a customer, service provider, employee or others. The scope of this data and information is limited to what is necessary and does not include sensitive information. Yakeen service also provides a real-time connection to the National Information Center and a postal service provider. Yakeen platform and its services are provided by Elm Company, a leading company in providing integrated digital solutions in general, including those related to e-government services. The Group relies on Yakeen services for the purpose of retrieving customer contact information, addresses and employee information using the national ID or residence number of individuals and commercial registration numbers for corporate customers, in addition to vehicle information and other data using the vehicle identification number for the relevant platforms.

4.5.5 Pick-Up and Towing Providers

Services provided under Awal Mazad also include a pick-up service for vehicles to facilitate the sale process for partners before storage of the vehicle in designated yards in preparation for auctioning and selling such vehicle. Such vehicle pick-up and towing services are orchestrated by the Group via third-party service providers. The roles and responsibilities of the pick-up and delivery service provider generally include vehicle towing and vehicle inspection.

4.5.6 Vehicle Storage Service Providers

As part of the Group's service offerings in Awal Mazad, the Group relies on one (1) external service provider, as of 30 September 2023G, to store and hold vehicles during the auction and sale process, as the Group generally retains vehicles for periods of up to thirty (30) days prior to the sale and following submission of a vehicle to the platform. The storage service provider generally holds such vehicles on behalf of the Group in secure yards for such purpose. The roles and responsibilities of the vehicle storage service provider generally include validating the listing on the platform, preparing vehicles for auction and photographing, storing vehicles, permitting customers to visit and view the auctioned vehicles and checking out the vehicle once the sale takes place and the payment is done.

4.6 Overview of the Group's Operations

The Group's operations are managed from the head office located in the city of Riyadh. The Group's operations are supported by two (2) cost centers located in the UAE and Egypt, which provide support to the Group's operations in the areas of information technology, product development and talent support.

Set out below is a description of the Group's main operational units:

4.6.1 Cost Centers

As of the date of this Prospectus, the Group operated two (2) cost centers in the UAE and Egypt for the purpose of providing support to the Group's operations in the Kingdom, in the areas of executive management, product management, operations, marketing, innovation, IT strategy, finance, human resources and management, in addition to providing support and development in information technology.

a- UAE

The Group's UAE cost center is located in Dubai, the UAE, and it hosts an information technology team and a product development team to support the Group's operations. The UAE cost center hosts a total of sixty-six (66) employees, as of 30 September 2023G.

The primary purpose of the UAE cost center is to provide support to the Group's customers in the Kingdom, and act as a disaster recovery site for the Group's critical operations. The support provided by the UAE cost center spans the areas of executive management, product management, operations, marketing and innovation, information technology strategy, finance, human resources and administration.

b- Egypt

The Group's Egypt cost center is located in Cairo, Egypt, and it hosts an information technology talent hub, information technology development and information technology support functions to support the Group's operations. The Egypt cost center hosts a total of one hundred and nineteen (119) employees, as of 30 September 2023G.

The primary purpose of the Egypt cost center is to provide support services for human resources and an information technology talent hub, information technology development and information technology support functions to support the Group's operations.

4.6.2 Information Technology

The architecture of the Group's platforms and products is built using the Microsoft technology stack, which enables the Group to effectively operate separate and isolated applications for each of its four (4) platforms and products. The Group has also designed separate websites for each of its platforms and products, with their own entry points and technical backends, with all such platforms and products relying on server side rendering.

The Group's insurance suite, namely Tameeni Motor, Tameeni Health and Treza, rely on common services and the technical architecture of the Group's platforms and products, all of which facilitate integration with insurance companies and data providers, in addition to payment gateway providers and notification gateways by application programming interface connectivity, which enables the platforms to get quotes for insurance products and facilitate the relevant procedures for purchasing and issuing the same. For example, Tameeni Motor submits different application programming interface requests to different insurance companies, which may choose to respond with an offer, using an agreed and effective method of communication with each insurance companies given the lack of a standard ontology in the industry. As a result, the Group utilizes its technical capabilities and its industry know-how to devise an efficient method of communication with each third party (for further details on the risks relating to the Group's information technology infrastructure, please refer to Section 2.1.8 "**Risks related to availability of the Group's platforms and products and failures of its electronic systems**" of this Prospectus).

a- Technology Systems

The Group makes continuous efforts to develop its systems to customers' needs and to ensure proper alignment and harmonization with platforms of its respective parties, including insurance companies, insurance brokers and data providers. The Group generally ensures that its technology systems are robust and flexible, to cater for future upgrades, updates and development. The Group's platforms rely on a number of components within its technology architecture, which includes:

- **Mobile Applications:** Tameeni Motor, Tameeni Health and Awal Mazad are accessible to customers via mobile applications designed by the Group using its in-house capabilities. The Group's mobile applications provide users with a simple view of the Group's websites and its features via the mobile application;

- **Web Portals:** All of the Group's platforms and products, namely Tameeni Motor, Tameeni Health, Treza and Awal Mazad, are accessible to customers via web and/or application-based portals and access points designed by the Group using its in-house capabilities, and include user-friendly interface and navigation, multi-device compatibility (e.g., desktop, tablet and mobile devices), secure login and authentication systems, integration with third-party application programming interfaces (APIs) and services, personalization features based on user preferences, real-time notifications and updates, analytics and reporting tools for performance tracking and optimization; and
- **Application Programming Interface:** The Group utilizes application programming interfaces (APIs) to enable the Group to operate in a smarter, faster and more efficient manner, by seamlessly integrating with third parties, including insurance companies and banks, to streamline and automate business functions, and relying on APIs to fetch data related to customers to enhance user experience.

b- Product Development

The Group has a dedicated product development team tasked with carrying out its continued and systematic efforts in developing its products. The product development team translates the Group's perception of the role of research and development as a central pillar in its operations, by leveraging the data provided and cultivated from customers and key performance indicators within its systems (for further details, please refer to Section 4.8 "**Research, Development and Innovation**" of this Prospectus).

c- Data Storage

The Group's infrastructure and data storage centers are hosted in the Kingdom, using self-owned and operated services. As of the date of this Prospectus, the Group maintains two (2) data storage centers in two (2) different locations in the Kingdom for redundancy purposes. The data storage centers are interconnected via an IP (Internet Protocol) network that enables the Group to copy data to be used as backups, and, if needed, in the event of disasters. Moreover, the data storage centers facilitate efficient processing of the Group's operations using either of the Group's data sites, as may be necessary.

The physical infrastructure of the Group's data infrastructure is built using advanced virtualization software, which allows the Group to automatically move its operations and shift its reliance from one data storage center to the other, in case the host in a specific data storage center experiences failure.

d- Disaster Recovery

Both of the Group's data storage centers contain full copies of the Group's entire physical infrastructure, allowing the Group's platforms and products to run on either data storage center to the extent necessary. The Group also conducts testing in the form of emergency processes for failures caused by disasters (including the complete failure of one of the two data storage centers) at least twice a year to ensure all processes are effective, operational and in good order and the respective teams are familiar with the required procedures.

The Group maintains and staggers back-ups of its data and updates its records periodically outside working hours. Backups are generally retained for a period of one (1) month and are replicated off-site. Additional copies are also made to other durable storage mediums and safely stored in the Group's facilities, to ensure availability in case of a disaster. The Group also retains additional back-ups of more sensitive data for periods of up to three (3) years.

The Group has also adopted a segmented approach for hosting its applications, whereby applications are isolated using various layers of segmentation, notwithstanding that the applications are hosted on the same infrastructure. Applications are also designated their own virtual local area network (VLAN) for the purpose of completely isolating each of the different systems. In addition, each of the applications of the Group's platforms and products has a dedicated set of virtual machines and databases which are also completely isolated from each other.

e- User Experience (UX)

The Group has formed a dedicated user experience (UX) team which plays a critical role in the success of its digital products, as the team is committed to continuously improving user experience for the benefit of all users across all products and platforms. The user experience team collaborates and works closely with product managers, designers, and developers to ensure that every element of the Group's digital products is created with the user in mind. The Group utilize a variety of tools, including conducting user research, analyzing data, and developing and revising products and product designs with the aim of meeting and exceeding customers' expectations, through intuitive, efficient, and enjoyable customer journeys.

The Group strives to create highly effective and user-friendly web portals by adopting an innovative approach to developing and enhancing user experience, and by utilizing the tools and resources available, with the goal of growing and increasing customer satisfaction and engagement. The Group continuously assesses available investments for the purpose of developing its platforms and products, with the goal of maintaining a leading position at the forefront of user experience design.

f- Cybersecurity and Data Privacy

The Group places cybersecurity and data privacy at the center of its operations in light of its focus on the FinTech industry.

Starting with the Group's integration with a variety of third parties, including insurance companies, insurance brokers and data providers, the Group's ensures that these services are provided following application programming interface authentication. It is also worth noting that these services are often not accessible to the public via other unsecure means. The Group's publicly facing infrastructure is only accessible through the web, in which the Group has put several security controls such as next-generation firewalls (NGFWs), web application firewalls (WAFs), web sandboxing, distributed denial-of-service (DDoS) protection and bot detection to protect against cybersecurity attacks, data breaches and distributed denial-of-service (DDoS) attacks.

The Group has put in place application firewalls which protect against common exploits like structured query language (SQL) code to manipulate databases and gain access to potentially valuable information, distributed denial-of-service (DDoS) attacks which are employed in order to make an online service, network resource or host machine unavailable to its intended users on the internet, and security vulnerabilities, weaknesses or problems published by the Open Web Application Security Project (OWASP). Risk of disruption to the Group's internal functions is also addressed by network isolation using virtual local area network (VLAN) segregation for each of the Group's platforms and products.

The Group's data centers have also been classified as a tier III secure location by the two (2) colocation hosting providers located in the cities of Riyadh and Dammam in the Kingdom.

The Group also has put in place the required policies and procedures in order to comply with the applicable cybersecurity, data localization and data privacy laws, regulations and standards imposed by the relevant regulatory bodies including:

- National Cybersecurity Authority, Essential Cybersecurity Controls (NCA-ECC) for purposes of the Group;
- Organizations' Social Media Accounts Cybersecurity Controls (NCA-OSMACC) for purposes of the Group;
- Cloud Cybersecurity Controls (NCA-CCC) for purposes of the Group;
- SAMA Cyber Security Framework (CSF) for purposes of Tameeni Company; and
- SAMA Business Continuity Management Framework (BCMF) for purposes of Tameeni Company.

4.7 Marketing and Promotion

The Group has built a customer base and a network of marketing partners over the years and since its inception. In an effort to retain its customer base and sustain its growth, the Group actively provides promotions and offers to its customers, marketing partners and their employees. For example, the Group offers renewal discounts to incentivize renewals and retention of customers and partnership discounts to employees of select companies and corporations. Eligibility for these discounts can be validated by customers entering and validating their business email address using a certain white-listed email domain, their national identification or Iqama number, unique promotional codes or other customized mechanisms that the Group has chosen to integrate using their partners' programming interface authentication.

In addition, the Group carries out efforts in increasing its brand awareness and recognition by sponsoring relevant events, conferences and sports teams, including Gamers8 Saudi Arabia and a number of Saudi football clubs. The Group also takes part in omnichannel digital campaigns, including Saudi National Day and Saudi Founding Day campaigns, in addition to social media contests to interact with customers and boost traffic and sales.

4.8 Research, Development and Innovation

The Group has adopted a flexible approach to research, development and innovation, and the Company has not adopted a written research and development policy. However, the Group has translated its continued efforts into developing its products into a systematic approach driven by qualitative feedback from its customers and quantitative data using internally developed and categorized key performance indicators in its system. The Group collects feedback from its customers constantly through customer surveys, customer care tickets and customer reviews.

rasan

The Group has also appointed and designated a product manager, along with a team of business analysts, for each of its platforms and products to ensure effective monitoring and execution of the relevant processes. Product manager teams are tasked with collating and collecting new ideas in line with the Group's strategy, future expansion, changes in the regulatory environment and customer feedback.

The process of developing the Group's products involves activating the role of product managers to assess the relevant ideas in light of available commercial opportunities, complexity, operational feasibility and efficiency and brand recognition, before preparing a matrix with required output and priorities for the purpose of effectively monitoring the relevant workstreams. A copy of such matrix is also submitted to squads, consisting of a representative from each relevant department, for review and approval.

Cooperation between the product development and engineering teams is an important step for the purpose of executing the relevant proposed idea to develop a product, as the idea is broken down to actionable steps from a technical standpoint before commencing with the planning session, implementation of a plan and initiating its execution with the relevant team members. Completed features are then submitted to the quality assurance phase for quality testing to ensure adherence to feature request documents, followed by a user acceptance testing environment to address any major flaws and allow the business team to test and evaluate the relevant features. A successful feature is then placed into the production environment for customers to access and use. The feature, once made available to customers to access and use, is also subject to continuous monitoring by the product manager and team using the adopted key performance indicators.

Key performance indicators are collected from the Group's platforms and products on a real-time basis using interactive dashboards and reports, which include details of the number of policies sold, the types of policies, renewal rates, payment methods and devices used to purchase. Tracking of these indicators allows the Group to better plan for future development and business decisions. Data relating to key performance indicators is collected and analyzed using Microsoft Power BI, an interactive data visualization software.

It is also worth noting that the engineering process within the greater product development process generally revise and subject findings and views to peer review, generally driven by best practice. The Group's engineering team and product team generally follow a lean approach to product development, in light of the Group's position as a start-up and frontrunner in the FinTech industry in the Kingdom.

As of 30 September 2023G, the Group's product development team included seventy-eight (78) development professionals, twenty-nine (29) quality control professionals, six (6) employees responsible for integration processes, six (6) employees responsible for infrastructure, five (5) administrative staff, ten (10) data analysts, and seventeen (17) IT employees.

4.9 Awards and Achievements

The Group has been awarded awards and achievements by several authorities, including the following:

Table (4.28): The Group's Awards and Achievements

#	Awarding Entity	Receiving Entity	Type	Description of Award	Issuance Date	Expiry Date
1.	Forbes Middle East	The Company	Brand Recognition	Middle East's Top 30 FinTech Companies	April 2023G	-
2.	Forbes Middle East	The Company	Recognition of startups for obtaining funding	Middle East's Top 50 Most Funded Startups	November 2022G	-
3.	SAMA	The Company	Certificate of appreciation	Certificate of appreciation provided to the Company, in connection with Tameeni Motor and Tameeni Health, for participation and sponsorship of the sixth Saudi Insurance Symposium, as a platinum sponsor	September 2022G	-
4.	Forbes Middle East	The Company	Brand Recognition	Middle East's Top 25 FinTech Companies	August 2022G	-

Source: The Company

4.10 The Group's Assets Outside the Kingdom

The following table shows the Group's assets owned by its Subsidiaries outside the Kingdom and their percentage of the Group's total assets as of 31 December 2020G, 2021G and 2022G and 30 September 2023G:

Table (4.29): The Group's Assets Outside the Kingdom

SAR million	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G	As of 30 September 2023G
UAE	0.7	1.5	0.8	0.8
Egypt	0.2	0.2	0.1	0.1
Total Assets Inside the Kingdom	**15.6**	**26.3**	**40.3**	**52.6**
Total Assets	**16.5**	**28.0**	**41.2**	**53.5**
Percentage of Assets Outside the Kingdom in Proportion to Total Assets	5.0%	6.0%	2.0%	2.0%
Percentage of Assets Inside the Kingdom in Proportion to Total Assets	95.0%	94.0%	98.0%	98.0%

Source: The Company

4.11 Business Continuity

The Directors declare that there has been no material interruption in the Group's business (including the Company and Material Subsidiaries) that may have a significant effect on the Group's financial position in the last 12 months.

4.12 Employees

4.12.1 The Company and its Material Subsidiaries

a- The Company

The below table sets out the number of the Company's employees according to the main activity categories and the Saudization rates as of 31 December 2020G, 2021G and 2022G and 30 September 2023G:

Table (4.30): The Company's Employees as of 31 December 2020G, 2021G and 2022G and 30 September 2023G:

#	Division	As of 31 December									As of 30 September		
		2020G			2021G			2022G			2023G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
1.	Business Development	2	1	3	1	3	4	6	4	10	5	2	7
2.	Corporate Affairs	-	-	-	2	-	2	2	-	2	-	-	-
3.	Human Resources and Management	-	1	1	1	1	2	3	1	4	2	1	3
4.	Executive Management	2	-	2	1	-	1	1	-	1	2	-	2
5.	Communications	1	1	2	-	-	-	-	-	-	-	-	-
6.	Finance	-	-	-	-	-	-	1	1	2	3	3	6
7.	IT	-	1	1	-	11	11	6	11	17	4	13	17
8.	Marketing and Innovation	-	1	1	-	1	1	-	3	3	2	2	4
9.	Operations	11	-	11	10	2	12	12	3	15	3	4	7
10.	Projects	1	-	1	-	1	1	2	1	3	2	1	3

#	Division	As of 31 December									As of 30 September		
		2020G			2021G			2022G			2023G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
11.	Product Development	-	-	-	1	2	3	1	3	4	1	1	2
12.	Integration	1	3	4	-	-	-	-	-	-	-	-	-
13.	Customer Service	-	-	-	-	-	-	-	-	-	0	2	2
14.	Risk Management	-	-	-	-	-	-	-	-	-	-	2	2
15.	Strategy and Products	-	-	-	-	-	-	-	-	-	1	-	1
Total		**18**	**8**	**26**	**16**	**21**	**37**	**34**	**27**	**61**	**31**	**25**	**56**

Source: The Company

b- Tameeni Company

The following table shows the number of employees of Tameeni Company by main activity category as of 30 September 2023G. Tameeni Company was established on 12/04/1444H (corresponding to 06/11/2022G) and the first employee was hired after the financial year ended 31 December 2022G.

Table (4.31): Tameeni Company's Employees as of 30 September 2023G:

#	Division	As of 30 September		
		2023G		
		Saudi	Non-Saudi	Total
1.	Business Development	9	2	11
2.	Compliance	1	-	1
3.	Customer Service	34	1	35
4.	Cybersecurity	1	-	1
5.	Finance	4	-	4
6.	Human Resources and Management	2	-	2
7.	IT	3	-	3
8.	Operations	14	-	14
Total		**68**	**3**	**71**

Source: The Company

c- Rasan Software House LLC (UAE)

The below table sets out the number of Rasan Software House LLC - UAE's employees according to the main activity categories as of 31 December 2020G, 2021G and 2022G and 30 September 2023G:

Table (4.32): Rasan Software House LLC - UAE's Employees as of 31 December 2020G, 2021G and 2022G and 30 September 2023G(1):

#	Division	As of 31 December			As of 30 September
		2020G	2021G	2022G	2023G
1.	Human Resources and Management	8	6	7	8
2.	Executive Management	-	1	1	1
3.	Business Development	4	2	-	-
4.	Finance	3	5	6	6
5.	IT	18	21	18	25
6.	Integration	2	-	-	-
7.	Legal and Corporate Affairs	1	1	-	-
8.	Marketing and Innovation	1	1	3	3
9.	Operations	8	8	12	10
10.	Product Development	-	3	10	8
11.	Strategy and Products	2	1	2	4
12.	Projects	-	-	-	1
13.	Other	1	-	-	-
Total		**48**	**49**	**59**	**66**

(1) The number of Saudi employees and the Saudization rate for the Subsidiaries located outside the Kingdom are not included.

Source: The Company

d- Rasan LLC Egypt

The below table sets out the number of Rasan LLC – Egypt's employees according to the main activity categories as of 31 December 2020G, 2021G and 2022G and 30 September 2023G:

Table (4.33): Rasan LLC – Egypt's Employees as of 31 December 2020G, 2021G and 2022G and 30 September 2023G(1):

#	Division	As of 31 December			As of 30 September
		2020G	2021G	2022G	2023G
1.	Human Resources and Management	3	3	3	6
2.	IT	33	32	56	105
3.	Product Development	-	-	-	8
Total		**36**	**35**	**59**	**119**

(1) The number of Saudi employees and the Saudization rate for the Subsidiaries located outside the Kingdom are not included.

Source: The Company

4.12.2 Saudization and Nitaqat

The Saudization program was adopted by virtue of the Minister of Human Resources and Social Development's resolution number 4040 dated 12/10/1432H (corresponding to 10/09/2011G) as amended pursuant to resolution number 182495 dated 11/10/1442H (corresponding to 23/05/2021G), pursuant to Council of Ministers' resolution number 50 dated 21/05/1415H (corresponding to 27/10/1994G). The "**Nitaqat**" program was implemented on 12/10/1432H (corresponding to 10/09/2011G), with the Ministry of Human Resources and Social Development beginning the implementation of the "**Nitaqat**" program to encourage institutions to employ Saudi citizens. Through the "**Nitaqat**" program, the performance of any company is evaluated based on specific categories (classifications), namely the platinum, green (subdivided into low, middle and high) and red categories. Companies in the platinum or green categories are deemed to have met Saudization requirements and are therefore entitled to a number of benefits, such as obtaining and renewing work visas or otherwise changing the occupations of its foreign workers (except for professions exclusively reserved for Saudi nationals). Companies in the red category (due to their non-compliance with specific requirements) are deemed to have violated Saudization requirements and may be subject to certain punitive measures, such as limiting their ability to renew foreign employees' work visas or completely prohibiting foreign employees from obtaining or renewing work visas.

The Company and its Material Subsidiaries in the Kingdom, Tameeni Company, comply with the Saudization requirements, with a Saudization rate of 54.25%, and 99%, respectively, in accordance with the "**Nitaqat**" program. The Company and Tameeni Company were classified in the "**Higher Green**" and "**Platinum**" category of the "**Nitaqat**" program. The Company and Tameeni Company also obtained Saudization certificates from the Ministry of Human Resources and Social Development for their compliance with the Saudization requirements, issued on 05/01/1444H (corresponding to 23/07/2023G) and 15/12/1444H (corresponding to 03/07/2023G), respectively.

4.12.3 Talent Acquisition and Retention

The Group is aware of the importance of attracting and retaining competent individuals and the key role of financial rewards in this regard. Accordingly, the Group is in the process of adopting a dedicated employee share scheme to motivate employees and maximize the Company's financial and operational performance, both pre- and post-Offering, in addition to helping the Group maintain its employees who participate in such scheme (for further information on the Company's employee share scheme, please refer to Section 5.11 "**Employee Shares**" of this Prospectus). The Group also has a fixed policy for acquiring and attracting talent in line with its workforce plan and a recruitment strategy that relies on internal employees and hiring external consultants as needed, in addition to utilizing recruitment platforms and recruitment programs through references to attract the best talents locally and worldwide.

4.12.4 Training and Development

The Group has a formal framework for training and development, through its Human Resources Division, which works closely to identify areas of development that are compatible with the Group's plans and strategies, through which employee development programs are defined. The Group is working on integration of the training and development process and making it an integral part of its business in managing employee performance and a means of increasing efficiency.


تأميني
treza
ورشتي
أول مزاد
Choice

rasan

5. Organizational Structure of the Company

5.1 Ownership Structure of the Company

The following table shows the ownership structure of the Company pre- and post-Offering:

Table (5.1): Direct Ownership Structure of the Company Pre- and Post-Offering(1)

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Percentage[1]	No. of Shares	Total Nominal Value (SAR)	Percentage[1]
1.	Impact Funds for Financial Technology Company	13,148,250	13,148,250	18.65%	9,895,690	9,895,690	13.06%
2.	Theib Hudeiban Ghallab AlMutairi	9,975,750	9,975,750	14.15%	7,507,990	7,507,990	9.91%
3.	Muheideb Ali Mohammed AlMuheideb	8,643,300	8,643,300	12.26%	6,505,156	6,505,156	8.58%
4.	Samer Mohammed Raslan	6,648,150	6,648,150	9.43%	5,003,558	5,003,558	6.60%
5.	Mohammed Muheideb Ali AlMuheideb	4,653,000	4,653,000	6.60%	3,501,960	3,501,960	4.62%
6.	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	4,519,050	6.41%	3,401,146	3,401,146	4.49%
7.	Fahad Ahmed Mohammed Abuhaimed	3,454,500	3,454,500	4.90%	2,599,940	2,599,940	3.44%
8.	Majed Abdullah Mohammed AlBawardi	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
9.	Moayad Abdullah Suleiman AlFallaj	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
10.	Abdulrahman Abdullah Abdulrahman Bin Aiban	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
11.	Sami Muheideb Ali AlMuheideb	3,327,600	3,327,600	4.72%	2,504,432	2,504,432	3.30%
12.	Ayman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
13.	Suleiman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
14.	Thamer Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
15.	Abdulelah Mohammed Manei AlGhufaili	1,198,500	1,198,500	1.71%	902,020	902,020	1.20%
16.	Public	-	-	-	22,740,000	22,740,000	30.0%
Total		**70,500,000**	**70,500,000**	**100%**	**75,800,000**	**75,800,000**	**100%**

(1) There are no shareholders with indirect ownership of 5% or more of the Company's shares.

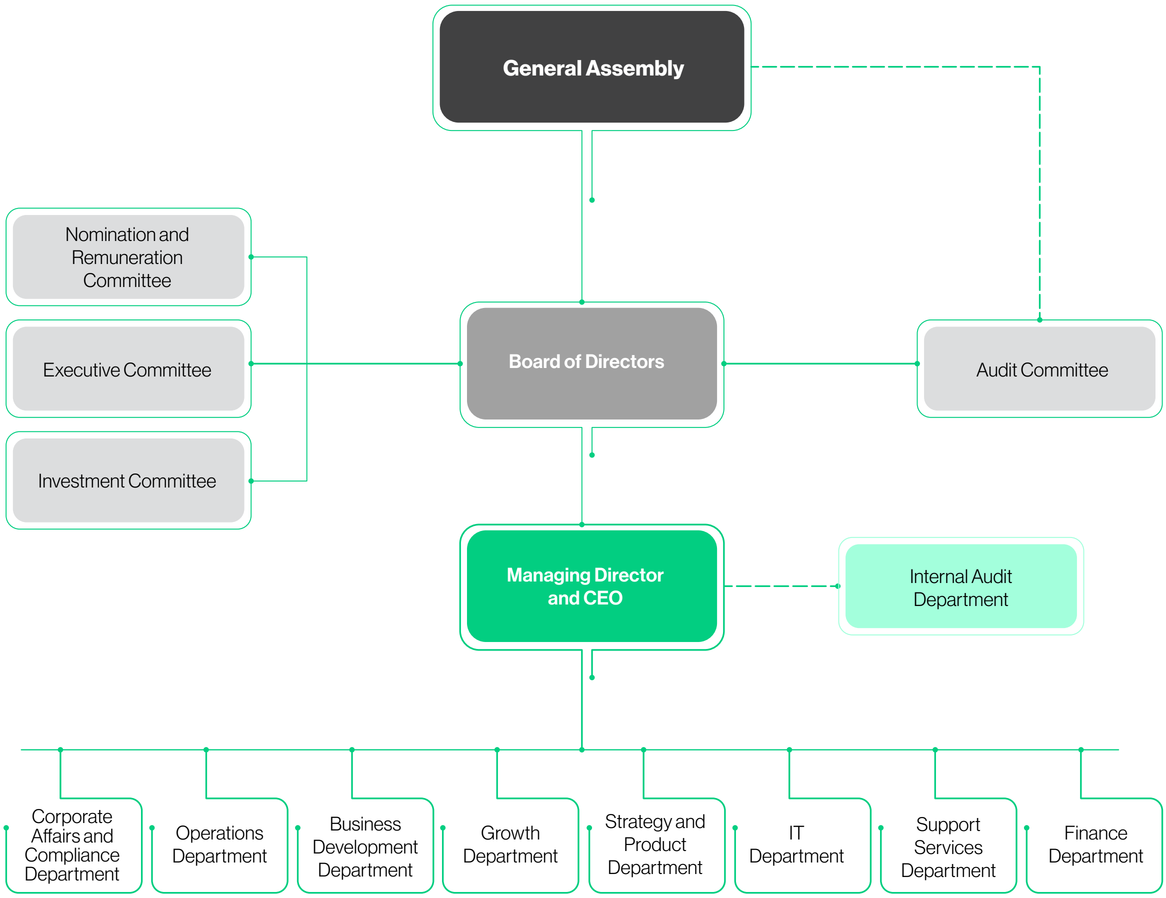
(2) The ownership percentages are rounded to the nearest integer.

Source: The Company

5.2 Management Structure

The Shareholders of the Company delegate responsibility to the Board of Directors for the overall direction, supervision and control of the Company. The Board of Directors delegates responsibility for the overall day-to-day management of the Company to the Company's Executive Management, and in particular the CEO. The following figure shows the management structure of the Company, including the Board of Directors, supervisory committees, and the functions of Executive Management:

Figure (29): Management Structure of the Company



Source: The Company

5.3 Board of Directors and Board Secretary

5.3.1 Composition of the Board

The Company is managed by a Board of Directors consisting of nine (9) members elected by the Ordinary General Assembly of Shareholders, provided that the number of independent Directors is not less than three (3). The duties and responsibilities of the Board of Directors are determined by the Company's Bylaws and the Company's Internal Governance Manual. The membership term of the Board of Directors, including the Chairman, is a maximum of four (4) years per term. As an exception, the first term of the Board of Directors shall be five (5) years. Directors may be re-elected multiple times. It should be noted that as long as Assets Custody Development Impact Company for Communications and Information Technology and Impact Funds for Financial Technology Company are Shareholders in the Company, they shall collectively have the right to appoint two (2) Directors to the Company's Board, provided that the appointed Directors fulfill the membership terms and standards approved by the General Assembly. Assets Custody Development Impact Company for Communications and Information Technology and Impact Funds for Financial Technology Company may not use the votes they received to appoint their own nominees for the purpose of electing the remaining Directors. The current five (5) year term of the Board commenced on 06/01/1444H (corresponding to 04/08/2022G).

rasan

The following table shows the Directors as of the date of this Prospectus:

Table (5.2): The Company's Board of Directors

No.	Name	Position	Nationality	Age	Status	Direct Ownership (%)(1)		Indirect Ownership (%)(1)		Date of Appointment(2)
						Pre-Offering	Post-Offering	Pre-Offering(3)	Post-Offering(3)	
1	Majed Abdullah Mohammed AlBawardi	Chairman	Saudi	44 years	Independent	4.83%	3.38%	-	-	06/01/1444H (corresponding to 04/08/2022G)
2	Abdulaziz Abdulrahman Mohammed AlOmran(4)	Vice Chairman	Saudi	46 years	Non-executive	-	-	2.05%	1.43%	06/01/1444H (corresponding to 04/08/2022G)
3	Mohammed Muheideb Ali AlMuheideb(4)	Director	Saudi	45 years	Non-executive	6.60%	4.62%	-	-	06/01/1444H (corresponding to 04/08/2022G)
4	Theib Hudeiban Ghallab AlMutairi(4)	Director	Saudi	58 years	Non-executive	14.15%	9.91%	-	-	06/01/1444H (corresponding to 04/08/2022G)
5	Abdulrahman Abdullah Abdulrahman Bin Aiban	Director	Saudi	51 years	Independent	4.83%	3.38%	-	-	06/01/1444H (corresponding to 04/08/2022G)
6	Ayman Abdullah Suleiman AlFallaj(4)	Director	Saudi	41 years	Non-executive	2.23%	1.56%	-	-	06/01/1444H (corresponding to 04/08/2022G)
7	Fahad Ahmed Mohammed Abuhaimed	Director	Saudi	50 years	Independent	4.90%	3.44%	-	-	22/03/1444H (corresponding to 17/10/2022G)
8	Basma Abdulrahman Abdullah AlSunaidi(4)	Director	Saudi	32 years	Non-executive	-	-	0.10%	0.07%	06/01/1444H (corresponding to 04/08/2022G)
9	Moayad Abdullah Suleiman AlFallaj(4)	Managing Director	Saudi	42 years	Executive	4.83%	3.38%	-	-	21/12/1444H (corresponding to 09/07/2023G)

(1) The ownership percentages are rounded to the nearest integer.

(2) The dates listed in this table are the dates of appointment of the Directors to the current session of the Board. The respective biographies of the Directors state the dates on which the Directors were appointed to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus).

(3) The indirect ownership of the Directors is as a result of the following:

(4) Abdulaziz Abdulrahman Mohammed AlOmran owns 8.86% of the units of Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company. He also owns 6.13% of the units of Impact Growth Fund, which has beneficial ownership of 6.41% of the Company's capital before the Offering through Assets Custody Development Impact Company for Communications and Information Technology.

Basma Abdulrahman Abdullah AlSunaidi owns 0.51% of the units of the Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company.

(4) Article 19(c) of the Corporate Governance Regulations provides the following circumstances which negate, for example and without limitation, the independence requirement for an Independent Director:

- if he/she holds 5% or more of the Shares of the Company or any other company within its Group; or is a relative of who owns such percentage;
- if he/she is a relative of any Director of the Company, or any other company within the Company's Group;
- if he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's Group;
- if he/she is a Director of any company within the Group of the Company for which he/she is nominated to be a Director;
- if he/she is an employee or used to be an employee, during the preceding two (2) years, of the Company or a company within its Group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its Group, such as external auditors or main suppliers during the preceding two (2) years;
- if he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account;
- if the Director receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the Board or any of its committees, whichever is less;
- if he/she engages in a business where he competes with the Company, or conducting businesses in any of the Company's activities; or
- if he/she served for more than nine (9) years, consecutive or inconsecutive, as a Director of the Company.

Further, the aforementioned Directors are considered non-independent due to the following:

- Abdulaziz Abdulrahman Mohammed AlOmran represents Impact Funds for Financial Technology Company, which is a Shareholder in the Company, with a shareholding of 18.65% pre-Offering, and Assets Custody Development Impact Company for Communications and Information Technology, which is a Shareholder in the Company, with a shareholding of 6.41% pre-Offering.
- Mohammed Muheideb Ali AlMuheideb has an indirect interest in the technical support services agreement concluded between the Company and the Insurance House Company (IHC), in his capacity as the owner of 60% of the capital of IHC. He also has an indirect interest in the transactions concluded between the Company and Arabian Company For Travelers Services, in his capacity as the owner of 100% of the capital of Arabian Company For Travelers Services.
- Theib Hudeiban Ghallab AlMutairi owns 14.15% of the Company's shares pre-Offering.
- Ayman Abdullah Suleiman AlFallaj has an indirect interest in the agreement concluded between the Company and Thiqah Business Services in his capacity as CEO of Thiqah Business Services.
- Basma Abdulrahman Abdullah AlSunaidi represents Impact Funds for Financial Technology Company, which is a Shareholder in the Company, with an 18.65% shareholding pre-Offering, and Assets Custody Development Impact Company for Communications and Information Technology, which is a Shareholder in the Company, with a shareholding of 6.41% pre-Offering.
- Moayad Abdullah Suleiman AlFallaj is one of the Company's Senior Executives in his capacity as Managing Director and CEO.

Source: The Company.

The Secretary of the Board as of the date of this Prospectus is Zaki Mohammed Hassan Al Ismail, who was appointed pursuant to the Board of Directors' resolution issued on 07/09/1444H (corresponding to 29/03/2023G) (please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus for a summary biography of the Board Secretary). It is worth noting that the Board Secretary, Zaki Mohammed Hassan Al Ismail, does not own any shares in the Company as of the date of this Prospectus.

5.3.2 Duties and Responsibilities of the Board of Directors

The Board represents all Shareholders and shall carry out its duties of care and loyalty in managing the Company's affairs as well as undertake all actions to protect the general interests of the Company, develop it, and maximize its value. The Board is responsible for the Company's business even if it delegates some of its powers to committees, entities or individuals. In any case, the Board may not issue a general or indefinite delegation.

Without prejudice to the powers conferred on the General Assembly pursuant to the Companies Law, its Implementing Regulations and the Company's Bylaws, the Board shall be vested with the broadest powers to manage the Company and direct its business in order to achieve its objectives. The functions and responsibilities of the Board include the following:

a- Developing the plans, policies, strategies and main objectives of the Company, supervising their implementation, reviewing them periodically, and ensuring the availability of the necessary human and financial resources required to achieve them, including:

1- Setting, reviewing and directing the Company's overall strategy, key business plans and risk management policies and procedures;

2- Determining the optimal capital structure for the Company, its strategies and financial objectives, and approving all types of estimated budgets;

3- Overseeing the Company's key capital expenditures and the acquisition and disposal of assets;

4- Setting performance objectives and monitoring the implementation thereof, as well as of the Company's overall performance;

5- Periodically reviewing and approving the organizational and functional structures of the Company; and

6- Ensuring the availability of the necessary human and financial resources required to achieve the Company's goals and key plans.

b- Establishing systems and controls for internal control and general supervision thereover, including:

1- Developing a written policy to address actual and potential conflict of interest cases for Directors, Executive Management and Shareholders, including misuse of the Company's assets and facilities and misconduct resulting from transactions with Related Parties;

2- Ensuring the integrity of the financial and accounting systems, including systems relating to the preparation of financial reports;

3- Ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may face, creating a Company-wide environment with awareness of risk management culture and disclosing such risks transparently to the Company's stakeholders and Related Parties; and

4- Conducting an annual review of the effectiveness of the Company's internal control procedures.

c- Preparing clear, defined policies, standards and procedures for Board membership that do not conflict with the mandatory provisions of the CGRs and implementation of the same upon approval by the General Assembly.

d- Developing a written policy that regulates the relationship with stakeholders pursuant to the provisions of the CGRs.

e- Setting policies and procedures that ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to Shareholders and stakeholders, as well as ensuring the compliance of the Executive Management therewith.

f- Overseeing the management of the Company's finances, cash flows and financial and credit relationships with third parties.

g- Providing recommendations to the Extraordinary General Assembly on what it deems appropriate regarding the following:

1- Increasing or decreasing the capital of the Company; and

2- Dissolving the Company before the end of its term specified in the Company's Bylaws or deciding the continuity of the Company.

h- Providing recommendations to the Ordinary General Assembly on what it deems appropriate regarding the following:

1- Using the Company's reserves if they have not been allocated for a specific purpose in the Company's Bylaws;

2- Forming additional reserves or financial allocations for the Company; and

3- The distribution method for the Company's net profits.

i- Preparing and approving the Company's interim and annual financial statements prior to publication thereof.

j- Preparing and approving the Board report prior to publication thereof.

k- Ensuring the accuracy and integrity of the data and information to be disclosed, in accordance with the applicable disclosure and transparency policies and laws.

l- Establishing effective communication channels that allow Shareholders to review continuously and periodically the various aspects of the Company's activities and any material developments.

m- Forming specialized Board committees pursuant to resolutions that shall specify the term, powers and responsibilities of such committees and how the Board will oversee them. The formation resolutions shall specify the members of such committees and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.

n- Specifying the types of remuneration granted to Company employees, including fixed remuneration, performance-related bonuses and share-based remuneration, without prejudice to the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.

o- Informing the Ordinary General Assembly, when it is held, of the business and contracts in which any of the Directors have a direct or indirect interest, provided that such notification includes the information provided to the Board by the Director and is accompanied by a special report from the Company's external auditor.

p- Setting the values and standards that govern work at the Company.

5.3.3 Duties of the Chairman

The duties and responsibilities of the Board Chairman shall include the following:

Without prejudice to the competencies of the Board, the Board Chairman shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the Board Chairman shall include the following in particular:

a- Ensuring that Directors receive timely, complete, clear, correct and accurate information in a timely manner.

b- Ensuring that the Board effectively discusses all fundamental issues in due course.

c- Representing the Company before third parties in accordance with the Companies Law, its Implementing Regulations and the Company's Bylaws.

d- Encouraging the Directors to effectively perform their duties in order to achieve the Company's interests.

e- Ensuring the existence of effective communication channels with Shareholders and communicating their views to the Board.

f- Encouraging constructive relationships and effective participation between the Board of Directors and Executive Management on the one hand, and between the executive, non-executive and independent Directors on the other hand, and creating a culture that encourages constructive criticism.

g- Preparing agendas for Board meetings, taking into consideration any issues raised by the Directors or the Auditor, and consulting with the Directors and the CEO when preparing the Board agenda.

h- Holding periodic meetings with non-executive Directors, without the presence of any Company executives.

5.3.4 Duties of the Board Secretary

The duties and responsibilities of the Board Secretary shall include the following:

a- Documenting Board meetings and preparing minutes therefor, which shall include the discussions and deliberations that took place during such meetings and shall indicate the meeting location, date and start and end times; documenting Board resolutions and voting results and maintaining the same in a dedicated and organized register; recording the names of the Directors present and any reservations expressed thereby, if any; and signature of such minutes by all members present.

b- Maintaining the reports submitted to and prepared by the Board.

c- Providing the Directors with the Board agenda, business papers, documents, information and any additional documents or information requested by any of the Directors in relation to the meeting agenda topics.

d- Ensuring that the Directors comply with the procedures approved by the Board.

e- Notifying the Directors of the dates of Board meetings sufficiently before the specified date therefor.

f- Presenting draft meeting minutes to the Directors for them to express their views thereon before signature thereof.

g- Ensuring that the Directors have full and prompt access to the Board meeting minutes and information and documents related to the Company.

h- Coordinating between the Directors.

i- Organizing the disclosure register of the Board and Executive Management pursuant to the CGRs.

j- Providing assistance and advice to the Directors.

5.3.5 Employment and Service Contracts with Directors

With the exception of the contract concluded with Managing Director, Moayad Abdullah Suleiman AlFallaj, in his capacity as CEO of the Company, no employment or service contracts have been concluded between the Company and the Directors (for further information on the employment contract concluded with Managing Director, Moayad Abdullah Suleiman AlFallaj, in his capacity as Company CEO, please refer to Section 5.5.3 "**Employment Contracts with the Managing Director, CEO and CFO of the Company**" of this Prospectus).

5.3.6 Summary Biographies of the Directors and Board Secretary

Following is a summary of the biographies of the Directors and the Board Secretary:

Table (5.3): Summary Biography of Majed Abdullah Mohammed AlBawardi

Name	Majed Abdullah Mohammed AlBawardi
Age	44 years
Nationality	Saudi
Current Position	Chairman
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• Executive certificate in Leadership and Management, Massachusetts Institute of Technology, USA, 2011G. • Master's degree in Project Management, George Washington University, USA, 2008G. • Bachelor's degree in Computer Science - Information Systems, King Saud University, Kingdom of Saudi Arabia, 2004G.
Current Positions	• Director of the Company, from 2022G to date. • Director of the Company, from 2021G to date. • Chairman of the Company's Executive Committee, from 2021G to date. • Chairman, Kafaa Efficiency Excellence, a Saudi closed joint-stock company operating in the field of consultancy, from 2022G to date. • Chairman of the Executive Committee, Kafaa Efficiency Excellence, a Saudi closed joint-stock company operating in the field of consultancy, from 2022G to date. • Managing Director, Wadh Al Naqa Investment Company, a Saudi limited liability company operating in the field of financial investment, from 2022G to date.

Significant Previous Professional Experience	• Deputy Minister, MoC, a Saudi Government ministry operating in the field of business environment development in the Kingdom, from 2017G to 2021G. • Chairman, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2017G to 2019G. • CEO, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2012G to 2017G. • Chairman, Riyadh Airports Company (RAC), a Saudi Government limited liability company operating in the field of airport management and operation, from 2016G to 2017G. • Director, General Authority of Civil Aviation (GACA), a Saudi Government body that regulates the aviation sector, from 2012G to 2017G. • Director, Communications and Information Technology Commission, a Saudi Government body operating in the field of communications and IT, from 2012G to 2017G. • Director, Saudi Post, a Saudi Government institution operating in the field of postal services, from 2015G to 2017G. • Director, Bayan Credit Bureau, a Saudi company operating in the field of providing credit information, from 2016G to 2017G. • Director, Social Charity Fund, a national charitable development institution, from 2012G to 2014G. • Director of Government E-Services, Yesser Program for E-Transactions of the Ministry of Communications and Information Technology (MCIT), a Saudi Government ministry that regulates the communications and IT sector, from 2008G to 2010G. • Deputy Director of Development, Elm Company, a Saudi public joint-stock company operating in the field of business and technology solutions, from 2005G to 2008G.

Source: The Company

Table (5.4): Summary Biography of Abdulaziz Abdulrahman Mohammed AlOmran

Name	Abdulaziz Abdulrahman Mohammed AlOmran
Age	46 years
Nationality	Saudi
Current Position	Vice Chairman
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• Executive MBA, London Business School, United Kingdom, 2010G. • Bachelor's degree in Finance and Economics, King Fahd University of Petroleum and Minerals (KFUPM), Kingdom of Saudi Arabia, 2001G.
Current Positions	• Vice Chairman of the Company's Board of Directors, from 2022G to date. • Chairman of the Company's Investment Committee, from 2022G to date. • Member of the Company's Executive Committee, from 2021G to date. • Chairman of the Advisory Committee, Capital Market Authority (CMA), a government entity in the Kingdom concerned with supervising the organization and development of the capital market and issuing the necessary regulations, rules and directives to implement the provisions of the Capital Market Law, from 2023G to date. • Founding Partner and Director, Impact46, a Saudi closed joint-stock company operating in the field of asset management, from 2019G to date. • Director, Hala Company, a Saudi closed joint-stock company operating in the field of e-payments and e-wallets, from 2022G to date. • CEO and Managing Director, of Impact46, a Saudi closed joint-stock company operating in the field of asset management, from 2019G to date. • Vice Chairman, Jahez International Company for Information Systems Technology, a Saudi public joint-stock company operating in the field of providing delivery services via electronic platforms, from 2016G to date. • Director, Delta Engineering & Contracting Company, a Saudi limited liability company operating in the field of real estate investment and general construction, from 2016G to date. • Chairman, Zawya Al Maathar Real Estate Company, a Saudi closed joint-stock company operating in the field of real estate investment, from 2015G to date. • Vice Chairman, Dar Wa Emaar Real Estate Investment and Development Company, a Saudi limited liability company operating in the field of real estate investment, from 2007G to date. • Director, Khalid & Abdul Aziz Abdul Rahman Al-Omran Company, a Saudi joint-stock company operating in the field of real estate investment, from 1997G to date.

Significant Previous Professional Experience	• Chairman, Al-Maathar REIT Fund, a listed Saudi real estate investment fund operating in the field of investing in real estate assets, from 2017G to 2021G. • Director, GIB Capital, a Saudi closed joint-stock company operating in the field of financial and banking services, from 2014G to 2018G. • Chairman, Oqal Group - Riyadh, a Saudi endowment institution operating in the field of startups, from 2011G to 2017G. • Senior Investment Consultant, Samba Financial Group, a Saudi public joint-stock company operating in the field of financial and banking services, from 2000G to 2004G.

Source: The Company

Table (5.5): Summary Biography of Mohammed Muheideb Ali AlMuheideb

Name	Mohammed Muheideb Ali AlMuheideb
Age	45 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• BBA, King Saud University, Kingdom of Saudi Arabia, 2001G.
Current Positions	• Director of the Company, from 2016G to date. • Member of the Company's Audit Committee, from 2023G to date. • Member of the Company's Nomination and Remuneration Committee, from 2021G to date. • Director, Waseem Ebel Technology Company, a Saudi limited liability company operating in the field of IT, from 2022G to date. • Partner and Director, Takamol Business Solutions, a Saudi limited liability company operating in the field of revenue cycle management, from 2021G to date. • Partner, Grand Fantastic Company, a Saudi limited liability company operating in the field of manufacturing and installing building supplies, from 2019G to date. • Partner, Elite Gift Trading Company, a Saudi sole proprietorship operating in the field of retail trade, from 2016G to date. • Partner, Royal Trading Company, a Saudi limited liability company operating in the field of retail trade, from 2013G to date. • Partner, Insurance House Company, a Saudi limited liability company operating in the field of insurance brokerage, from 2005G to date. • Partner, Director and CEO, Arabian Company For Travelers Services, a Saudi limited liability company operating in the field of tourism and travel services, from 2005G to date. • Director, Arabian Company For Travelers Services, a Saudi limited liability company operating in the field of tourism and travel services, from 2005G to date. • Partner, Innovation House Group, a Saudi limited liability company operating in the field of systems analysis, specialized software design and programming, interface design, user experience, robotics technologies, 3D printing technology, virtual and augmented reality technologies and application development, from 2005G to date.
Significant Previous Professional Experience	• Director, Insurance House Company (IHC), a Saudi limited liability company operating in the field of insurance aggregation, from 2006G to 2022G. • Administrative Manager, Al Sarh Travel & Tourism, a Saudi limited liability company operating in the field of tourism and travel services, from 2003G to 2005G.

Source: The Company

Table (5.6): Summary Biography of Theib Hudeiban Ghallab AlMutairi

Name	Theib Hudeiban Ghallab AlMutairi
Age	58 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)

Academic Qualifications	• Certified Insurance Specialist Certificate, Chartered Insurance Institute, United Kingdom, 1993G. • Bachelor's degree in Sociology, Kuwait University, Kuwait, 1989G.
Current Positions	• Director of the Company, from 2018G to date. • Member of the Company's Executive Committee, from 2021G to date.
Significant Previous Professional Experience	• Senior Deputy CEO, Malath Insurance Company, a Saudi public joint-stock company operating in the field of insurance, from 2007G to 2018G.

Source: The Company

Table (5.7): Summary Biography of Abdulrahman Abdullah Abdulrahman Bin Aiban

Name	Abdulrahman Abdullah Abdulrahman Bin Aiban
Age	51 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• Master's degree in Human Resources, Texas A&M University, USA, 2012G. • MBA, King Saud University, Kingdom of Saudi Arabia, 2011G. • Bachelor's degree in Human Resources Management, Texas AM University, USA, 2008G. • Bachelor's degree in Information Systems, King Saud University, Kingdom of Saudi Arabia, 1997G.
Current Positions	• Director of the Company, from 2018G to date. • Chairman of the Company's Audit Committee, from 2021G to date. • Chairman of the Company's Nomination and Remuneration Committee, from 2021G to date. • Partner, Atlas Support and Services Company, a Saudi limited liability company operating in the field of compliance, accreditation and metrology, from 2023G to date • Chairman, Kabi Technologies for Information Technology, a Saudi closed joint-stock company operating in the field of enabling organizations to automate and digitally transform human resources practices, in addition to nurturing and hiring the right candidates using artificial intelligence technology, from 2022G to date. • Member of the Audit Committee, Lean Business Services, a Saudi limited liability company operating in the field of innovative health solutions, from 2019G to date. • Member of the Nomination and Remuneration Committee, Lean Business Services, a Saudi limited liability company operating in the field of innovative health solutions, from 2019G to date. • Director, Lean Business Services, a Saudi limited liability company operating in the field of innovative health solutions, from 2018G to date. • Undersecretary for Human Resources, Ministry of Health, a Saudi Government ministry operating in the field of health sector development, from 2016G to date. • Director, Saudi Red Crescent Authority, a Saudi Government authority operating in the field of medical ambulance services, from 2023G to date. • Director, Saudi National Institute of Health, a health transformation program launched by the Ministry of Health for the purpose of transitional research and clinical trials in the health sector, from 2023G to date. • Member of the Nomination Committee, Council of Health Insurance, an independent Saudi Government body, working on supervizing the enforcement of the cooperative health insurance regulations, from 2023G to date. • Chairman, Ministry of Health Social Club, social club operating in sports, social, and cultural activities dedicated to the staff of the Ministry of Health, from 2021G to date. • Director, General Authority for Civil Aviation, a Saudi public authority regulating the aviation sector in Saudi Arabia, from 2018G to date. • Director, Saudi Commission for Health Specialties, a Saudi Government authority specialized in the rehabilitation of human resources through the supervision of their knowledge and professional training, from 2014G to date. • Director, General Organization for Social Insurance, a Saudi Government institution operating specialized in providing social insurance for employees in the public and private sectors, from 2021G to date.

Significant Previous Professional Experience	• Director, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2017G to 2023G. • Member of the Nomination and Remuneration Committee, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2022G to 2023G. • Director, Riyadh Airports Company (RAC), a Saudi Government limited liability company operating in the field of airport management and operation, from 2018G to 2022G. • Director, General Organization for Social Insurance (GOSI), a Saudi Government institution operating in the field of providing social and insurance protection in the Kingdom for the benefit of employees and workers, from 2016G to 2021G. • Director, Job Creation and Anti-Unemployment Commission, a Saudi Government body operating in the field of developing integrated solutions for creating jobs and combating unemployment, from 2017G to 2018G. • Director, Council of Cooperative Health Insurance, a Saudi Government body operating in the field of supervising the implementation of the cooperative health insurance system, from 2009G to 2015G. • Director, Technical and Vocational Training Corporation, a Saudi Government entity operating in the field of technical and vocational training within the Kingdom of Saudi Arabia, from 2013G to 2016G. • Director, Colleges of Excellence, a Saudi limited liability company operating in the field of providing technical and vocational training services throughout the Kingdom, from 2014G to 2016G.

Source: The Company

Table (5.8): Summary Biography of Ayman Abdullah Suleiman AlFallaj

Name	Ayman Abdullah Suleiman AlFallaj
Age	41 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• Master's degree in Finance, UCD Michael Smurfit Business School, Republic of Ireland, 2011G. • Global CEO Program, Wharton School of Business, University of Pennsylvania, USA, 2021G.
Current Positions	• Director of the Company, from 2017G to date. • Member of the Company's Investment Committee, from 2022G to date. • CEO, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2017G to date. • Chairman, AHAD, a Saudi limited liability company operating in the field of business services, from 2018G to date. • Director, Saudi Venture Capital Company, a Saudi Government closed joint-stock investment company operating in the field of venture investment, from 2018G to date. • Chairman, Thiqah Investment Company, a Saudi limited liability company operating in the field of direct investment, from 2019G to date. • Director, Saudi Sports for All Federation, an entity affiliated with the Saudi Ministry of Sports operating in the field of developing community sports, from 2016G to date.
Significant Previous Professional Experience	• Founding Director, Bayan Credit Bureau, a Saudi closed joint-stock company operating in the field of providing commercial credit information in the GCC region, from 2015G to 2019G. • Chairman of the Audit Committee, Bayan Credit Bureau, a Saudi closed joint-stock company operating in the field of providing commercial credit information in the GCC region, from 2015G to 2019G. • CFO, Thiqah Business Services, a Saudi limited liability company operating in the field of business and technology solutions, from 2013G to 2017G. • Director of Finance and Planning, Saudi Basic Industries Corporation (SABIC), a Saudi public joint-stock company operating in the field of petrochemical industries, from 2011G to 2013G. • Director of Finance and Planning, ExxonMobil - Saudi Arabia, an American public joint-stock company operating in the field of petroleum products, from 2011G to 2013G.

Source: The Company

rasan

Table (5.9): Summary Biography of Fahad Ahmed Mohammed Abuhaimed

Name	Fahad Ahmed Mohammed Abuhaimed
Age	50 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	22/03/1444H (corresponding to 17/10/2022G)
Academic Qualifications	• PhD in Law, University of Hull, United Kingdom, 2006G. • Master's degree in International Law, University of Hull, United Kingdom, 2001G. • Bachelor's degree in Law, King Abdulaziz University, Kingdom of Saudi Arabia, 1996G.
Current Positions	• Director of the Company, from 2022G to date. • Member of the Company's Investment Committee, from 2022G to date. • Managing Partner, AS&H Clifford Chance, a Saudi professional limited liability company operating in the field of law and legal consultancy, from 2006G to date. • Director, Al Hilal Club Company, a Saudi closed joint-stock company operating in the field of managing Al Hilal Saudi Club projects and investments, from 2023G to date. • Director, Health Holding Company, a single person Saudi closed joint-stock company operating in the field of health, from 2022G to date. • Director and Member of the Executive Committee, Health Holding Company, a single person Saudi closed joint-stock company operating in the field of health, from 2022G to date. • Director, General Authority for Competition, a Saudi Government body operating in the field of promoting and protecting fair competition and combating monopolistic practices in Saudi markets, from 2018G to date.
Significant Previous Professional Experience	• Undersecretary for Technical Affairs, MoC, a Saudi Government ministry operating in the field of developing the business environment in the Kingdom, from 2012G to 2016G. • Senior Advisor, Al-Jadaan & Partners Law Firm, a Saudi professional partnership company operating in the field of law and legal consultancy, from 2007G to 2012G.

Source: The Company

Table (5.10): Summary Biography of Basma Abdulrahman Abdullah AlSunaidi

Name	Basma Abdulrahman Abdullah AlSunaidi
Age	32 years
Nationality	Saudi
Current Position	Director
Date of Appointment (to the current session)	06/01/1444H (corresponding to 04/08/2022G)
Academic Qualifications	• International Certificate in the International Management Program, INSEAD University, Singapore, 2023G. • International Certificate in Wealth Management and Investment, Chartered Institute of Securities and Investment, United Kingdom, 2021G. • Bachelor's degree in Financial Management and Investment, King Saud University, Kingdom of Saudi Arabia, 2015G.

Current Positions	• Director of the Company, from 2022G to date. • Member of the Company's Nomination and Remuneration Committee, from 2022G to date. • Director, Syarah, a company registered in the British Virgin Islands (BVI) operating in the field of car sales and the provision of e-services, from 2022G to date. • Director, Zid Holding Company, an Emirati company registered in the Abu Dhabi Global Market operating in the field of e-commerce, from 2023G to date. • Partner and Vice Chairman, Impact46, a Saudi closed joint-stock company operating in the field of asset management, from 2022G to date. • Director of Asset Management, Impact46, a Saudi closed joint-stock company operating in the field of asset management, from 2022G to date. • Director, Merit Incentives, an Emirati company registered in the Cayman Islands operating in the field of customer and employee interaction and payment programs, from 2021G to date. • Director, Floward, an Emirati company registered in the Abu Dhabi Global Market operating in the field of selling flowers and gifts via electronic platforms, from 2020G to date. • Director, Raqamyah, a Saudi closed joint-stock company operating in the field of crowdfunding, from 2020G to date.
Significant Previous Professional Experience	• Assistant Asset Management Officer, Impact46, a Saudi closed joint-stock company operating in the field of asset management, from 2019G to 2021G. • Director of Growth, Business Incubators and Accelerators Company (BIAC), a Saudi limited liability company operating in the field of management of business incubators and accelerators, from 2017G to 2019G. • Financial Advisor, Badir Program for Technology Incubators and Accelerators, one of the programs affiliated with King Abdulaziz City for Science and Technology, a Saudi Government scientific institution operating in the field of developing science and technology and implementing applied scientific research programs to serve development, from 2016G to 2017G. • Financial Analyst, Tatweer Holding Company, a closed joint-stock company operating in the field of management of educational projects affiliated with the Ministry of Education, from 2015G to 2016G.

Source: The Company

Table (5.11): Summary Biography of Moayad Abdullah Suleiman AlFallaj

Name	Moayad Abdullah Suleiman AlFallaj
Age	42 years
Nationality	Saudi
Current Position	Managing Director
Date of Appointment (to the current session)	21/12/1444H (corresponding to 09/07/2023G)
Academic Qualifications	• Master's degree in Marketing Communications, Anglia Ruskin University, United Kingdom, 2014G. • Bachelor's degree in Marketing, Anglia Ruskin University, United Kingdom, 2012G. • Higher Diploma in Business Administration, majoring in Global Business Administration, Anglia Ruskin University, United Kingdom, 2009G.
Current Positions	• Member of the Executive Committee of the Company from 2024G to date. • Managing Director of the Company, from 2023G until the date of this Prospectus. • CEO of the Company, from 2021G until the date of this Prospectus.
Significant Previous Professional Experience	• Director of Business Development and Marketing, Insurance House Company (IHC), a Saudi limited liability company operating in the field of insurance aggregation, from 2020G to 2021G. • Director of Operations, the Company, from 2017G to 2020G.

Source: The Company

Table (5.12): Summary Biography of Zaki Mohammed Hassan Al Ismail

Name	Zaki Mohammed Hassan Al Ismail
Age	39 years
Nationality	Saudi
Current Position	Board Secretary
Date of Appointment (to the current session)	07/09/1444H (corresponding to 29/03/2023G)
Academic Qualifications	• Bachelor's degree in Computer and Information Sciences, King Fahd University of Petroleum and Minerals (KFUPM), Kingdom of Saudi Arabia, 2008G.
Current Positions	• Secretary of the Company's Board of Directors, from 2022G to date. • Chief Corporate Affairs and Compliance Officer, the Company, from 2023G to date.
Significant Previous Professional Experience	• Director of the Projects Department at the Company, from 2022G to 2023G. • COO, SABB Takaful Company, a Saudi public joint-stock company operating in the field of insurance, from 2020G to 2022G. • Deputy Chief Operating Officer, SABB Takaful Company, a Saudi public joint-stock company operating in the field of insurance, from 2017G to 2020G. • Director of the Operations and IT Support Department, SABB Takaful Company, a Saudi public joint-stock company operating in the field of insurance, from 2010G to 2016G. • Director of Business Projects, SABB Takaful Company, a Saudi public joint-stock company operating in the field of insurance, during 2010G. • Assistant Director of the IT Department, SABB Takaful Company, a Saudi public joint-stock company operating in the field of insurance, from 2008G to 2010G.

Source: The Company

5.4 Company Committees

The Company has a number of committees which are formed based on its needs, circumstances and conditions to enable it to perform its tasks effectively, in addition to fulfilling the relevant legal requirements. These committees include the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Investment Committee.

The following is a summary of the structure, responsibilities and members of each committee:

5.4.1 Audit Committee

a- Formation of the Audit Committee

The Audit Committee consists of three (3) members appointed pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The Company prepared and approved the Audit Committee's Charter pursuant to the General Assembly resolution dated 21/12/1444H (corresponding to 09/07/2023G). The following table shows the names of the Audit Committee members:

Table (5.13): Members of the Audit Committee

#	Name	Position	Status
1.	Abdulrahman Abdullah Abdulrahman Bin Aiban	Chairman of the Audit Committee	Independent Director
2.	Abdulaziz Mohammed Abdulaziz Al Mujil	Member of the Audit Committee	Non-Director
3.	Mohammed Muheideb Ali AlMuheideb	Member of the Audit Committee	Non-executive Director

Source: The Company

b- Responsibilities of the Audit Committee

The Audit Committee is responsible for monitoring the Company's business and ensuring the integrity and accuracy of its reports, financial statements and internal control systems. In particular, the responsibilities of the Audit Committee include the following:

a- Financial Reporting:

1- Examining the interim and annual financial statements of the Group before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.

2- Providing a technical opinion, at the request of the Board, regarding whether the Board's report and the Group 's financial statements are fair, balanced, understandable and contain information that allows Shareholders and Investors to assess the Company's financial position, performance, business model and strategy.

3- Analyzing any important or unfamiliar matters contained in the financial reports.

4- Accurately investigating any issues raised by the Company's CFO or any person assuming the CFO's duties, the Company's compliance officer or Auditor.

5- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.

6- Considering the accounting policies adopted by the Company and providing an opinion and recommendations to the Board thereon.

b- Internal Audit:

1- Examining and reviewing the Company's internal and financial control and risk management systems.

2- Examining the internal audit reports and monitoring the implementation of corrective measures in respect of the remarks made in such reports.

3- Monitoring and supervising the performance and activities of the Company's internal auditor and Internal Audit Department to ensure the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned thereto.

4- Providing recommendations to the Board on the appointment of the director of the Internal Audit Unit or Department or the internal auditor, and proposing their remuneration.

c- Auditor:

1- Providing recommendations to the Board of Directors on the nomination and dismissal of auditors, determining their fees and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.

2- Verifying the independence, objectivity and fairness of the Auditor and the effectiveness of auditing activities, taking into account the relevant rules and standards.

3- Examining the Auditor's action plan and work, ensuring that no technical or administrative work was submitted outside the scope of the audit work and providing its opinions in this regard.

4- Responding to the inquiries of the Company's Auditor.

5- Examining the Auditor's report and notes on the financial statements and following up on the actions taken regarding the same.

d- Compliance:

1- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary measures in connection therewith.

2- Ensuring the Company's compliance with the relevant laws, regulations, policies and directives.

3- Reviewing proposed Related Party contracts and transactions in relation to the Company, and providing its recommendations to the Board in connection therewith.

4- Reporting to the Board any issues it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

rasan

c- Summary Biographies of the Members of the Audit Committee

The following are summary biographies of the Audit Committee members:

Table (5.14): Summary Biography of Abdulrahman Abdullah Abdulrahman Bin Aiban

Name	Abdulrahman Abdullah Abdulrahman Bin Aiban
Current Position	Chairman of the Audit Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.15): Summary Biography of Abdulaziz Mohammed Abdulaziz Al Mujil

Name	Abdulaziz Mohammed Abdulaziz Al Mujil
Age	38 years
Nationality	Saudi
Current Position	Member of the Audit Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Academic Qualifications	• MBA, University of Wolverhampton, United Kingdom, 2014G. • Bachelor's degree in Accounting, Imam Mohammad bin Saud Islamic University, Kingdom of Saudi Arabia, 2008G.
Current Positions	• Member of the Company's Audit Committee, from 2022G to date. • Director of Internal Audit, Derayah Financial, a Saudi closed joint-stock company operating in the field of investment management, investment consultancy and brokerage, from 2021G to date.
Significant Previous Professional Experience	• Director of Internal Audit, Higher Education Fund, a Saudi Government fund operating in the field of diversifying university funding sources and developing mechanisms therefor, from 2017G to 2021G. • Director of Internal Audit, Nayifat Finance Company, a Saudi public joint-stock company operating in the field of providing Sharia-compliant financing solutions to individuals and institutions, from 2014G to 2017G. • Director of the Internal Audit and Risk Department, KPMG Professional Services, a Saudi closed joint-stock professional company operating in the field of providing audit, review and consultancy services, in 2014G. • Assistant Accountant, KPMG Professional Services, a professional Saudi closed joint-stock company operating in the field of providing audit, review and consultancy services, from 2008G to 2009G.

Source: The Company

Table (5.16): Summary Biography of Mohammed Muheideb Ali AlMuheideb

Name	Mohammed Muheideb Ali AlMuheideb
Current Position	Member of the Audit Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

5.4.2 Nomination and Remuneration Committee

a- Formation of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three (3) members appointed pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The Company prepared and approved the Nomination and Remuneration Committee Charter pursuant to the General Assembly resolution dated 21/12/1444H (corresponding to 09/07/2023G). The following table shows the names of the Nomination and Remuneration Committee members:

Table (5.17): Members of the Nomination and Remuneration Committee

#	Name	Position	Status
1.	Abdulrahman Abdullah Abdulrahman Bin Aiban	Chairman of the Nomination and Remuneration Committee	Independent Director
2.	Mohammed Muheideb Ali AlMuheideb	Member of the Nomination and Remuneration Committee	Non-executive Director
3.	Basma Abdulrahman Abdullah AlSunaidi	Member of the Nomination and Remuneration Committee	Non-executive Director

Source: The Company

b- Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee include:

a- With respect to remuneration:

1- Developing a clear policy for the remuneration of the Directors, members of Board committees and Executive Management, and presenting such policy to the Board for approval by the General Assembly, provided that such policy follows performance-related standards, as well as disclosing and ensuring the implementation thereof. The remuneration policy shall:

a- be consistent with the Company's strategy and objectives;

b- offer remuneration for the purpose of motivating the Directors and Executive Management to achieve success for the Company and develop it in the long term, such as by linking the variable portion of such remuneration to long-term performance;

c- determine remuneration based on job level, duties, responsibilities, educational qualifications, practical experience, skills and performance level;

d- be consistent with the magnitude, nature and level of risk faced by the Company;

e- consider the Company's other practices in determining remuneration, while avoiding unjustified increases in remuneration and compensation that might result therefrom;

f- attract and retain professional competencies, within reason;

g- set out cases for suspending the payment or refund of remuneration if it is found to have been granted based on inaccurate information provided by a Director or member of Executive Management, in order to prevent exploitation of career positions to obtain undeserved remuneration; and

h- organize the granting of shares in the Company to Directors and Executive Management, whether in the form of new shares issued by the Company or shares purchased by the Company.

2- Clarifying the relationship between the remunerations granted and the applicable remuneration policy, indicating any material deviation from such policy.

3- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its objectives.

4- Recommending to the Board of Directors the remuneration of Directors, Board committee members and the Senior Executives of the Company in accordance with the approved policy.

b- With respect to nominations:

1- Proposing clear policies and criteria for membership of the Board of Directors and Executive Management.

2- Providing recommendations to the Board on the nomination and renomination of Directors in accordance with the approved policies and standards, provided that any person previously convicted of committing a crime involving dishonesty shall be excluded from nomination.

3- Preparing a description of the skills and qualifications required for membership of the Board and for holding Executive Management positions.

4- Determining the time that Directors should devote to Board responsibilities.

5- Conducting an annual review of the skills and expertise required for membership of the Board and for Executive Management positions.

6- Reviewing the organizational structure of the Board and Executive Management and making recommendations regarding potential changes thereto.

7- Verifying the independence of the independent Directors on an annual basis, and ensuring that there is no conflict of interest if a Director serves on the Board of another company.

8- Developing job descriptions for executive, non-executive and independent Directors and Senior Executives.

9- Developing special procedures in the event there is a Board or Senior Executive vacancy.

10- Evaluating the strengths and weaknesses of the Board and proposing solutions to address them in accordance with the interests of the Company.

11- Coordinating and publishing nomination announcements on the Company's website and through other channels required by the relevant authorities in order to invite candidates wishing to run for membership of the Board, along with keeping the candidacy window open for at least one month from the date of such announcement.

12- The Committee shall ensure that the number of Board candidates presented to the General Assembly exceeds the number of seats available, so that the General Assembly is able to choose from among the candidates.

13- The Committee shall respect the right of each Shareholder in the Company to nominate themselves or others for membership of the Board, as provided in the relevant regulations.

c- Summary Biographies of the Members of the Nomination and Remuneration Committee

The following are summary biographies of the Nomination and Remuneration Committee members:

Table (5.18): Summary Biography of Abdulrahman Abdullah Abdulrahman Bin Aiban

Name	Abdulrahman Abdullah Abdulrahman Bin Aiban
Position	Chairman of the Nomination and Remuneration Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.19): Summary Biography of Mohammed Muheideb Ali AlMuheideb

Name	Mohammed Muheideb Ali AlMuheideb
Position	Member of the Nomination and Remuneration Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.20): Summary Biography of Basma Abdulrahman Abdullah AlSunaidi

Name	Basma Abdulrahman Abdullah AlSunaidi
Position	Member of the Nomination and Remuneration Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

rasan

5.4.3 Executive Committee

a- Formation of the Executive Committee

The Executive Committee consists of four (4) members appointed pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G) and 16/07/1445H (corresponding to 28/01/2024G). The Company prepared and approved the Executive Committee Charter pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The following table shows the names of the Executive Committee members:

Table (5.21): Members of the Executive Committee

#	Name	Position	Status
1.	Majed Abdullah Mohammed AlBawardi	Chairman of the Executive Committee	Independent Director
2.	Abdulaziz Abdulrahman Mohammed AlOmran	Member of the Executive Committee	Non-executive Director
3.	Theib Hudeiban Ghallab AlMutairi	Member of the Executive Committee	Non-executive Director
4.	Moayad Abdullah Suleiman AlFallaj	Member of the Executive Committee	Executive Director

Source: The Company

b- Responsibilities of the Executive Committee

The duties and responsibilities of the Executive Committee include:

1- Reviewing periodic management reports, evaluating performance, reviewing new investments or reinvestments and approving them before submitting them to the Board for approval.

2- Reviewing annual budgets and plans and investigating material discrepancies related to budgets (if any) before presenting them to the Board.

3- Following up on and receiving reports on the execution and completion of the Company's key projects and major expansion works.

4- Monitoring the Company's performance and seeking explanations for any deviations from approved plans, budgets and expectations.

5- Assisting the Board in carrying out its responsibilities, particularly for time-critical tasks assigned to it by the Board.

6- Recommending amendments to the Company's Bylaws.

7- Providing recommendations on mergers and acquisitions to the Board.

8- Reviewing investment plans for the Company's excess liquidity.

9- Receiving periodic reports from the Company's Management, including risk assessments and procedures to address and follow up on such risks.

10- Ensuring the Company's administrative committees (if any) work effectively.

11- Receiving periodic management reports on the Company's performance from the CEO to be presented at the Executive Committee meetings for discussion and review before submitting them to the Board (if necessary).

12- Other responsibilities:

Reviewing previous meeting minutes and following up on resolutions taken and documented therein to ensure that outstanding issues have been resolved.

The Committee Secretary shall manage and maintain its Charter and shall ensure the flexibility thereof to better adapt to changing circumstances and regulatory requirements.

Reviewing and reevaluating the appropriateness of the Charter and recommending any proposed changes to the Board for approval.

The Executive Committee may not delegate its duties to any subcommittee thereof.

rasan

c- Summary Biographies of the Members of the Executive Committee

The following are summary biographies of the Executive Committee members:

Table (5.22): Summary Biography of Majed Abdullah Mohammed AlBawardi

Name	Majed Abdullah Mohammed AlBawardi
Position	Chairman of the Executive Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.23): Summary Biography of Abdulaziz Abdulrahman Mohammed AlOmran

Name	Abdulaziz Abdulrahman Mohammed AlOmran
Position	Member of the Executive Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.24): Summary Biography of Theib Hudeiban Ghallab AlMutairi

Name	Theib Hudeiban Ghallab AlMutairi
Position	Member of the Executive Committee
Date of Appointment (to the current session)	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.25): Summary Biography of Moayad Abdullah Suleiman AlFallaj

Name	Moayad Abdullah Suleiman AlFallaj
Position	Member of the Executive Committee
Date of Appointment (to the current session)	16/07/1445H (corresponding to 28/01/2024G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

5.4.4 Investment Committee

a- Formation of the Investment Committee

The Investment Committee consists of three (3) members appointed pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The Company prepared and approved the Investment Committee Charter pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The following table shows the names of the Investment Committee members:

Table (5.26): Members of the Investment Committee

#	Name	Position	Status
1.	Abdulaziz Abdulrahman Mohammed AlOmran	Chairman of the Investment Committee	Non-executive Director
2.	Ayman Abdullah Suleiman AlFallaj	Member of the Investment Committee	Non-executive Director
3.	Fahad Ahmed Mohammed Abuhaimed	Member of the Investment Committee	Independent Director

Source: The Company

b- Responsibilities of the Investment Committee

The Committee's primary role is to oversee the implementation of the Company's investment policies, as approved by the Board, in a manner that maximizes investment returns while complying with Islamic Sharia law, the laws and directives of the legislative authorities, and the Company's authority matrix. To this end, the Committee undertakes the following tasks:

1- Formulating and preparing the investment policy, supervising its implementation and reviewing it annually, as well as submitting the review outcomes to the Board on an annual basis.
2- Monitoring the general risks of the investment policy.
3- Ensuring that all investment-related activities comply with the requirements of the investment regulations.
4- Reviewing the Company's investment policies, plans and objectives and making recommendations thereon to the Board.
5- Reviewing the suitability of the investment plans and policies on an ongoing basis.
6- Monitoring the Company's investment performance on an ongoing basis and ensuring that work is proceeding in accordance with the plans and strategies approved by the Board.
7- Ensuring that the Company's investments are managed in accordance with the provisions of Islamic Sharia law.
8- Continuously reviewing the suitability of investment policies and plans, monitoring the Company's investment performance on an ongoing basis, and ensuring that work is proceeding in accordance with the plans and strategies approved by the Board.
9- Managing the relationship between the Company and officially appointed investment representatives.
10- Recommending to the Board of Directors the proposed framework for the acceptable risk level of the Company's investment portfolio.
11- Defining the responsibilities and obligations of the Company's investment officer and participating in their appointment.
12- Receiving and reviewing investment performance reports on a quarterly basis and submitting recommendations thereon to the Board.
13- Providing recommendations to the Board of Directors in connection with expanding the scope of investment.
14- Evaluating and providing recommendations on the investment opportunities proposed by the Company's Management in relation to the following transactions:
   a- mergers or acquisitions of companies, businesses or assets;
   b- any termination, sale, transfer of ownership, exit from or disposal of an existing investment;
   c- joint projects under a partner or joint venture agreement;
   d- investment in new, existing or expansion projects and expansion of projects in which the Company has an interest;
   e- investment opportunities that the Company's Management wishes to enter into; and
   f- examining the possibility of obtaining finance for the above-mentioned transactions.

The Committee's duties and responsibilities also include the following:

1- Working with the Executive Management to develop the Company's investment strategy and policy in line with the nature of its business, activities and the risks to which it is exposed, and providing recommendations in this regard.
2- Periodically reviewing the investment strategy to ensure consistency with changes in the external environment in which the Company operates, the legislation regulating its business, its strategic goals or other objectives, and submitting recommendations to the Board thereon.
3- Undertaking general supervision of the Company's investment activities and setting appropriate procedures to measure and evaluate investment performance.
4- Ensuring that the proposed investment opportunities comply with the applicable laws and regulations.
5- Identifying and prioritizing proposed investment offers.
6- Examining the periodic reports of the Executive Management on the progress of approved investment opportunities.

c- Summary Biographies of the Members of the Investment Committee

The following are summary biographies of the Investment Committee members:

Table (5.27): Summary Biography of Abdulaziz Abdulrahman Mohammed AlOmran

Name	Abdulaziz Abdulrahman Mohammed AlOmran
Position	Chairman of the Investment Committee
Date of Appointment	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.28): Summary Biography of Ayman Abdullah Suleiman AlFallaj

Name	Ayman Abdullah Suleiman AlFallaj
Position	Member of the Investment Committee
Date of Appointment	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.29): Summary Biography of Fahad Mohammed Ahmed Abuhaimed

Name	Fahad Ahmed Mohammed Abuhaimed
Position	Member of the Investment Committee
Date of Appointment	20/10/1444H (corresponding to 10/05/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

5.5 Executive Management

The Company's Executive Management consists of a team that has the necessary expertise and skills to manage the Company under the direction of the Board. The Managing Director and CEO shall conduct the Company's day-to-day business in accordance with the directives and policies set by the Board to ensure that the Company's objectives set by the Board are achieved.

5.5.1 Executive Management Departments

a- Finance Department

The tasks and responsibilities of the Finance Department include:

1- Financial planning and analysis:

- Developing and managing the Company's financial planning, including budgets, forecasts and long-term financial modeling.
- Providing analyses and insights into financial performance, key indicators and trends to support strategic decision making.

2- Budget and cost control:

- Preparing and managing the budgeting process, working closely with department heads to distribute resources efficiently.
- Implementing cost control measures to optimize spending and improve overall financial performance.

3- Financial reporting:

- Preparing accurate financial statements and deadlines, including income statements, budgets and cash flow statements.
- Ensuring compliance with accounting principles and reporting standards.

4- Cash management:

- Managing the Company's cash flows and ensuring sufficient liquidity to meet operational needs.
- Implementing strategies to optimize the use of cash and short-term investments.

5- Risk management:

- Identifying and evaluating financial risks, including market, credit and operational risks.
- Developing and implementing strategies to reduce financial risks and ensure the financial stability of the Company.

6- Tax planning and compliance:

- Developing tax strategies to improve the Company's tax position.
- Ensuring compliance with local and international tax regulations and managing relations with tax authorities.

7- Financial and technology systems:

- Overseeing the execution and management of financial and technology systems to streamline operations and increase efficiency.
- Ensuring the security and integrity of financial data.

8- Audit and compliance:

- Coordinating and supervising external audits to ensure compliance with regulatory requirements.
- Implementing and monitoring internal controls to protect the Company's assets and ensure accurate financial reporting.

9- Investor relations:

- Communicating with investors, analysts and other stakeholders regarding the Company's financial performance.
- Providing information for earnings calls, annual reports and other communications.

10- Merger and acquisition support:

- Providing financial analysis and feasibility audit support for potential acquisitions or partnerships.
- Assisting in the financial integration of acquired entities.

11- Financial and strategic leadership:

- Collaborating with Senior Executives to develop financial strategies consistent with the Company's overall goals and objectives.
- Providing financial insights and recommendations to support strategic decision-making processes.

b- Support Services Department

The tasks and responsibilities of the Support Services Department include:

1- Managing offices and facilities.
2- Managing administrative services to support employees.
3- Overseeing human resources policies related to employees and privileges.
4- Developing engagement programs as a management strategy with the goal of increasing employee satisfaction, productivity and employee retention.
5- Supervising all aspects of employee relations, including labor relations, internal Company departments and dealing with grievances.
6- Designing and implementing a talent and training management strategy that includes recruitment, hiring, development and employee retention, provided that the strategic planning process includes relevant human resources areas such as talent acquisition and management, succession planning and employee training using learning management systems.
7- Supervising the salary and compensation structure to ensure the continuity of the Group's competitive position in terms of wages, rewards and benefits.
8- Supervising human resources and asset staff to help business managers recruit and manage people within the Group.
9- Managing healthcare and other insurance plans as well as other benefits.

c- IT Department

The tasks and responsibilities of the IT Department include:

1- Defining, designing and implementing the organizational plan and infrastructure required to meet the Company's business and technical strategies.
2- Overseeing all functional areas of technology including software design and development, facility engineering, quality assurance, testing, production operations, technical support, network and systems management and information security management.
3- Providing high-level leadership for the development of projects that improve the functionality, reliability, scalability and security of the Company's applications and systems.
4- Ensuring that appropriate designs are used and calling for best practices and processes.
5- Creating a strong internal culture of managing technology projects with accurate schedules and adherence to deadlines, as well as strong communication with stakeholders.
6- Supervising information security in the Company.
7- Assisting the Senior Management in formulating the Company's overall growth and organizational management strategies.
8- Providing the highest level of service to internal and external parties.

d- Strategy and Product Department

The tasks and responsibilities of the Strategy and Product Department include:

1- Developing and implementing the Company's vision and strategic plans through cooperation with the Executive Management and the Board.
2- Cooperating with the Company's Executive Management, special committees and advisors to implement strategies.
3- Developing and managing product insights and priorities.
4- Ranking product portfolios at Group level.
5- Collaborating with the CFO to develop a strong business plan in line with the strategy.
6- Evaluating key capital projects, joint ventures, potential mergers and acquisitions targets, as well as other strategic partnership opportunities.
7- Analyzing market dynamics, changes in market share, production line performance and competitive intelligence.
8- Identifying strategic risks.
9- Communicating strategies effectively throughout the Company's departments.
10- Facilitating the project governance process.
11- Facilitating project planning and following up on all ongoing projects and programs.

e- Growth Department

The tasks and responsibilities of the Growth Department include:

1- Developing strategies to increase the customer base and improve customer satisfaction and loyalty.
2- Exploring and expanding the Company's geographical presence to increase growth opportunities.
3- Establishing sustainable relations with partners and forming strategic partnerships to enhance mutual growth opportunities.
4- Addressing potential risks associated with growth operations and taking preventive action.
5- Developing strategic marketing plans for the Company
6- Managing media content, public relations and communications.
7- Preparing and managing annual targets.
8- Building the Company's marketing team and capacity.

f- Operations Department

The tasks and responsibilities of the Operations Department include:

1- Designing, developing and implementing consistent overall operation and automation processes.
2- Analyzing internal processes and identifying areas for process improvement.
3- Developing actionable business operations strategies and plans that ensure alignment with short- and long-term goals in coordination with the CEO.
4- Directly supervising operations and customer service and monitoring the quality of customer user experience.
5- Monitoring performance with tracking, setting corrective measures as needed and preparing detailed reports.
6- Maintaining and building trusted relationships with clients, customers, partners and key stakeholders as well as maximizing consumer satisfaction.
7- Ensuring compliance with existing or newly established operational quality assurance policies and standards.
8- Implementing standard operating procedures to enhance and maintain established quality standards.
9- Developing and implementing training modules on standard operating procedures and service level agreements for all team members to ensure quality and compliance in all areas.
10- Ensuring regulatory compliance and operational compliance with stakeholders and when entering into agreements with vendors.
11- Formalizing the communication process with other stakeholders (internal and external) and stakeholder management.
12- Planning, implementing and monitoring vendor management processes and costs.
13- Optimizing expenses and operational costs.

rasan

g- Internal Audit Department

The tasks and responsibilities of the Internal Audit Department include:

The purpose of internal audit is to ensure that internal control systems achieve their intended purposes efficiently and at the lowest economic cost. The internal control principles include:

1- Ensuring the reasonableness and compatibility of information and data.
2- Ensuring the conformity of policies, plans and procedures with regulations, laws and directives.
3- Ensuring the extent of protection of the Company's assets and property.
4- Ensuring that the established activities, operations and programs align with the defined purposes, objectives and strategy, and that the supervisory bodies implement them in accordance with the established plans and defined objectives.
5- Emphasizing preventive control in order to prevent the occurrence of undesirable events and correct improper actions and it is directed towards desired achievements and encourages repeat performance.
6- Emphasizing the integrity and efficiency of internal control elements.

5.5.2 Members of the Executive Management

The following table shows the details of the Company's Executive Management members:

Table (5.30): Executive Management of the Company

#	Name	Position	Nationality	Age	Date of Appointment	Percentage of Company Shares Held Pre-Offering[1]	Percentage of Company Shares Held Post-Offering*
1.	Moayad Abdullah Suleiman AlFallaj	Managing Director and CEO	Saudi	42 years	20/06/1442H (corresponding to 02/02/2021G)	4.83%	3.38%
2.	Rajaa Radwan Khoder	CFO	Lebanese	47 years	24/01/1444H (corresponding to 22/08/2022G)	-	-
3.	Abdulrahman Abdullah Mater AlHarbi	CTO	Saudi	33 years	17/01/1444H (corresponding to 15/08/2022G)	-	-
4.	Zaki Mohammed Hassan Al Ismail	Chief Corporate Affairs and Compliance Officer	Saudi	39 years	04/09/1443H (corresponding to 05/04/2022G)	-	-
5.	Miguel Colominas	CGO	Spanish	57 years	29/08/1443H (corresponding to 01/04/2022G)	-	-
6.	Nicola Garelli	Chief Strategy and Product Officer	Italian	42 years	13/02/1445H (corresponding to 29/08/2023G)	-	-
7.	Joy Neogi	COO	Indian	52 years	20/10/1442H (corresponding to 01/06/2021G)	-	-
8.	Sophie Massant	Chief Support Services Officer	Belgian	47 years	20/02/1445H (corresponding to 05/09/2023G)	-	-
9.	Abdulrahman Abdullah Abdulrahman AlSamih	Director of Internal Audit	Saudi	36 years	18/09/1444H (corresponding to 09/04/2023G)	-	-

(1) The ownership percentages are rounded to the nearest integer. The ownership of Moayad Abdullah Suleiman AlFallaj's is the result of his direct ownership of 3,405,150 shares in the Company pre-Offering.

Source: The Company

rasan

5.5.3 Employment Contracts with the Managing Director, CEO and CFO of the Company

The following table shows a summary of the employment and service contracts concluded between the Company and the Managing Director, CEO and CFO:

Table (5.31): Summary of Employment and Service Contracts with the Managing Director, CEO and CFO of the Company

Name	Position	Contract Date	Contract Term
Moayad Abdullah Suleiman AlFallaj	Managing Director and CEO	20/06/1442H (corresponding to 02/02/2021G)	Indefinite
Rajaa Radwan Khoder	CFO	24/01/1444H (corresponding to 22/08/2022G)	One year, automatically renewable for similar periods

Source: The Company

5.5.4 Summary Biographies of the Members of the Executive Management

The following are summary biographies of the Executive Management members:

Table (5.32): Summary Biography of Moayad Abdullah Suleiman AlFallaj

Name	Moayad Abdullah Suleiman AlFallaj
Position	CEO
Date of Appointment	20/06/1442H (corresponding to 02/02/2021G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.33): Summary Biography of Rajaa Radwan Khoder

Name	Rajaa Radwan Khoder
Age	47 years
Nationality	Lebanese
Current Position	CFO
Date of Appointment	24/01/1444H (corresponding to 22/08/2022G)
Academic Qualifications	• Certificate in FinTech, Harvard University, United States of America, 2024G. • Executive Leadership Program, Saïd Business School, University of Oxford, United Kingdom, 2023G. • Training Program for International Financial Reporting Standards (IFRS), Morgan International Institute, Kingdom of Saudi Arabia, 2022G. • MBA, Lebanese American University, Lebanon, 2000G. • Bachelor's degree in Business, majoring in Accounting, Lebanese American University, Lebanon, 1998G.
Current Positions	• CFO of the Company, from 2022G to date.

Significant Previous Professional Experience	• CFO, Citiscape (an Abunayyan Group company), a Saudi closed joint-stock company operating in the field of infrastructure and landscaping services, from 2021G to 2022G. • CFO, Green Glory Company, a Lebanese closed joint-stock company operating in the field of general trade, from 2017G to 2021G. • Deputy CFO, Al Rifai International Holding Company, a closed joint-stock company registered in the Cayman Islands operating in the field of food industries and general trade, from 2012G to 2017G. • Member of the Executive Committee, Al Rifai International Holding Company, a Lebanese closed joint-stock company operating in the field of food industries and general trade, from 2012G to 2017G. • Board Secretary, Al Rifai International Holding Company, a Lebanese closed joint-stock company operating in the field of food industries and general trade, from 2012G to 2017G. • Assistant Vice President of Investment Advisory & Research Department, KIPCO Asset Management Company (KAMCO), a Kuwaiti public joint stock company operating in the field of financial services and asset management, from 2008G to 2012G. • Executive - Project Advisory Services, Ernst & Young, a Kuwaiti closed joint-stock company operating in the field of accounting, financial auditing and financial consultancy, from 2007G to 2008G. • Relationship Manager, BankMed, a Lebanese closed joint-stock company operating in the field of banking and financial services, from 2005G to 2007G. • Member of the Credit Committee, Al Mawarid Bank, a Lebanese closed joint-stock company operating in the field of banking and financial services, from 2002G to 2004G. • Relationship Manager, Al Mawarid Bank, a Lebanese closed joint-stock company operating in the field of banking services, from 2001G to 2004G.

Source: The Company

Table (5.34): Summary Biography of Abdulrahman Abdullah Mater AlHarbi

Name	Abdulrahman Abdullah Mater AlHarbi
Age	33 years
Nationality	Saudi
Current Position	CTO
Date of Appointment	17/01/1444H (corresponding to 15/08/2022G)
Academic Qualifications	• Bachelor's degree in Computer Science and Engineering, Hail University, Kingdom of Saudi Arabia, 2013G.
Current Positions	• CTO at the Company, from 2022G until the date of this Prospectus.
Significant Previous Professional Experience	• Chief Digital Transformation Officer, Quara Finance, a Saudi closed joint-stock company operating in the field of FinTech, from 2021G to 2022G. • Founding CTO, Forus Debt Crowdfunding Company, a Saudi closed joint-stock company operating in the field of FinTech, from 2020G to 2021G. • Founding CTO, Tamam Finance, a Saudi closed joint-stock company operating in the field of FinTech, from 2019G to 2020G. • Director of the General Department of Data Technology, Mobile Telecommunication Company Saudi Arabia (Zain), a Saudi public joint-stock company operating in the field of communications, from 2018G to 2020G. • Technical Director of Digital Applications, Mobile Telecommunication Company Saudi Arabia (Zain), a Saudi public joint-stock company operating in the field of communications, from 2015G to 2018G. • Digital Network Solutions Engineer, Virgin Mobile, a Saudi closed joint-stock company operating in the field of communications, in 2015G. • Digital Network Solutions Engineer, Ericsson AB, a Swedish closed joint-stock company operating in the field of technology, from 2013G to 2015G.

Source: The Company

Table (5.35): Summary Biography of Zaki Mohammed Hassan Al Ismail

Name	Zaki Mohammed Hassan Al Ismail
Current Position	Chief Corporate Affairs and Compliance Officer
Date of Appointment	04/09/1443H (corresponding to 05/04/2022G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.36): Summary Biography of Miguel Colominas

Name	Miguel Colominas
Age	57 years
Nationality	Spanish
Current Position	CGO
Date of Appointment	29/08/1443H (corresponding to 01/04/2022G)
Academic Qualifications	• Management Development Program, ISE Business School, Spain, 1996G. • Certificate in Economics and Actuarial Science, University of Barcelona, Spain, 1991G.
Current Positions	• CGO of the Company, from 2022G until the date of this Prospectus.
Significant Previous Professional Experience	• Chief Underwriting Officer, Al Rajhi Cooperative Insurance Company (Al Rajhi Takaful), a Saudi public joint-stock company operating in the field of insurance solutions, from 2014G to 2022G. • Motor and Personal Lines Underwriting Director - Middle East and Africa, Zurich Middle East and Africa Company, an Emirati limited liability company operating in the field of insurance, from 2011G to 2014G. • Personal Lines Underwriting Director, Zurich Spain, a Spanish limited liability company operating in the field of insurance, from 2007G to 2010G. • Director of the Vehicle Department, Zurich Spain, a Spanish limited liability company operating in the field of insurance, from 1999G to 2006G. • Vehicle and Pricing Department Officer, Eagle Star, a Spanish limited liability company operating in the field of insurance, from 1996G to 1999G. • Vehicle Portfolio Analyst, Schweiz, a Spanish limited liability company operating in the field of insurance, from 1991G to 1996G.

Source: The Company

Table (5.37): Summary Biography of Nicola Garelli

Name	Nicola Garelli
Age	42 years
Nationality	Italian
Current Position	Chief Strategy and Product Officer
Date of Appointment	13/02/1445H (corresponding to 29/08/2023G)
Academic Qualifications	• PhD in Management, Economics and Industrial Engineering, Polytechnic University of Milan, Italy, 2015G. • Master's degree in Financial Engineering, Polytechnic University of Turin, Italy, 2008G. • Bachelor's degree in Telecommunication Engineering, Polytechnic University of Turin, Italy, 2004G.
Current Positions	• Chief Strategy and Product Officer at the Company, from 2023G until the date of this Prospectus. • Chairman, AECOM, a limited liability company in Italy operating in the field of communications, from 2007G until the date of this Prospectus.

Significant Previous Professional Experience	• CEO, Bima Insurance (an affiliate of Emirates National Oil Company (ENOC)), a limited liability company in the UAE operating in the field of insurance services, from 2020G to 2023G. • General Manager and Director, of ENOC Link (an Affiliate of Emirates National Oil Company (ENOC)), a limited liability company in the UAE operating in the field of fuel distribution through a digital model, from 2020G to 2023G. • Partner and Director, BCG Digital Ventures (a Boston Consulting Group (BCG) company), a UK limited liability company operating in the field of corporate venture capital, from 2017G to 2020G. • Principal, Boston Consulting Group (BCG), an Italian limited liability company operating in the field of management consulting, from 2012G to 2017G. • Chairman, iStarter Limited, a limited liability company in the UK operating in the field of venture capital, from 2015G to 2021G. • Director, Clapdell, a closed joint-stock company in Italy operating in the field of venture capital, from 2014G to 2019G. • Director, Consorzio TOP-IX (Telecom Italia), a limited liability company in Italy operating in the field of communications, from 2013G to 2015G. • Chairman, iStarter Limited, a closed joint-stock company in Italy operating in the field of venture capital, from 2012G to 2015G. • Associate, Booz & Company, a Booz & Company Group company (currently Strategy&), an Italian limited liability company operating in the field of management consulting, from 2009G to 2012G. • Group Controller, Tubosider (a Gruppo Gavio Group company), a closed joint-stock company in Italy operating in the field of steel and construction, from 2005G to 2007G. • Analyst, Capgemini Ernst & Young, an Italian limited liability company operating in the field of management consulting, from 2003G to 2004G.

Source: The Company

Table (5.38): Summary Biography of Joy Neogi

Name	Joy Neogi
Age	52 years
Nationality	Indian
Current Position	COO
Date of Appointment	20/10/1442H (corresponding to 01/06/2021G)
Academic Qualifications	• MBA, Indian Institute of Management, India, 1993G. • Bachelor's degree in Science, University of Calcutta, India, 2011G.
Current Positions	• COO of the Company, from 2021G until the date of this Prospectus.
Significant Previous Professional Experience	• Senior Digital Director for SMEs, Insurance House Company (IHC), a Saudi closed joint-stock company operating in the field of insurance, from 2020G to 2021G. • Director of Retail Operations, Alinma Tokio Marine Company (ATMC), a Saudi public joint-stock company operating in the field of insurance, from 2015G to 2020G. • Director of Operations, AVTIG Limited/Australian Institute of Management, an Australian-Indian limited liability company operating in the field of technology and consultancy, from 2012G to 2015G. • Vice President, Onicra Credit Rating Agency, an Indian limited liability company operating in the field of banking services, from 2009G to 2012G. • Executive Vice President, IBHFL, an Indian limited liability company operating in the field of real estate financing, personal loans and SME loans, from 2007G to 2009G. • Executive Vice President, IBHFL, an Indian limited liability company operating in the field of real estate financing, personal loans and SME loans, from 2007G to 2009G. • Director of Regional Business, GlaxoSmithKline Pharmaceuticals Limited, an Indian public joint-stock company operating in the field of healthcare and chemical diagnostics, from 1995G to 2003G. • Diagnostic Specialist, Bayer India Limited, an Indian public joint-stock company operating in the field of electronic analysis and healthcare, from 1994G to 1995G.

Source: The Company

Table (5.39): Summary Biography of Sophie Massant

Name	Sophie Massant
Age	47 years
Nationality	Belgian
Current Position	Chief Support Services Officer
Date of Appointment	20/02/1445H (corresponding to 05/09/2023G)
Academic Qualifications	• Master's degree in Law, University of Antwerp, Belgium, 2001G.
Current Positions	• Chief Support Services Officer at the Company, from 2023G until the date of this Prospectus.
Significant Previous Professional Experience	• Director of Human Resources for UAE Operations and Director of the Centre of Excellence, National Shipping Company of Saudi Arabia (Bahri), a Saudi public joint-stock company operating in the field of global maritime transport and navigation, from 2019G to 2021G. • Director of Human Resources, CH2M HILL and Mace, a partnership in the UAE operating in the field of construction and contracting, from 2016G to 2018G. • Human Capital Consultant, DP World, a private company in the UAE operating in the field of sea port operation, from 2015G to 2016G. • Human Resources Manager, Seadrill Limited, a Norwegian public joint-stock company listed on the NYSE operating in the field of offshore drilling, from 2013G to 2015G. • Regional Director of Human Resources, Degrémont (a subsidiary of Suez Environment), a French joint-stock company, in 2012G.

Source: The Company

Table (5.40): Summary Biography of Abdulrahman Abdullah Abdulrahman AlSamih

Name	Abdulrahman Abdullah Abdulrahman AlSamih
Age	36 years
Nationality	Saudi
Current Position	Director of Internal Audit
Date of Appointment	18/09/1444H (corresponding to 09/04/2023G)
Academic Qualifications	• Bachelor's degree in Accounting, La Trobe University, Australia, 2015G.
Current Positions	• Director of Internal Audit at the Company, from 2023G until the date of this Prospectus.
Significant Previous Professional Experience	• Director of Internal Audit, Memar Development and Investment Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2022G until 2023G. • Director of Internal Audit, Samnan Holding Company, a Saudi limited liability company operating in the field of water solutions, from 2018G to 2022G. • Internal auditor, KPMG Professional Services, a professional Saudi closed joint-stock company operating in the field of providing audit, review and consultancy services, from 2015G to 2018G.

Source: The Company

5.6 Cases of Bankruptcy and Insolvency Involving the Directors and Executive Management

As of the date of this Prospectus, there are no cases of bankruptcy involving the Directors, Executive Management or the Board Secretary. There have been no cases of insolvency during the previous five (5) years involving any company in which any of the Directors, Executive Management or the Board Secretary held an administrative or supervisory position.

5.7 Direct and Indirect Interests of the Directors and Executive Management

Except as disclosed in Section 5.3 "**Board of Directors and Board Secretary**", Section 5.5.2 "**Members of the Executive Management**" and Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus, the Directors declare that neither the Directors nor the Executive Management, Board Secretary or any of their relatives have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries (if any) or any interest in any other matter which may affect the Company's business.

Except as disclosed in Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus, the Directors declare that neither the Directors nor the Executive Management, Board Secretary or any of their relatives have any interest in any current or proposed contract or arrangement in connection with the business of the Company and its Subsidiaries as of the date of this Prospectus.

The following table shows the direct and indirect ownership percentages of the Directors and Executive Management members in the Company pre- and post-Offering. Except as disclosed below, the Directors declare that none of the Directors or Executive Management members have any direct or indirect shareholding in the Company as of the date of this Prospectus.

Table (5.41): Direct and Indirect Ownership Percentages of the Directors and Executive Management in the Company Pre- and Post-Offering

#	Name	Position	Direct Ownership (%)(1)		Indirect Ownership (%)(2)	
			Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1.	Majed Abdullah Mohammed AlBawardi	Chairman	4.83%	3.38%	-	-
2.	Abdulaziz Abdulrahman Mohammed AlOmran	Vice Chairman	-	-	2.045%	1.432%
3.	Mohammed Muheideb Ali AlMuheideb	Director	6.60%	4.62%	-	-
4.	Theib Hudeiban Ghallab AlMutairi	Director	14.15%	9.91%	-	-
5.	Abdulrahman Abdullah Abdulrahman Bin Aiban	Director	4.83%	3.38%	-	-
6.	Ayman Abdullah Suleiman AlFallaj	Director	2.23%	1.56%	-	-
7.	Fahad Ahmed Mohammed Abuhaimed	Director	4.90%	3.44%	-	-
8.	Basma Abdulrahman Abdullah AlSunaidi	Director	-	-	0.096%	0.067%
9.	Moayad Abdullah Suleiman AlFallaj	Managing Director and CEO	4.83%	3.38%	-	-

(1) The ownership percentages are rounder to the nearest integer.

(2) The indirect ownership of the Directors is as a result of the following:

Abdulaziz Abdulrahman Mohammed AlOmran owns 8.86% of the units of Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company. He also owns 6.13% of the units of Impact Growth Fund, which has beneficial ownership of 6.41% of the Company's capital before the Offering through Assets Custody Development Impact Company for Communications and Information Technology.

Basma Abdulrahman Abdullah AlSunaidi owns 0.51% of the units of the Venture Capital InsurTech Fund, which has beneficial ownership of 18.65% of the Company's capital before the Offering through Impact Funds for Financial Technology Company.

Source: The Company

The following table shows the details of the current agreements and transactions with Related Parties in which the Directors and Executive Management of the Company have an interest (for further information on these agreements, please refer to Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus. On 21/12/1444H (corresponding to 09/07/2023G), 27/01/1445H (corresponding to 14/08/2023G) and 21/05/1445H (corresponding to 05/12/2023G) the Company obtained the approval of the General Assembly regarding the current transactions and agreements with Related Parties in which the Directors have a direct or indirect interest.

rasan

Table (5.42): Details of Current Agreements and Transactions with Related Parties in which the Directors and Executive Management of the Company have an Interest

#	Agreement/Transaction[1]	Transaction Value (SAR)		Interested Director or Executive Management Member	Type of Interest	Cause of Interest
		FY Ended 31 December 2022G	Nine-Month Period Ended 30 September 2023G			
1.	Technical support services agreement with Insurance House Company (IHC)	SAR 9.3 million	SAR 2.6 million	Mohammed Muheideb Ali AlMuheideb	Indirect interest	The Director Mohammed Muheideb Ali AlMuheideb owns 60% of the capital of Insurance House Company (IHC).
2.	Transactions with Arabian Company For Travelers Services	SAR 0.9 million	SAR 0.7 million	Mohammed Muheideb Ali AlMuheideb	Indirect interest	The Director Mohammed Muheideb Ali AlMuheideb owns 100% of the capital of Arabian Company For Travelers Services.
3.	Thiqah Business Services	SAR 2.7 million	SAR 3.6 million	Ayman Abdullah Suleiman AlFallaj	Indirect interest	The Director Ayman Abdullah Suleiman AlFallaj is the CEO of Thiqah Business Services.

Source: The Company

(1) The intellectual property rights and technical services licensing agreement and the scope of the technical support services in relation to the Tameeni platform, pursuant to the technical support agreement concluded with IHC on 13/12/1444H (corresponding to 01/07/2023G), with respect to the scope of services of Tameeni Motor and Tameeni Health, was terminated after Tameeni Company obtained the SAMA license for electronic aggregation in May 2023G for the purpose of operating Tameeni Motor and Tameeni Health, as well as providing comparative insurance services to its customers independently. With respect to the annex to the agreement related to the Treza product, despite the expiration of the period specified under the aforementioned annex, the Company and IHC continued to work in accordance with the provisions of the annex to the technical support services agreement in relation to the Treza product until its termination and the conclusion of a technical support services agreement with IHC relating to the Treza product, dated 10/05/1445H (corresponding to 24/11/2023G) (for further information, please refer to Section 2.1.45 "**Risks related to the transition and transfer of Tameeni Motor and Tameeni Health to Tameeni Company**" and Section 12.4.1(a) "**Technical support services agreement with Insurance House Company (IHC) in connection with the Treza Product**" of this Prospectus).

5.8 Remuneration of Directors and Executive Management

The following table shows the remuneration and benefits in-kind granted by the Company and its Subsidiaries to the Directors and the five (5) Senior Executives who received the highest remuneration and compensation from the Company and its Subsidiaries, including the CEO and CFO, during the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G.

Table (5.43): Remuneration of Directors and Executive Management During the Financial Years Ended 31 December 2020G, 2021G and 2022G and the Nine-Month Period Ended 30 September 2023G

SAR	Financial Year Ended 31 December			Nine-Month Period Ended 30 September
	2020G	2021G	2022G	2023G
Board of Directors	-	-	66,000	1,900,000
Committee members	-	-	198,000	800,000
Five Senior Executives who received the highest remuneration and compensation[1]	3,640,802	3,808,827	4,682,116	4,361,267
Directors and Executive Management of the Subsidiaries [2]	-	1,831,471	2,152,832	1,773,686

(1) The Senior Executives referred to include the CEO and CFO.

(2) It is worth noting that the remuneration of directors and executive management of the Subsidiaries is also included as part of the total remunaration of the five Senior Executives who received the highest remuneration and compensation.

Source: The Company

5.9 Corporate Governance

The Company adopted its Internal Governance Manual pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G), in accordance with Article 91 of the CGRs. The Company also adopted the Audit Committee Charter pursuant to the General Assembly resolution dated 21/12/1444H (corresponding to 09/07/2023G), based on the recommendation of the Board issued on 20/10/1444H (corresponding to 10/05/2023G), in accordance with Article 51 of the CGRs, and the Nomination and Remuneration Committee Charter pursuant to the Ordinary General Assembly resolution dated 21/12/1444H (corresponding to 09/07/2023G), based on the recommendation of the Board issued on 20/10/1444H (corresponding to 05/10/2023G), in accordance with Articles 57 and 61 of the CGRs, as well as the Executive Committee Charter pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G), and the Investment Committee Charter pursuant to the Board resolution dated 20/10/1444H (corresponding to 10/05/2023G). The Company also adopted a conflict of interest policy pursuant to the Board resolution dated 10/20/1444H (corresponding to 05/10/2023G) in accordance with Article 41 of the CGRs, and a remuneration policy pursuant to the General Assembly resolution dated 12/21/1444H (corresponding to 07/09/2023G), based on the recommendation of the Board issued on 10/20/1444H (corresponding to 05/10/2023G), in accordance with Article 58 of the CGRs, and the Board of Directors membership policy – and its amendments – pursuant to the General Assembly resolutions dated 12/21/1444H (corresponding to 07/09/2023G) and 05/21/1445H (corresponding to 12/05/2023G), based on the recommendation of the Board issued on 10/20/1444H (corresponding to 05/10/2023G), in accordance with Article 21(3) of the CGRs, and the Board of Directors work regulation pursuant to the Board resolution dated 10/20/1444H (corresponding to 05/10/2023G), in accordance with Article 34(c) of the CGRs.

The Company's Internal Governance Manual includes provisions related to the following:

- Shareholders' rights, in accordance with Article 4 to Article 9 Part 2 of the CGRs.
- Rights related to General Assemblies, in accordance with Article 10 to Article 15 from Chapter 2 of Part 2 of the CGRs.
- The Board of Directors, its composition, competencies and work procedures, in accordance with Article 16 to Article 36 Part 3 of the CGRs.
- Executive Management, its competencies and responsibilities, in accordance with Article 25 of the CGRs.
- The Company's committees, their membership and meetings, in accordance with Article 46 and Article 66 Part 4 of the CGRs.

The Company is compliant with the mandatory governance requirements applicable to joint-stock companies listed on the Exchange in accordance with the CGRs, except for the following provisions, which it does not currently adhere to due to the fact that its shares are not yet listed on the Exchange:

- Article 8(a) which provides that, upon calling for the General Assembly, the Company shall announce on the website of the Exchange information regarding the nominees for membership of the Board.
- Article 8(b) which provides that voting in the General Assembly shall be confined to the Board nominees whose information has been announced in accordance with Article 8(a).
- Article 13(d) regarding publication of the invitation to the General Assembly on the websites of the Exchange and the Company.
- Article 14(c) which provides that information related to the items of the General Assembly agenda shall be made available on the websites of Tadawul and the Company.
- Article 15(d) in relation to providing the CMA with a copy of the minutes of the General Assembly meeting.
- Article 15(e) which provides that the Company shall announce to the public and notifying the CMA and the Exchange of the results of General Assembly meetings immediately upon their conclusion.
- Article 17(d) which provides that the Company shall notify the CMA of the Directors' names, membership descriptions and any changes made to their membership.
- Article 65 which provides that the Company shall publish the nomination announcement on the websites of the Company and the Exchange to invite persons wishing to be nominated for Board membership.
- Articles 86, 87, 88(b), 89 and 90, related to disclosure policies and procedures.

5.10 Conflicts of Interest

Neither the Company's Bylaws nor any of its internal regulations or policies grant any powers which enable a Director to vote on a contract or offer in which they have a material direct or indirect interest. This is in accordance Article 27 of the Companies Law, which provides that a Director may not have any direct or indirect interest in the transactions and contracts of the Company except with the authorization of the Ordinary General Assembly.

Pursuant to the aforementioned Article, a Director must notify the Board of any personal interests they have in the transactions and contracts of the Company. The Board Chairman shall inform the General Assembly of the transactions and/or contracts in which any Director has a personal interest when it convenes, provided that such disclosure shall be accompanied by a special report from the Auditor. Such disclosure shall be recorded in the Board meeting minutes. Interested Directors may not participate in voting on any resolution put to vote in this regard. Based on the above, the Directors declare the following:

- They will comply with Article 27 of the Companies Law and Articles 42, 43 and 44 of the CGRs.
- They will refrain from voting at General Assembly meetings on Related Party contracts in which they have a direct or indirect interest.
- They will not participate in any competing business with the Company's business or any of the branches of its activities except with authorization from the General Assembly, provided that any engagement in competing business is communicated to the Board of Directors in accordance with the provisions of Article 44(1) of the CGRs, and all Related Party transactions in the future will be conducted on an arm's length basis in accordance with Article 27 of the Companies Law.

5.11 Employee Shares

Except as disclosed in Table 5.41 "**Direct and Indirect Ownership Percentages of the Directors and Executive Management in the Company Pre- and Post-Offering**", none of the Company's employees own shares in the Company.

rasan

rasan

6. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section presents an analytical review of Rasan Information Technology Company and its Subsidiaries' operational performance and financial position during the financial years ended 31 December 2020G, 2021G, 2022G and the nine-month periods ending 30 September 2022G and 30 September 2023G. The section should be read in conjunction with information presented under "**Summary of Financial Information**" and "**Key Performance Indicators ("KPIs**")".

This section is based on the consolidated financial statements of the Group for the financial years ended 31 December 2020G, 2021G and 2022G and is based on the interim consolidated financial statements for the nine-month periods ending 30 September 2022G and 30 September 2023G. The consolidated financial statements for the period ending 31 December 2020G were prepared in accordance with the International Financial Reporting Standards (IFRS) for SME. The consolidated financial statements for the period ending 31 December 2021G and 2022G were prepared in accordance with International IFRS as endorsed in the Kingdom and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and have been audited by Ernst & Young Professional Services (Professional LLC) ("EY", the "Auditors") as stated in the issued audit report. The interim consolidated financial statements for the non-month periods ending 30 September 2022G and 30 September 2023G were reviewed in accordance with the ISRE 2410 review of interim financial statements by independent auditor as endorsed in the Kingdom) and have been reviewed by Ernst & Young Professional Services (Professional LLC) .The financial results of the period ending 31 December 2020G are presented from the comparative period in the consolidated financial statements of the Group for the financial year ended 31 December 2021G, and as such prepared in accordance with IFRS as endorsed in the Kingdom. Similarly, the financial results of the period ending 31 December 2021G from the comparative period in the consolidated financial statements of the Group for the financial year ended 31 December 2022G.

Neither the Auditors nor any of their affiliates, employees (forming part of the engagement team serving the Company) or their relatives have any shareholding or interest of any kind in the Group and its Subsidiaries, which would impair their independence. As of the date of this Prospectus, the Auditors have furnished and not withdrawn their written consent to the reference to their role as Auditors of the Group for the financial years ended 31 December 2020G, 2021G and 2022G, and for the nine-month period ending 30 September 2023G.

This section contains certain forward-looking statements in connection with the Group's future prospects, based on the Executive Management's current plans and expectations regarding the Group's growth, results of operations and financial conditions, and therefore such statements may involve risks and unconfirmed expectations. Actual results of the Group could differ materially from those expressed or implied by these expectations, as a result of various factors and future events, including factors discussed in this Section or elsewhere in this Prospectus, particularly those set out in Section 2 "**Risk Factors**".

The figures in this section are in Saudi Arabian Riyal (SAR) thousand and have been rounded to the nearest integer unless otherwise stated. As such, if summed, the numbers may differ from those which are stated in the tables. Subsequently, all annual percentages, margins, compounded annual growth rates, expenses are based on the rounded figures.

6.1 Director's declaration on financial statements

The Board of Directors acknowledges that the financial information contained in this Section is based on the financial statements of the Group and its Subsidiaries for the financial years ended 31 December 2020G, 2021G and 2022G and is based on the reviewed interim consolidated financial statements for the nine-month periods ending 30 September 2022G and 30 September 2023G, which have been prepared in accordance with the IFRS issued by IASB and approved in the Kingdom and other standards and publications issued by SOCPA.

The Board of Directors declares that the Group and its Subsidiaries have working capital sufficient for a period of at least 12 months immediately following the date of publication of the Prospectus except as described in this section or any other section, particularly the factors set forth in Section 2 "**Risk Factors**" of this Prospectus.

The Board of Directors declares that there has been no material adverse change in the Group's financial or business position in the three financial years immediately preceding the application for registration and offer of securities that are subject of this Prospectus and the period covered in the Auditors' Report up to the date of approval of the Prospectus.

The Board of Directors declares that there is no intention to introduce any material changes to the nature of the Group's activity.

The Board of Directors confirms that operations have not discontinued in a way that could affect or has affected its financial position materially during the past 12 months. The Board of Directors confirms that all material facts regarding the Group and its financial performance have been disclosed in this Prospectus, and that there are no other facts the omission of which would make any statement herein misleading.

The Board of Directors confirms that the Group does not have any properties, including contractual securities or other assets the value whereof is subject to fluctuations or is difficult to ascertain, which materially affects the assessment of the financial position.

The Board of Directors confirms that no commissions, discounts, brokerage fees or non-cash compensations were given by the Group and its Subsidiaries, in the three years immediately preceding the date of submission of its application for registration and offer of securities.

The Board of Directors confirms that the Group's and its Subsidiaries' capital is not under option.

The Board of Directors confirms that there are no mortgages, rights or burdens on the Group's possessions as at the date of this prospectus.

The Board of Directors confirms that the Group and its Subsidiaries has no debt instruments, convertible debt instrument and exchangeable debt instrument issued and outstanding, and authorized or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the pledge is provided by the issuer or by third parties) and unsecured loans.

The Board of Directors confirms that the Group and its Subsidiaries has no borrowing or indebtedness, including bank overdrafts, liabilities under acceptances, acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt.

The Board of Directors confirms that the Group and its Subsidiaries has no contingent liabilities or guarantees

The Board of Directors confirms neither the Directors nor any of their relatives have any shares or interest of any kind in the issuer.

The above declarations are made by the Board of Directors in addition to any other declarations expressly set out in the Prospectus.

6.2 Group overview

Rasan Information Technology Company (the "**Company**" or the "**Parent Company**") is a closed joint stock company registered in the Kingdom of Saudi Arabia ("**KSA**") under commercial registration number 1010476663 issued on 05/08/1437H (corresponding to 12 May 2016). The Company's head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia.

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the "**Group**") listed below:

Name of the entity	Country of incorporation	Nature of business	Direct and indirect ownership %	
			2022	2021
Rasan Software House LLC	UAE	Computer systems & communication equipment software design.	100%	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	100%*	100%*
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle auctions, towing and storage.	100%	100%
Tameeni Electronic Insurance Brokerage Company	KSA	Electronic insurance brokerage.	100%	-

* 1% of the shareholding in Rasan LLC – Egypt, is held by Moayad Abdullah Suleiman AlFallaj (shareholder in the Company) in the beneficial interest of the Company.

Rasan Software House LLC is a limited liability company registered under the United Arab Emirates ("**UAE**") Federal Law No. 2 of 2015 (UAE Companies Law), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE.

Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian Companies Law), Cairo, Arab Republic of Egypt ("**Egypt**") with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading - Egypt. During the year 2021, the ownership of Rasan LLC was transferred from Rasan Software House LLC to the Group.

Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24/06/1441H (corresponding to 18 February 2020).

Tamini Electronic Insurance Brokerage Company is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010838913 issued on 12/04/1444H (corresponding to 6 November 2022).

6.3 Basis of preparation

6.3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (collectively referred to as "**International Financial Reporting Standards approved in the Kingdom of Saudi Arabia**").

Accounting convention

These consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefit liabilities, which are measured at the present value of the liability using projected unit credit methodology.

Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals ("**SR**"), which is also the Company's functional currency.

6.3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries set out in Note 1 above and are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. 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. Specifically, the Group controls an investee if, and only if, the Group has:

- a- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- b- Exposure, or rights, to variable returns from its involvement with the investee; and
- c- 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:

- a- The contractual arrangement(s) with the other vote holders of the investee
- b- Rights arising from other contractual arrangements
- c- 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 OCI are attributed to the equity holders of the parent 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 in 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 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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

6.4 Summary of accounting policies

The following is the summary of significant accounting policies applied by the Group in preparing its consolidated financial statements:

Current versus non-current classification

An asset is current when:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

Revenue from contract with customers

The Group provides aggregator services related to motor & health insurance and online auto auction. Revenue from contracts with customers is recognised 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 has generally concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements.

The Group uses the five-step model of revenue recognition as described in IFRS 15 Revenue from Contracts with Customers. In particular, the Group has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:

At the inception of each contract entered into with a customer, the Group identifies the various goods promised in the contract and assesses whether the same are 'distinct' and, hence, are separate performance obligations. Goods promised to be transferred to the customer are deemed to be distinct when the customer can benefit from the goods either on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the goods to the customer is separately identifiable from other promises in the contract.

Allocation of the transaction price:

The Group determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimated).

Recognition of revenue allocated to each performance obligation:

The Group recognizes its sale at the time of issuing the invoice and departure of goods from its factory, all the goods are in-transit insured.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group will adjust at the year end the amount of consideration to which the Group is entitled in exchange for transferring the promised services to a customer.

Other income

Other income is recognized in the consolidated statement of comprehensive income as and when earned.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Zakat and tax

Zakat

The Company and local subsidiary are subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("**ZATCA**"). Zakat is provided on an accrual basis and charged to the consolidated statement of profit or loss. The zakat charge is computed on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved.

Income Tax

The Group's foreign subsidiary are subject to income tax as per tax regulations issued by respective tax authorities.

Value added tax

Revenue, expenses and assets are recognized net of the amount of value added tax ("**VAT**"), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rate during the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

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 operation and translated at the spot rate of exchange at the reporting date.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of comprehensive income during the reporting period in which they are incurred.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follow:

	Useful life (in years)
Computers	4
Equipment	5
Furniture	6
Vehicles	5
Servers and network	5

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, as necessary.

Carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The excess of carrying value over the estimated recoverable amount is charged to the consolidated statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between net sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is charged to the profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of the intangible asset is the purchase price together with any incidental expenses of acquisition and staff cost incurred on development of internally generated intangibles. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of intangible assets and the benefits can be measured reliably. All other expenditure is recognised in the consolidated statement of comprehensive income as an expense is incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the consolidated statement of profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

The useful life of the intangible assets is 5 years. The amortisation charge for the year is calculated on a straight-line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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, as follows:

- Building 2 to 5 years

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.

The right-of-use assets are also subject to impairment.

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's lease liabilities are disclosed in consolidated statement of financial position.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

Financial instruments

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

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("**FVOCI**") and fair value through profit or loss ("**FVPL**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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 flow that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

The Group'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 an 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest ("**EIR**") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and amounts due from related parties.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest 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.

The Group does not have any financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (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.

The Group does not have any such financial assets in current year and prior years.

Financial assets at fair value through profit or loss

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 profit or loss.

The Group does not have any such financial assets in current year and prior years.

Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group 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; or 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 recognize the transferred asset to the extent of its continuing involvement. In that case.

The Group also recognizes 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.

Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables and bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables.

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

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade payables, amounts due to related parties and loan payable to related party.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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. Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

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.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Derecognition

A financial liability is derecognized 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 recognized in the consolidated statement of profit or loss.

iii) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("**CGU**") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared at Group level, which is considered as a CGU. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employees' defined benefit liabilities

The Group primarily has end of service benefits which qualify employees' defined benefit obligation ("**DBO**").

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected in retained earnings as other reserves and will not be reclassified to consolidated statement of comprehensive income 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 Group presents the first two components of defined benefit costs in profit or loss in relevant line items and the last component in other comprehensive income.

Short-term employee benefits

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

Earnings per share (EPS)

Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment), which is subject to risks and rewards that are different from those of other segments.

Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

6.5 Significant Accounting Judgment, Estimates and Assumptions

The preparation of Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 or in the revision period and future periods if the changed estimates affect both current and future periods.

6.5.1 Judgements

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

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

6.5.3 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. Furthermore, 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 the going concern basis.

6.5.4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

6.5.5 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.

6.5.6 Provision for expected credit losses of trade receivables

The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the provision for ECLs on the Group's trade receivables is disclosed in Note 6.

6.5.7 Provision for expected credit losses of bank balances (based on audited financial statements 2022G)

Provision for expected credit losses for the bank balance is based on the international credit rating of the counterparty.

6.5.8 Useful lives and residual values of property and equipment and intangible assets

The Group's management determines the estimated useful lives and residual values of its property and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually, and the depreciation and amortisation method to make sure that the depreciation method and period are consistent with the expected pattern of the assets' economic benefits. Residual value is determined based on experience and observable data where available.

6.5.9 Defined benefit plans (employees' end of service benefits)

The cost of defined benefit plans and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand and supply in the employment market.

The mortality rate is based on publicly available local mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

a- Net defined benefit plan cost in the comprehensive income statement

In SAR	Financial year 2021G	Financial year 2022G
Current plan cost	621,426	1,325,940

b- Changes in the present value of defined benefit plans obligations

In SAR	Financial year 2021G	Financial year 2022G
Beginning of the year	2,406,770	2,702,722
Current plan cost	621,426	1,325,940
Benefit paid	(325,474)	(196,457)
End of the year	2,702,722	3,832,205

c- Underlying assumptions

%	Financial year 2021G	Financial year 2022G
Discount rate	3.15	3.15
Future salary increases	5	5
Mortality in service	100% SLIC (2016)	100% SLIC (2016)
Leaving before expected retirement	Age based	Age based

Below is a change of salary quantitative sensitivity analysis in connection with defined benefits as at 31 December:

2022G:

Sensitivity Level	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(522,727)	683,228
Future salary increases	1%	677,413	(529,346)

2021G:

Sensitivity Level	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(388,118)	481,533
Future salary increases	1%	474,822	(383,554)

6.5.10 Development costs of intangible assets

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

6.5.11 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

6.5.12 Revenue Recognition – Principal vs Agent

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Group has assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent and has concluded that it is the principal in its revenue arrangements because it is the primary obligator in all revenue arrangements, has pricing latitude, typically controls the goods or services before transferring them to the customer and is exposed to credit risks.

Management has concluded that the Group acts as a principal for its all revenue arrangements, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements

6.6 Key Factors affecting the Group's Performance and Operations

The following is a discussion of the important factors that impacted or may impact the operations of the Company, its financial position, and its results. These factors are based on the information available of the Company, and this information might not include all factors that may impact the Company's operations. For further information, please refer to "**Important Notice**" section in page (i) and section 2 "**Risk Factors**" in this prospectus.

6.6.1 Inability to ramp-up in the future at the same rate as growth rate of the historical period and inability to manage growth efficiently

The Group ramped-up quickly since the beginning of its operations in 2017G. Revenue increased from SAR 43.4 million in the financial year ending 31 December 2020G to SAR 162.5 million in the financial year ending 31 December 2022G, at a compound growth rate of 93.6% over the same period. Revenue increased during the nine-month period ending 30 September 2023G by 75.3% to SAR 186.4 million as compared to SAR 106.3 million during the nine-month period ending 30 September 2022G. Nevertheless, the Group's revenue growth rate and the financial performance might not be a future indicator of the Group. The Group's revenue and income might no longer grow in line with the historical period trend, and the Group may not be able to achieve this growth in the future. The Group's rate might decrease in the future due to several factors which may have a significant adverse impact on the Group's operations, results, financial position and any anticipations. Please refer to section 2.1.4 "**Risks related to the Group's inability to grow in the future at historical rates and manage growth effectively**" of this prospectus.

6.6.2 Group's inability to execute its own growth strategy on time or at any point in time

The Group's future performance and profitability are based on the ability to execute its strategy as stipulated in section 4.2.5 "**The Group's Strategy**" of this prospectus. To execute its strategy, The Group should account for several factors, some of which are out of its control, including but not limited to, the factors related to the competition with existing rivals or prospective rivals, and the ability to maintain its position in the market, and the extent to which the market conditions are favourable in order to set expansion plans for the Group, obtain the required regulatory licenses and approvals, the Group's ability to negotiate and sign optimal contracts with suppliers and service providers, success of marketing campaigns and the Group's ability to execute operations and mitigate costs which will have a significant impact on the Group's operations, results, financial position and any anticipations. Please refer to section 2.1.24 "**Risks related to the Group's failure to implement its growth strategy successfully, on time or at all**" of this prospectus.

rasan

6.6.3 Group revenue concentration

a- Geographical concentration

The Group operates four platforms and products that serve individual and corporate customers, including large enterprises and SMEs in the Kingdom. Ultimately, the Group's revenue stemmed 100% from its operations in the Kingdom across the periods 2020-2022G, including the nine-month period ending 30 September 2023G. The Group and its operations are governed from the headquarters in Riyadh, KSA, supported by two subsidiaries located in the UAE and Egypt. Subsequently, the Group is exposed to any risk that may arise in the UAE or Egypt, including but not limited to, economic or trading or geopolitical events, which may have a significant adverse impact on the Group's operations, results, financial position and any anticipations.

b- Concentration of products offered by some key insurance companies

Group's revenue is majorly based on its products offered by insurance companies, in terms of quantity, policy types and currency applied to these issued policies. In fact, the total revenue from motor, health insurance, including motor and health policies offered from insurance companies represented 96.2%, 79.2%, 78.6%, 78.3% and 77.4% from the total Group revenue for the financial years ending 31 December 2020G, 2021G, 2022G and the nine-month periods ending 30 September 2022G and 30 September 2023G, respectively. In addition, revenue generated from products offered by the top 5 insurance companies represented 57.13%, 54.29%,58.12%, 44.55% of Tameeni Group's total revenue for the financial years ending 31 December 2020G, 2021G, 2022G and the nine-month period ending 30 September 2023G, respectively. In case products were ceased by the main insurance companies or were offered in improper terms and conditions, this will have a significant adverse impact on the Group's operations, results, financial position and any anticipations.

c- Revenue of products offered on Tameeni Motor

Tameeni Motor was the largest contributor to the Group's total revenue. Tameeni Motor's total revenue represented 93.1%, 72.9%, 61.3%, 62.7% and 60.9% of the Group's total revenue for the financial years ending 31 December 2020G, 2021G, 2022G and the nine-month periods ending 30 September 2022G and 30 September 2023G, respectively. Based on this fact, any temporary or permanent business interruption in Tameeni Motor's operation for any reason, or any Tameeni online brokerage's license cancellation by SAMA, or any inability to render high-quality services or user-friendly platform access, or Tameeni Motor's inability to maintain the same functions and features on its platform, or a decrease in customer base or demand on the products offered on Tameeni Motor platform for any reason will lead to a decrease in the Group's revenue and, subsequently, this will have a significant adverse impact on the Group's operations, results, financial position and any anticipations.

Please refer to section 2.1.7 "**Risks related to the concentration of the Group's revenues**" of this prospectus.

6.6.4 Dependence on strategic partnerships with insurance companies

Tameeni for electronic insurance brokerage offers two platforms which are Tameeni Motor and Tameeni Health, as online aggregator platforms that offer to individual and corporate customers a one-stop shop for motor and health insurance products. Tameeni Motor offers motor insurance products from 22 insurance companies, and Tameeni Health offers health insurance products from 12 insurance companies, the regulations of these insurance companies are in line with those of Tameeni in order to allow customers to benchmark insurance products and policies before opting to buy any chosen product. Revenue depends on Tameeni maintaining its connections with insurance companies and the ability to align its regulations with those of insurance companies and the availability of insurance products from diverse insurance companies on Tameeni Motor and Health platforms. Accordingly, the failure of Tameeni to maintain its strategic partnerships and settings with insurance companies and to align its regulations with those of insurance companies, and the inability of merging its regulations with those of the insurance company related party, or the inability of insurance companies to offer insurance products on a continuous basis on Tameeni Motor and Health, will have a significant adverse monetary impact on the Group's operations, results, financial position. Please refer to section 2.1.5 "**Risks related to reliance on strategic partnerships with insurance companies**", of this prospectus.

6.6.5 Innovation, technological advancement, research and development

The Group's success is partially dependent on its ability to continue the innovation and development of its platform and products through its lines of business and other business operations. The Group needs to continue improving its platforms and products in the appropriate time and with a competitive price in order to continue to compete effectively in the market. If the Group does not adapt, expand and develop its platforms and products based on technological changes and/or customers' needs, the Group's ability to develop and maintain a competitive advantage and continue to grow may be negatively affected and the Group may not be able to retain or attract customers. This would have a material negative impact on the Group's operations, result of operation, financial position, and the expectations. Please refer to section 2.1.23 "**Risks related to innovation, technological advancement and research and development**" of this prospectus.

6.6.6 Future capital expenditure and operational expenses

The Group's capital expenditure amounted to SAR 5.5 million, SAR 14.4 million, SAR 21.6 million in the financial years ending 31 December 2020G, 2021G and 2022G and amounted to SAR 13.0 million and SAR 20.7 million in the nine-month periods ending 30 September 2022G and 2023G, respectively. Capital expenditures may increase due to several reasons, including, but not limited to, expenditures related to the Group's growth strategy. The increase in capital expenditure may be significantly higher than what was incurred throughout the historical period in comparison, which may limit the Group's funds that can be otherwise used for other purposes including operational expenses for general and day-to-day expenses and research and development expenses. This may also require the Group to obtain additional financing to adequately cover any operational needs or obligations adequately that will have a material negative impact on the Group's operations, result of operation, financial position, and the expectations.

Please refer to section 2.1.34 "**Risks related to future capital expenditures and operating expenses**" of this prospectus.

6.6.7 Increase in the competitive landscape in KSA through competitors / aggregators.

The Group operates in a competitive landscape in KSA, facing a strong competition from fintech, insurtech, aggregators, and brokers and insurance companies which provide its services without any intermediaries. Competitive factors include price, reputation, excellence in services, technical, customer satisfaction and products delivery. In the last few years, the competitive landscape in KSA and the region witnessed a development in technology industries including FinTech. The increase in competition may lead to downward pressure on prices which may lead to a material negative impact on the Group's operations, result of operation, financial position, and the expectations. Please refer to section 2.2.5 "**Risks related to competition**" of this prospectus.

6.6.8 Sector subject to the regulation and supervision of SAMA

The Group is subject to the laws and regulations applicable in KSA, the UAE and Egypt. The laws and regulations include SAMA regarding Tameeni, Regulations of Communications, Space & Technology Commission ("**CST**"), Insurance companies control law, Regulations of the cooperative insurance companies control law, Insurance intermediaries' regulations, Regulations of aggregators, Online insurance activities regulations, Regulations of insurance labor law, Competition laws, VAT laws and regulations. The Group may have to review its commission rates, change its practices and / or adopt additional internal controls to comply with these regulations, which would add additional pressure on the Group's expenses and profits. This would have a material negative impact on the Group's operations, result of operation, financial position, and the expectations. Please refer to section 2.2.1 "**Risks related to the regulatory environment and changes thereto**" of this prospectus.

6.6.9 Profitability of Awal Mazad

Awal Mazad recorded a positive gross profit margin in the financial year ending 31 December 2020G amounting to 11.6% (after excluding transactions with related parties upon consolidating financial statements), however, the positive margin turned into a gross loss margin amounting to (52.8%) in the financial year ending 31 December 2021G and (14.0%) in the financial year ending 31 December 2022G, and (0.3%) in the nine-month period ending 30 September 2023G.

The decrease in the gross margin from 2020G to 2021G was mainly driven by the increase in fixed costs (amortization of software, cost of IT and others). The Gross profit margin increased but remained at loss during the financial year ending 31 December 2022G. This was mainly driven by the insufficient number of cars sold to cover the increasing fixed cost in the line of business (cost of IT, amortization, suppliers, warehouses and transportation costs). The gross loss margin decreased to (0.3%) in the nine-month period ending 30 September 2023G, mainly stemming from the increase in the volume of cars sold which improved the absorption of fixed cost.

Cost of sales for Awal Mazad mainly pertain to cost of cars, amortization of related software, IT expenses and other related expenses. Awal Mazad follows the agent's arrangement (in accordance with IFRS 15), whereby, it only recognized the commission and the fees from the sale.

Thus, the increase in Awal Mazad's profitability is largely dependent on its ability to increase the volume of vehicles sold and the growth in operations and number of transactions to expand its presence and to better absorb direct operational costs. Awal Mazad appointed a new group of business leaders to support its operations ramp up.

6.7 Summary of financial information and key performance indicators (KPIs)

The Group's summary of financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G:

Table (6.1): Summary of Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Statement of comprehensive income						
Revenue	43,369	86,899	162,491	100.4%	87.0%	93.6%
Cost of sales	(21,102)	(26,049)	(60,596)	23.4%	132.6%	69.5%
Gross profit	**22,267**	**60,850**	**101,895**	**173.3%**	**67.5%**	**113.9%**
General and administrative expenses	(18,714)	(21,279)	(47,928)	13.7%	125.2%	60.0%
Marketing expenses	(2,986)	(6,526)	(12,199)	118.6%	86.9%	102.1%
Operating profit	**567**	**33,044**	**41,769**	**5728.7%**	**26.4%**	**758.3%**
Finance charges	(83)	(685)	(1,595)	721.0%	133.0%	337.3%
Other income / (expenses)	398	4,427	(2,459)	1010.9%	(155.5%)	N/A
Profit before Zakat	**882**	**36,786**	**37,715**	**4070.9%**	**2.5%**	**553.9%**
Zakat	(310)	(1,506)	(3,305)	385.8%	119.5%	226.5%
Net profit for the year	**572**	**35,280**	**34,409**	**6068.4%**	**(2.5%)**	**675.6%**
Other comprehensive income / (loss)	(12)	17	(233)	(242.2%)	(1455.3%)	339.0%
Total comprehensive income	560	35,297	34,176	6204.6%	(3.2%)	681.3%
Basic and diluted earnings per share	572.945	19.437	13.494			
Expected average number of shares	1,000	1,815,116	2,550,000			
Statement of financial position						
Total non-current assets	16,507	28,083	41,222			
Total current assets	7,641	58,418	92,452			
Total assets	**24,149**	**86,501**	**133,674**			
Total non-current liabilities	2,637	24,286	6,108			
Total current liabilities	39,014	21,920	53,096			
Total liabilities	**41,651**	**46,206**	**59,203**			
Total shareholders' equity / (deficit)	**(17,503)**	**40,294**	**74,471**			
Total liabilities and partners' equity	**24,149**	**86,501**	**133,674**			
Statement of cash flows						
Net cash from operating activities	4,897	25,170	65,658			
Net cash from investing activities	(5,452)	(14,348)	(21,558)			
Net cash from financing activities	(381)	22,025	(1,748)			
Bank balances and cash at the beginning of the year	3,361	2,414	35,278			
Bank balances and cash at the end of the year	**2,414**	**35,278**	**77,397**			

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

rasan

Table (6.2): Key performance indicators for the financial years ending 31 December 2020G, 2021G, and 2022G.

Income statement and balance sheet key performance indicators			
	Financial year 2020G	Financial year 2021G	Financial year 2022G
Gross profit margin (1)	51.3%	70.0%	62.7%
Net profit margin before Zakat (2)	2.0%	42.3%	23.2%
Net profit margin (3)	1.3%	40.6%	21.2%
Policies issued - new customers % (4)	82.7%	72.8%	68.0%
Policies issued - renewals % (5)	10.2%	22.6%	28.1%
GWP of policies sold (000s) (6)	1,363,918	2,200,737	4,241,697
Net revenue/GWP (7)	3.1%	3.9%	3.8%
Number of policies sold (8)	1,915,322	2,569,021	3,273,847
Number of vehicles sold (9)	772	659	963
Number of quotations (10)	3,380,828	4,847,788	6,691,024
DSO (based on trade receivables) (11)	14	28	20
DPO (based on trade payables) (12)	15	53	58
Cash Conversion Cycle (13)	(1)	(25)	(37)
ROAE (14)	N/A	N/A	60.0%
ROAA (15)	2.6%	63.8%	31.3%

Source: Audited financial statements and Management Information for the financial years ending 31 December 2020G, 2021G, and 2022G

(1) Gross profit margin is defined as gross profit for the twelve-month period divided by revenue for the twelve months period

(2) Net profit margin is defined as the net profit for the twelve-month period divided by revenue for the twelve months period

(3) Policies issued - new customers is calculated as: number of policies issued to new customers (Customer transacting for the first time through Tameeni/ platform) / total number of policies issued

(4) Policies issued - renewal is calculated as: number of policies issued from renewals divided by total number of policies issued

(5) GWP of policies sold is the total GWP for the policies issued as part of the Tameeni and Treza Leasing lines of business in SAR thousands

(6) Net revenue / GWP is calculated as: revenue for the twelve months period for Tameeni and Treza Leasing lines of business divided by total gross written premium of policies issued over the twelve months period

(7) Number of policies sold is defined as the total number of policies sold from the Tameeni and Treza Leasing lines of business

(8) Number of vehicles sold is defined as the total number of vehicles sold from the Awal Mazad line of business over the twelve months period

(9) Number of quotations is defined as the number of times the system generates a price for the policy on the request of a customer.

(10) Days sales outstanding is defined as average (using prior year and current year ending balances) gross trade receivables (trade only) divided by revenue (for the last twelve months period) multiplied by 360

(11) Days inventory outstanding is defined as gross inventory balance as at year-end divided by cost of sales (for the last twelve months period) multiplied by 360

(12) Days payable outstanding is defined as average (using prior year and current year ending balances) trade payables divided by cost of sales (for the last twelve months period) multiplied by 360

(13) Cash conversion cycle is calculated by adding days inventory outstanding to days sales outstanding and subtracting days payables outstanding

(14) Return on average equity is calculated based on net profit for the last twelve-month period divided by average equity (using prior year and current year ending balances)

(15) Return on average assets is calculated based on net profit for the last twelve months period divided by average assets (using prior year and current year ending balances)

6.8 The Group's operating results

The Group's income statements for the financial years ending 31 December 2020G, 2021G, and 2022G:

6.8.1 Income statements

Table (6.3): Statement of Comprehensive Income for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Revenue	43,369	86,899	162,491	100.4%	87.0%	93.6%
Cost of sales	(21,102)	(26,049)	(60,596)	23.4%	132.6%	69.5%
Gross profit	**22,267**	**60,850**	**101,895**	**173.3%**	**67.5%**	**113.9%**
General and administrative expenses	(18,714)	(21,279)	(47,928)	13.7%	125.2%	60.0%
Marketing expenses	(2,986)	(6,526)	(12,199)	118.6%	86.9%	102.1%
Operating profit	**567**	**33,044**	**41,769**	**5728.7%**	**26.4%**	**758.3%**
Finance charges	(83)	(685)	(1,595)	721.0%	133.0%	337.3%
Other income / (expenses)	398	4,427	(2,459)	1010.9%	(155.5%)	na
Profit before Zakat	**882**	**36,786**	**37,715**	**4070.9%**	**2.5%**	**553.9%**
Zakat	(310)	(1,506)	(3,305)	385.8%	119.5%	226.5%
Net profit for the year	**572**	**35,280**	**34,409**	**6068.4%**	**(2.5%)**	**675.6%**
Other comprehensive income / (loss)	(12)	17	(233)	(242.2%)	(1455.3%)	339.0%
Total comprehensive income	**560**	**35,297**	**34,176**	**6204.6%**	**(3.2%)**	**681.3%**
Basic and diluted earnings per share	572	19	13			

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.4): Key performance indicators for the financial years ending 31 December 2020G, 2021G, and 2022G.

%	Financial year 2020G	Financial year 2021G	Financial year 2022G	Variance 2020G-2021G	Variance 2021G-2022G	Variance 2020G-2022G
As a percentage of revenue						
Gross profit	51.3%	70.0%	62.7%	18.7	(7.3)	11.4
G&A expenses	43.2%	24.5%	29.5%	(18.7)	5.0	(13.7)
Marketing expenses	6.9%	7.5%	7.5%	0.6	(0.0)	0.6
Operating profit	1.3%	38.0%	25.7%	36.7	(12.3)	24.4
Net profit for the year	1.3%	40.6%	21.2%	39.3	(19.4)	19.9

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G and Management information

Revenue

The Group's revenue comprised sales from four lines of business:

- Tameeni Motor represented 61.3% of total revenue in 2022G and mainly pertained to the commission earned on gross written premium of products sold to individuals including third party liability insurance of 2% based on SAMA requirements, TPL+ between 4-8%, and comprehensive policies between 10-15% where 15% is the maximum commission that should be earned on comprehensive policies based on SAMA requirements. Third-party motor policies represented 45.2% of Tameeni Motor's revenue which represented 27.7% of total revenue. TPL+ policies represented 0.4% of Tameeni Motor revenue which represented 0.4% of total revenue, whereas comprehensive motor policies represented 50.3% of Tameeni Motor revenue which represented 30.9% of total revenue. Total gross written premium for TPL amounted to SAR2109.7 million, gross written premium for TPL+ amounted to SAR5.5 million, whereas gross written premium for comprehensive amounted to SAR307.1 million. Third-party liability policies represented 87.1% of gross written premium issued through Tameeni platform, TPL+ policies represented 0.2% of gross written premium issued through Tameeni platform, whereas comprehensive policies represented 12.7% of gross written premium issued through Tameeni platform in the financial year 2022G.
- Tameeni Health represented 17.2% of total revenue in 2022G, and mainly pertained to the commission earned on gross written premium of health policies sold to SMEs between 8-10%.
- Treza Leasing represented 20.2% of total revenue in 2022G, and mainly pertained to the commission earned on gross written premium of policies sold and other fees per policy issuance. Commission on indirect policies amounts to 4% and amounts to an average of SAR 60 per direct policy.
- Awal Mazad represented 1.3% of total revenue in 2022G, and mainly pertains to the revenue earned from the vehicle auction platform for salvage cars including the auction price of the vehicles, seller fees and others.

Revenue increased by 100.4% from SAR 43.4 million in 2020G to SAR 86.9 million in 2021G mainly due to the increase in Tameeni Motor revenue by SAR 23.0 million in line with the increase in number of Tameeni Motor policies sold from 1.9 million policies in 2020G to 2.3 million policies in 2021G. This was due to ramp-up of the line of business, coupled with the Group's marketing of the Tameeni platform. Treza Leasing revenue increased by SAR 16.6 million mainly driven by the increase in in average price per policy from SAR 31.1 in 2020G to SAR 84.9 in 2021G, and the increase in number of Treza Leasing policies sold from 10 thousand in 2020G to 200 thousand in 2021G.

Revenue increased by 87.0% from SAR 86.9 million in 2021G to SAR 162.5 million in 2022G mainly due to the increase in Tameeni Motor revenue by SAR 36.4 million, resulting from the increase in number of Tameeni Motor policies sold from 2.3 million policies in 2021G to 2.7 million policies in 2022G, coupled with the increase in price per Tameeni Motor policy sold from SAR 27.3 to SAR 36.7 due to an increase in proportion of motor comprehensive policies sold as compared to motor third party liability policies. Tameeni Health revenue increased by SAR 22.5 million from 2021G to 2022G mostly due to the increase in number of Tameeni Health policies sold from 33 thousand in 2021G to 163 thousand in 2022G stemming from the ramp-up in the Group's operations. Treza Leasing revenue increased by SAR 15.8 million as a result of an increase in number of policies sold by 96.2% to 392 thousand policies in 2022G, stemming from the ramp-up in marketing activities which resulted in an increase in awareness of the service offered.

Cost of sales

Cost of sales comprised mostly of fees to service providers (i.e., Elm, Najm, Watheq, Mazaya, Qitaf and others), overhead expenses (amortization, IT support cost, CS, and accounting fee) and others.

Cost of sales increased by 23.4% from SAR 21.1 million in 2020G to SAR 26.0 million in 2021G due to the increase in in data validation fees and other direct costs by SAR 4.5 million mainly pertaining to Elm fees by SAR 8.1 million in line with the growth in customer visits to the Tameeni portal. The increase was partially offset by the decrease in Najm fees by SAR 3.8 million as the Group shifted from a per policy fee in 2020G to a fixed fee structure in 2021G with the service provider.

Cost of sales increased by 132.6% from SAR 26.1 million in 2021G to SAR 60.1 million in 2022G, mainly due to the increase in Elm fees by SAR 15.9 million. This increase was due to the increase in overall number of policies sold, coupled with the Group signing a contract directly with the service provider in late 2022G. Prior to this, the Group leveraged Insurance House Company, a related party, to transact with Elm on the Group's behalf whereby costs were charged net of revenue by Insurance House Company to the Group. In addition, the increase in cost of sales was due to the increase in Mazaya fees by SAR 3.7 million in 2022G, which is an initiative undertaken by the Group in order to provide discounts to SMEs in relation to Tameeni Health platform. Additionally, it is to be noted that the reliance on the IHC has reduced significantly over the historical period in line with the Group's strategy, as the Group signed direct contracts with service providers in Q4-22 through its Tameeni subsidiary.

This has resulted in the increased cost along with revenue (in the absence of intermediate party –IHC), during Q4FY22. Management indicated that an equal amount of revenue and cost of sales will be recorded as a result, and therefore expects no variance on the gross profit level from the reorganization.

Gross profit and gross profit margin

Gross profit increased from SAR 22.3 million in 2020G to SAR 60.9 million in 2021G, translating to an increase in gross profit margin from 51.3% in 2020G to 70.0% in 2021G mainly driven by the increase in revenue (+100.4%) on the back of Tameeni's Motor revenue by SAR 23.0 million and Treza Leasing's revenue by SAR 16.6 million, however cost of revenue increased by 23.4% due to the relatively fixed nature, resulting in the increase in gross profit margin.

Gross profit increased from 60.9 million in 2021G to SAR 101.9 million in 2022G, albeit gross profit margin decreased from 70.0% in 2021G to 62.7% in 2022G mainly due to the increase in revenue and cost by approximately the same amount pertaining to Elm as the Group signed direct contracts for its Tameeni line of business.

General and administrative expenses

General and administrative expenses comprised manpower cost and other employee benefits, professional and legal fees, IT license, subscriptions and maintenance, depreciation on property and equipment, depreciation of right of use, and others.

General and administrative expenses increased by 13.7% from SAR 18.7 million in 2020G to SAR 21.3 million in 2021G mainly due to the increase in manpower cost by SAR 1.1 million on the back of an increase in year-end headcount from 110 employees in 2020G to 121 employees in 2021G, write-off of SAR 739 thousand related to capitalized expenses for a discontinued project within intangible assets, IT licenses, subscriptions and maintenance cost by SAR 614 thousand through growing business requirements, and rental charges by SAR 605 thousand on the back of a new office premises in Dubai whereby the contract for the previous premises was yet to be non-renewed.

General and administrative expenses increased by 125.2% from SAR 21.3 million in 2021G to SAR 47.9 million in 2022G driven by the increase in year-end headcount from 121 employees in 2021G to 178 employees in 2022G. The increase in headcount was to support the growing business requirements and prepare for future growth anticipated by the Group. The increase in general and administrative expenses was also driven by the increase in professional and legal fees by SAR 7.1 million related mostly to consultation and advisor fees ahead of the Group's planned initial public offering.

Marketing expenses

Marketing expenses pertained to the cost incurred on promotional activities (i.e online/offline advertisement, sponsorship of events/teams, and other activities), coupons awarded to Tameeni Motor customers in order to upsell third party liability policies to comprehensive insurance policies, and sales incentives related to performance incentives awarded to the Group's sales team based on achieving sales targets.

Marketing expenses increased by 118.6% from SAR 3.0 million in 2020G to SAR 6.5 million in 2021G. This increase was mainly due to a ramp-up in marketing activities in line with the Group's strategy to focus on digital marketing channels, in addition to sponsorship of Saudi League and other visual marketing activities.

Marketing expenses increased by 86.9% from SAR 6.5 million in 2021G to SAR 12.2 million in 2022G, mainly driven by the increase in marketing expenses from SAR 6.5 million in 2021G to SAR 11.5 million in 2022G stemming from marketing spend to sponsor key events in the KSA such as Saudi League and different seminars, in addition to the increase in commission expenses from nil balance in 2021G to SAR 671 thousand in 2022G.

Finance charges

Finance charges comprise finance expense from the unwinding impact on interest-free loan from a related party, interest on lease liabilities, and bank charges.

Finance charges increased from SAR 83 thousand in 2020G to SAR 685 thousand in 2021G due to a finance expense from the unwinding impact on the related party loan related to IHC amounting to SAR 541 thousand in 2021G.

Finance charges increased to SAR 1.6 million in 2022G due to the increase in finance expense on the loan from SAR 541 thousand in 2021G to SAR 1.4 million in 2022G upon fully settling the outstanding loan payable amount against receivables from the same related party (IHC). Interest on lease liabilities also increased from SAR 76 thousand in 2021G to SAR 216 thousand in 2022G related to the increase in lease liabilities from two office units in the UAE.

Other income / (expenses)

Other income pertained to (reversal) / gain on the day one gain on fair valuation of the interest free loan and other income relating to government support amidst the COVID-19 pandemic, and income on time deposits.

According to IFRS 9, the fair valuation of the loan was defined in 2021G, and a day one gain was recorded due to subsequent reversal in 2021G. Nevertheless, in 2022G, the loan was settled against receivables from the same related party (IHC), and subsequently, the remaining balance was recognized as a reversal of the day one in the comprehensive income statement in the financial year ending 31 December 2022G.

Other income increased by 1010.9% from SAR 398 thousand in 2020G to SAR 4.4 million in 2021G due to the day one gain on fair valuation of the related party loan amounting to SAR 4.4 million in 2021G. This pertained to the present value calculation of converting a due to related party amount into an interest free loan to be paid over 60 monthly instalments. The gain on the loan was non-cash in nature.

Other income decreased by 155.5% from SAR 4.4 million in 2021G to an expense of SAR 2.5 million in 2022G driven by a reversal of the day one gain recorded in 2021G due to early settlement of the loan as the Group fully settled the outstanding loan balance against receivables from the same related party.

Zakat

Zakat expense increased by 385.8% from SAR 310 thousand in 2020G to SAR 1.5 million in 2021G, and by 119.5% to SAR 3.3 million in 2022G. The increase in Zakat expense over the period resulted from the Zakat expense calculation in 2020G which was computed based on adjusted net profit, whereas Zakat expense was computed in 2021G and 2022G on Zakat basis which included share capital after its increase to SAR 25.5 million in 2021G and 2022G.

Net profit for the year

Net profit for the year increased by 6068.4% from SAR 572 thousand in 2020G to SAR 35.3 million in 2021G in line with the increase in the Group's revenue and gross margin, resulting in an increase in net profit margin from 1.3% in 2020G to 40.6% in 2021G.

Net profit decreased by 2.5% from SAR 35.3 million in 2021G to SAR 34.4 million in 2022G due to the increase in cost of sales as a percentage of revenue by 132.6% coupled with an increase in general and administrative expenses by 125.2%, and marketing expenses by 86.9%.

Other comprehensive income / (loss)

Other comprehensive income / (loss) increased from a loss of SAR 12 thousand in 2020G to an income of SAR 17 thousand in 2021G, before decreasing to a loss of SAR 233 thousand in 2022G. Other comprehensive income / (loss) related to the currency translation reserve from the Group's operating activities in Egypt in particular.

a- Revenue by line of business

Table (6.5): Revenue from contracts with customers for the years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Tameeni Motor	40,368	63,314	99,686	56.8%	57.4%	57.1%
Tameeni Health	1,353	5,491	27,960	305.7%	409.2%	354.5%
Treza Leasing	321	16,957	32,789	5179.9%	93.4%	910.4%
Awal Mazad	1,326	1,137	2,056	(14.3%)	80.8%	24.5%
Total revenue	**43,369**	**86,899**	**162,491**	**100.4%**	**87.0%**	**93.6%**
Total cost of revenue	21,102	26,049	60,596	23.4%	132.6%	69.5%
Expenses	21,385	24,064	64,181	12.5%	166.7%	73.2%
Segmental profit before Zakat	**882**	**36,786**	**37,715**	**4070.9%**	**2.5%**	**553.9%**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Tameeni

Revenue is recorded upon the issuance of Motor and Health insurance policies on the Tameeni platform as a broker commission. The commission rates are capped by SAMA guidelines, whereby the Group does not have the full flexibility to adjust pricing. However, the Group provides add-on services to manage pricing levels. Although Tameeni line of business operates in a SAMA regulated environment, the Group did not possess a SAMA license historically and leveraged IHC's license to operate in its aggregator/broker capacity.

Tameeni revenue comprised revenue from Tameeni Motor (61.3% contribution in 2022G) and Tameeni Health (17.2% contribution in 2022G) lines of business, and collectively contributed 78.6% of total revenue in 2022G.

Tameeni - Motor

Tameeni Motor revenue increased by SAR 23.0 million between 2020G and 2021G due to the increase in number of Tameeni Motor policies sold from 1.9 million policies in 2020G to 2.3 million policies in 2021G, coupled with an increase in average revenue per Tameeni Motor policy sold from SAR 21.4 in 2020G to SAR 27.3 in 2021G. Tameeni Motor revenue increased by SAR 36.4 million in 2022G driven by the increase in number of Tameeni Motor policies sold from 2.3 million policies in 2021G to 2.7 million policies in 2022G coupled with an increase in average revenue per Tameeni Motor policy sold from SAR 27.3 in 2021G to SAR 36.7 in 2022G, as the proportion of comprehensive policies sold increased as compared to third party liability policies.

Tameeni - Health

Revenue from Tameeni Health increased by SAR 4.1 million between 2020G and 2021G driven by the increase in number of policies sold from 10 thousand in 2020G to 33 thousand in 2021G. Revenue from Tameeni Health increased by SAR 22.5 million in 2022G due to the increase in number of policies sold from 33 thousand in 2021G to 163 thousand in 2022G.

The increase in overall Tameeni revenue was driven by the ramp-up of the Tameeni Health business subsequent to its launch in 2020G, marketing activities focused on promoting brand awareness, internal initiatives including sales commission and upselling strategies for Tameeni Motor, and the high-quality of its service offering including customer support, amongst others.

Treza Leasing

Revenue is recorded upon the issuance of Motor insurance policies on the Treza Leasing platform as a broker commission. The commission rates are capped by SAMA guidelines, whereby the Group does not have the full flexibility to adjust pricing. Although the Treza Leasing line of business operates in a SAMA regulated environment, the Group can operate in its broker capacity leveraging IHC's license.

Revenue from Treza product represented 20.2% of total revenue in 2022G and pertains to the commission earned on gross written premium of policies issued, combined with other fees per policy issuance.

Revenue from Treza Leasing increased by 5179.9% from SAR 321 thousand in 2020G to SAR 17.0 million in 2020G primarily due to the increase in number of policies sold from 10 thousand in 2021G to 200 thousand in 2021G. In addition, average revenue per policy increased from SAR 31.1 in 2020G to SAR 84.9 in 2021G.

Revenue from Treza product increased by 93.4% from SAR 17.0 million in 2021G to SAR 32.8 million in 2022G driven by the increase in number of policies sold from 200 thousand in 2021G to 392 thousand in 2022G through continued ramp-up of the business, which was facilitated by the marketing activities.

Awal Mazad

Awal Mazad revenue accounted for 1.3% of total revenue in 2022G and pertained to the revenue earned from vehicles sold as part of the auction platform for salvage cars.

Awal Mazad revenue increased by a compound annual growth rate of 24.5% by decreasing from SAR 1.3 million in 2020G to SAR 1.1 million in 2021G, then increased to SAR 2.1 million in 2022G, mainly driven by the increase in number of vehicles sold from 659 in 2021G to 963 in 2022G, coupled with the increase in average revenue per vehicle from SAR 1.7 thousand in 2021G to SAR 2.1 thousand in 2022G. The increase in average revenue was driven by the increase in auction price of salvage vehicles.

rasan

b- Cost of Sales

Table (6.6): Cost of sales for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Data validation and other direct costs	9,377	13,880	41,424	48.0%	198.4%	110.2%
Amortization of intangible assets	3,593	4,657	6,699	29.6%	43.8%	36.6%
Bank charges	2,110	3,813	6,153	80.7%	61.4%	70.8%
Employees' salaries and other benefits	5,094	2,399	4,186	(52.9%)	74.5%	(9.4%)
Communication expenses	928	1,300	2,135	40.1%	64.2%	51.7%
Total cost of sales	**21,102**	**26,049**	**60,596**	**23.4%**	**132.6%**	**69.5%**
KPIs						
As a percentage of total revenue						
Data validation and other direct costs	21.6%	16.0%	25.5%	(5.6)	9.5	3.9
Amortization of intangible assets	8.3%	5.4%	4.1%	(2.9)	(1.2)	(4.2)
Bank charges	4.9%	4.4%	3. %	(0.5)	(0.6)	(1.1)
Employees' salaries and other benefits	11.7%	2.8%	2.6%	(9.0)	(0.2)	(9.2)
Communication expenses	2.1%	1.5%	1.3%	(0.6)	(0.2)	(0.8)
Total Cost of Sales	**48.7%**	**30.0%**	**37.3%**	**(18.7)**	**7.3**	**(11.4)**

Source: Management Information for the financial years ending 31 December 2020G, 2021G, and 2022G.

Data validation and other direct costs

Data validation and other direct costs pertain to the fees incurred by the Group from various service providers for operational purposes including Najm, Elm, a postal service provider, amongst others.

Data validation and other direct costs increased by 48.0% from SAR 9.4 million in 2020G to SAR 13.9 million in 2021G in line with the increase in Elm fees by SAR 8.1 million on the back of the increase in number of policies sold, which drove the increase in number of transactions during 2021G.

Data validation and other direct costs increased by 198.4% from SAR 13.9 million in 2021G to SAR 41.4 million in 2022G mainly driven by the increase in Elm fees by SAR 15.9 million on the back of an increase in number of policies sold, combined with the Group signing a contract directly with the service provider in late 2022G for Tameeni services, thereby recording the full cost (and revenue) rather being charged on a net basis by the related party (Insurance House Company).

Amortization

Amortization increased by 29.6% from SAR 3.6 million in 2020G to SAR 4.7 million in 2021G, and by 43.8% to SAR 6.7 million in 2022G. The increase in amortization over the period was driven by the additions to intangible assets to support the growing business operations.

Bank charges

Bank charges relate to bank fees incurred by the Group as part of its transactional cost mostly pertaining to bank transfers. We note, bank transfers are an ongoing component of the Group's operations as cash is received from customers upon purchase of insurance policies (in both Tameeni and Treza Leasing lines of business), which is subsequently transferred to the respective insurance companies.

Bank charges increased by 80.7% from SAR 2.1 million in 2020G to SAR 3.8 million in 2021G, and by 61.4% to SAR 6.2 million in 2022G. These increases were in line with the increase in number of bank transfers through the growth in business operations.

Employees' salaries and other benefits

Employees' salaries and other benefits pertain mostly to the employee cost from time spent pertaining to IT developers for the development/ enhancement of business projects.

Employees' salaries and other benefits decreased by 52.9% from SAR 5.1 million in 2020G to SAR 2.4 million in 2021G, as the Group shifted to capitalizing these employee costs in FY21.

Employees' salaries and other benefits increased by 74.5% from SAR 2.4 million in 2021G to SAR 4.2 million in 2022G, driven by the increase in capitalized development cost facilitated by the addition of new hires resulting in an increase in year-end developers from 35 developers as of 31 December 2021G to 59 developers as of 31 December 2022G.

Communication expenses

Communication expenses pertain to the costs incurred for SMS communication that is used for several purposes including promotional activities, reminders for upcoming policy renewal dates, sharing surveys to collect feedback, amongst others.

Communication expenses increased by 40.1% from SAR 928 thousand in 2020G to SAR 1.3 million in 2021G and further by 64.2% to SAR 2.1 million in 2022G. These increases were in line with the growing communication volume from the Group on the back of its growing customer base.

c- General and administrative expenses

Table (6.7): General and administrative expenses for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Manpower cost and other employee benefits	11,215	12,358	28,093	10.2%	127.3%	58.3%
Professional and legal fees	2,449	975	8,088	(60.2%)	729.9%	81.7%
IT Licenses, subscriptions, and maintenance	1,319	1,934	3,558	46.6%	84.0%	64.2%
Depreciation of property and equipment	641	865	1,402	35.0%	62.0%	47.9%
Employees' defined benefit liabilities	1,019	621	1,326	(39.0%)	113.4%	14.1%
Depreciation of right of use assets	392	535	1,311	36.5%	145.3%	83.0%
Utilities and communication	257	316	659	23.1%	108.1%	60.1%
Rental charges	202	807	299	299.3%	(63.0%)	21.6%
Withholding tax	241	191	47	(20.7%)	(75.6%)	(56.0%)
Write-off of intangible assets related to discontinued project	-	739	-	N/A	(100.0%)	N/A
Others	981	1,939	3,147	97.7%	62.3%	79.2%
Total general and administrative expenses	**18,714**	**21,279**	**47,928**	**13.7%**	**125.2%**	**60.0%**
KPIs						
As a percentage of total revenue						
Manpower cost and other employee benefits	25.9%	14.2%	17.3%	(11.6)	3.1	(8.6)
Professional and legal fees	5.6%	1.1%	5.0%	(4.5)	3.9	(0.7)

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
IT Licenses, subscriptions, and maintenance	3.0%	2.2%	2.2%	(0.8)	(0.0)	(0.9)
Depreciation of property and equipment	1.5%	1.0%	0.9%	(0.5)	(0.1)	(0.6)
Employees' defined benefit liabilities	2.3%	0.7%	0.8%	(1.6)	0.1	(1.5)
Depreciation of right of use assets	0.9%	0.6%	0.8%	(0.3)	0.2	(0.1)
Utilities and communication	0.6%	0.4%	0.4%	(0.2)	0.0	(0.2)
Rental charges	0.5%	0.9%	0.2%	0.5	(0.7)	(0.3)
Withholding tax	0.6%	0.2%	0.0%	(0.3)	(0.2)	(0.5)
Write-off of intangible assets related to discontinued project	0.0%	0.9%	0.0%	0.9	(0.9)	-
Others	2.3%	2.2%	1.9%	(0.0)	(0.3)	(0.3)
Total general and administrative expenses	**43.2%**	**24.5%**	**29.5%**	**(18.7)**	**5.0**	**(13.7)**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Manpower Cost and Other Employee Benefits

Manpower cost and other employee benefits relate to the compensation of the Group's staff including basic salaries, allowances, bonus, amongst others.

Manpower cost and other employee benefits increased by 10.2% from SAR 11.2 million in 2020G to SAR 12.4 million in 2021G driven by the increase in year-end headcount from 110 in 2020G to 121 in 2021G. The increase in headcount was to support the growing business requirements, including forming new departments. In addition, average monthly salary per employee increased by 0.65% through recruiting new employees at a higher cost in light of their technical skills.

Manpower cost and other employee benefits increased by 127.3% from SAR 12.4 million in 2021G to SAR 28.1 million in 2022G driven by the increase in year-end headcount from 121 employees in 2021G to 178 employees in 2022G, in addition to the increase in bonuses and rewards by SAR 6.7 million, in line with the improved performance of the Group. A portion of the bonus expense amounted to SAR 845 thousand recorded in 2022G related to the 2021G period.

Professional & Legal Fees

Professional & legal fees pertain to various consultation and professional expenses incurred by the Group including fees related to the potential initial public offering, audit expenses, and other consultancy service expenses.

Professional & legal fees decreased by 60.2% from SAR 2.4 million in 2020G to SAR 975 thousand in 2021G due to legal costs incurred by the Group on the incorporation of Egypt entity in 2020G and other legal consultations for the business in 2021G.

Professional & legal fees increased by 729.9% from SAR 975 thousand in 2021G to SAR 8.1 million in 2022G mainly as a result of the increase in professional fees by SAR6.1 million primarily stemming from an accrual for expenses related to the potential IPO and the Group's corporate reorganization initiatives, amongst others.

IT Licenses, Subscriptions & Maintenance Cost

IT licenses, subscriptions & maintenance cost increased by 46.6% from SAR 1.3 million in 2020G to SAR 1.9 million in 2021G, and by 84.0% to SAR 3.6 million in 2022G. The increases over the period were in line with the growing business requirements through the increase in operations.

Depreciation of property and equipment

Depreciation of property and equipment pertains to the depreciation of the various assets as part of the Group's property and equipment.

Depreciation of property and equipment increased by 35.0% from SAR 641 thousand in 2020G to SAR 865 thousand in 2021G, and by 62.0% to SAR 1.4 million in 2022G. The increase over the period was mainly driven by the additions to property and equipment to support the growing business requirements.

Employees' defined benefit liabilities

Employees' defined benefit liabilities pertain to the gratuity expense of the Group's employees, which was calculated in accordance with IAS 19 as per IFRS.

Employees' defined benefit liabilities expense decreased by 39.0% from SAR 1.0 million in 2020G to SAR 621 thousand in 2021G due to the decrease in the current service cost recorded based on the actuarial report prepared by a third party, despite the increase in headcount.

Employees' defined benefit liabilities expense increased by 113.4% to SAR 1.3 million in 2022G on the back of an increase in year-end headcount from 121 employees in 2021G to 178 employees in 2022G.

Depreciation of right of use assets

Depreciation of right of use assets pertains to the depreciation of the Group's long-term leases for its office premises across the KSA, UAE and Egypt that were capitalized in accordance with IFRS 16.

Depreciation of right of use assets increased by 36.5% from SAR 392 thousand in 2020G to SAR 535 thousand in 2021G, and by 145.3% to SAR 1.3 million in 2022G. The increases were driven by additions to right of use assets pertaining to new leases for office premises.

Utilities & communication

Utilities & communication related to the Group's fixed costs of operating its premises and business operations.

Utilities and communication expense increased by 23.1% from SAR 257 thousand in 2020G to SAR 316 thousand in 2021G, and by 108.1% to SAR 659 thousand in 2022G. These increases were in line with the growing business operations of the Group, including an increase in headcount.

Rental charges

Rental charges pertained to the rented office premises that were not capitalized under IFRS 16 by the Group, which included the Group's offices in the UAE.

Rental charges increased by 299.3% from SAR 202 thousand in 2020G to SAR 807 thousand in 2021G due to shifting to a new office in the UAE.

Rental charges decreased by 63.0% from SAR 807 thousand in 2021G to SAR 299 thousand in 2022G as a result of non-renewal of the rental agreement pertaining to the old office in the UAE.

Withholding tax expenses

Withholding tax expenses pertained to applicable taxes on the Group's cross-border transactions.

Withholding tax expenses decreased by 20.7% from SAR 241 thousand in 2020G to SAR 191 thousand in 2021G and by 75.6% to SAR 47 thousand in 2022G.

Write-off of intangible asset related to discontinued project

Write-off of intangible asset related to a write-off of capitalized staff cost expenses pertaining to a discontinued project, namely the Jomlah project. The write-off amounted to SAR 739 thousand in 2021G.

rasan

Other expenses

Other expenses pertained mainly to loss recorded on disposals, exchange gains and losses, and other miscellaneous expenses.

Other expenses increased by 97.7% from SAR 981 thousand in 2020G to SAR 1.9 million in 2021G due to the normal business operations, and by 62.3% to SAR 3.1 million in 2022G. These increases were mainly a result of the growing business operations including additional miscellaneous costs for the new office premises in 2021G and 2022G.

d- Finance cost

Table (6.8): Finance cost, for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Finance expense on loan from a related party (unwinding impact)	-	541	1,351	N/A	150.0%	N/A
Interest on lease liabilities	59	76	216	27.4%	186.0%	90.9%
Bank charges	24	69	28	185.4%	(59.7%)	7.2%
Total finance cost	**83**	**685**	**1,595**	**721.0%**	**133.0%**	**337.3%**
As a percentage of total revenue						
Finance expense on loan from a related party	0.0%	0.6%	0.8%	0.6	0.2	0.8
Interest on lease liabilities	0.1%	0.1%	0.1%	(0.0)	0.0	(0.0)
Bank charges	0.1%	0.1%	0.0%	0.0	(0.1)	(0.0)
Total finance cost as a percentage of total revenue	**0.2%**	**0.8%**	**1.0%**	**0.6**	**0.2**	**0.8**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Finance expense on loan from a related party (unwinding impact)

Finance expense on loan from a related party pertained to the unwinding impact of the day-one gain recorded upon converting the amount due to Insurance House Company to an interest-free loan payable over 60 monthly instalments starting 2021G.

Finance expense on loan from a related party increased from nil in 2020G to SAR 541 thousand in 2021G upon the conversion of the due to related party balance into an interest-free loan payable in 2021G. The finance expense represents the unwinding impact of the day-one gain recorded, representing the fair value gain upon calculating the present value of the interest-free loan.

Finance expense on loan from a related party increased by 150.0% from SAR 541 thousand to SAR 1.4 million in 2022G on the back of the early settlement of the loan whereby the outstanding loan payable amount was fully settled against receivables from the same related party.

Interest on lease liabilities

Interest on lease liabilities increased by 27.4 % from SAR 59 thousand in 2020G to SAR 76 thousand in 2021G and by 186.0% to SAR 216 thousand in 2022G. The increase was in line with the increase in lease liabilities mainly as a result of recording additions pertaining to two office units in the UAE.

Bank charges

Bank charges fluctuated throughout the historical period increasing by 185.4% from SAR 24 thousand in 2020G to SAR 69 thousand in 2021G, before decreasing by 59.7% to SAR 28 thousand in 2022G. Bank charges related to the allocation of transaction costs to general and administrative expenses.

e- Other income / (expenses)

Table (6.9): Other income / (expenses), for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
(Reversal) / Day one gain on fair valuation of loan	-	4,425	(2,533)	N/A	(157.2%)	N/A
Other income	398	2	74	(99.5%)	3943.2%	(56.9%)
Total other income	**398**	**4,427**	**(2,459)**	**1010.9%**	**(155.5%)**	**N/A**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

(Reversal) / Day one gain on fair valuation of loan

Day one gain on fair valuation of loan pertained to the fair value gain from calculating the present value of the loan payable to Insurance House Company.

Day one gain on fair valuation of loan increased from nil in 2020G to SAR 4.4 million in 2021G upon converting the related party balance to a loan payable in 2021G. The income related to the fair value gain from calculating the present value of the interest free loan payable to Insurance House Company. The gain recorded was non-cash in nature.

According to IFRS 9, the fair valuation of the loan was defined in 2021G, and day one gain on fair valuation was recorded in 2021G. Nevertheless, in 2022G, the loan payable was fully settled against receivables from the same related party - (IHC). Subsequently, the remaining balance was recognized as a reversal of day one gain in the comprehensive income statement in the financial year ending 31 December 2022G.

Reversal of the day one gain on fair valuation of loan amounted to SAR 2.5 million in 2022G driven by the early settlement of the loan, as the Group fully settled the outstanding loan payable amount against receivables from the same related party in 2022G.

Other income

Other income mainly pertained to other miscellaneous income recorded by the Group.

Other income decreased by 99.5% from SAR 398 thousand in 2020G to SAR 2 thousand in 2021G as a result of government support received in 2020G amidst the COVID-19 pandemic.

Other income increased to SAR 74 thousand in 2022G related to interest from time deposits which did not exist in 2021G.

f- Segment information

Table (6.10): Segment information for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Tameeni Motor	40,368	63,314	99,686	56.8%	57.4%	57.1%
Tameeni Health	1,353	5,491	27,960	305.7%	409.2%	354.5%
Treza Leasing	321	16,957	32,789	5179.9%	93.4%	910.4%
Awal Mazad	1,326	1,137	2,056	(14.3%)	80.8%	24.5%
Total revenue	**43,369**	**86,899**	**162,491**	**100.4%**	**87.0%**	**93.6%**
Total cost of revenue	**(21,102)**	**(26,049)**	**(60,596)**	**23.4%**	**132.6%**	**69.5%**
Gross profit	**22,267**	**60,850**	**101,895**	**173.3%**	**67.5%**	**113.9%**
Gross profit margin	**51.3%**	**70.0%**	**62.7%**	**18.7**	**(7.3)**	**11.4**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.revenue

The Group is organized into the following primary operating segments:

Tameeni Motor

Tameeni Motor revenue increased by 56.8% from SAR 40.4 million in 2020G to SAR 63.3 million in 2021G as a result of the growth in Tameeni Motor operations translating to an increase in number of Tameeni Motor policies sold from 1.9 million policies in 2020G to 2.3 million policies in 2021G.

Tameeni Motor revenue further increased by 57.4% to SAR 99.7 million in 2022G mainly driven by the continuous growth in Tameeni Motor operations resulting from an increase in number of Tameeni Motor policies sold from 2.3 million policies in 2021G to 2.7 million policies in 2022G. The growth in number of policies sold was facilitated by the Group's marketing activities, internal initiatives including sales commission and upselling third party liability policies to comprehensive policies, and quality of its service offering and customer support. Average revenue per motor policy increased from SAR 27.4 to SAR 36.7 throughout the historical period, the increase was driven by upselling from TPL to comprehensive coverage. The average commission on comprehensive policy was SAR354 as compared with SAR22 for TPL policy, during 2022G.

Tameeni Health

Tameeni Health revenue increased by 305.7% from SAR 1.4 million in 2020G to SAR 5.5 million in 2021G through the ramp-up of business activities following the launch of the business line in 2020G, stemming from an increase in number of health policies sold from 10 thousand in 2020G to 33 thousand in 2021G.

Tameeni Health revenue increased by 409.2% from SAR 5.5 million in 2021G to SAR 28.0 million in 2022G. The increase in Tameeni Health revenue was a result of the continued ramp-up of the line of business translating to an increase in number of health policies sold from 33 thousand in 2021G to 163 thousand in 2022G.

The increase in Tameeni Health revenue was also a result of the increased focus on growing the business given the size of the SME health insurance industry in KSA combined with the relatively higher commission rate as compared to motor policies.

Treza Leasing

The Group leverages Insurance House Company's e-broker license to conduct a portion of its Treza Leasing operations, including its ability to contract with insurance companies and ancillary third-party service providers.

The Group's contract with Insurance House Company for its Treza Leasing line of business was governed through a profit-sharing agreement in which 55% of commission is allocated to Insurance House Company and the remaining 45% to the Group.

Treza Leasing revenue increased by 5179.9% from SAR 321 thousand in 2020G to SAR 17.0 million in 2021G through the ramp-up of business activities following the launch of the business line in 2020G, translating to an increase in number of policies sold from 10 thousand in 2020G to 200 thousand in 2021G.

Treza Leasing revenue increased by 93.4% from SAR 17.0 million in 2021G to SAR 32.8 million in 2022G. The increase in Treza Leasing revenue was a result of the continued ramp-up of the line of business, translating to an increase in the number of policies sold from 200 thousand in 2021G to 392 thousand in 2022G.

Awal Mazad

Awal Mazad revenue increased at a CAGR of 24.5%, whereby revenue decreased from SAR 1.3 million in 2020G to SAR 1.1 million in 2021G, before increasing to SAR2.1 million in 2022G. The increase in revenue was driven by the increase in average price per vehicle sold from SAR 1.7 thousand in 2021G to SAR 2.1 thousand in 2022G. The increase in average price is driven by customer bids for salvage vehicles.

Total cost of revenue

Cost of revenue increased over the historical period from SAR 21.1 million in 2020G to SAR 26.0 million in 2021G, and further to SAR 60.6 million in 2022G, mainly as a result of the increase in Elm costs. Elm is an ancillary service provider to which the Group pays a base fee of SAR 30 per transaction (on each policy or vehicle sold), in addition to other transaction fees albeit to a lesser extent. Rasan signed a contract directly with Elm in Q4 2022G, before which the contract was signed with IHC, and income/costs were charged from IHC to Rasan on a net basis.

Gross profit

Gross profit increased over the historical period from SAR 22.3 million in 2020G to SAR 60.9 million in 2021G, and further to SAR 101.9 million in 2022G, in line with the increase in revenue by a CAGR of 93.6% between 2020G-2022G. The increase in revenue resulted in an improved absorption of the fixed portion of the cost of sales. This growth was achieved mainly due to the increase in volume through ramp-up of the business lines.

6.8.2 Statement of financial position

Table (6.11): Statement of financial position as of 31 December 2020G, 2021G, and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Assets			
Current Assets			
Bank balances and cash	2,414	35,278	77,397
Trade receivables, prepayments, and other assets	5,228	13,465	15,054
Amount due from a related party	-	9,675	-
Total current assets	**7,641**	**58,418**	**92,452**
Non-Current Assets			
Property and equipment	2,343	4,628	8,522
Intangible assets	13,560	19,361	28,924
Right-of-use assets	604	4,095	3,776
Total Non-Current assets	**16,507**	**28,083**	**41,222**
Total assets	**24,149**	**86,501**	**133,674**
Liabilities and partners' equity (deficit)			
Current liabilities			
Trade and other payables	6,246	15,454	41,535
Amounts due to related parties	32,174	-	7,205
Lease liability	284	1,733	1,033
Loan payable to related party - current	-	3,241	-
Zakat payable	310	1,492	3,323
Total current liabilities	**39,014**	**21,920**	**53,096**
Non-current liabilities			
Employee' defined benefits liabilities	2,407	2,703	3,832
Loan payable to related party - noncurrent	-	19,253	-
Lease liability	230	2,330	2,275
Total non-current liabilities	**2,637**	**24,286**	**6,108**
Total liabilities	**41,651**	**46,206**	**59,203**

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Partners' Equity (deficit)			
Capital	3,000	25,500	25,500
Statutory reserve	916	5,448	7,680
Retained earnings (Accumulated losses)	(21,404)	9,343	41,521
Currency translation reserve	(14)	3	(230)
Total partners' equity (deficit)	**(17,503)**	**40,294**	**74,471**
Total liabilities and partners' equity	**24,149**	**86,501**	**133,674**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G and management information

Table (6.12): Statement of financial position key performance indicators as of 31 December 2020G, 2021G, and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
KPIs			
DSO (based on trade receivables)	14	28	20
DPO (based on trade payables)	15	53	58
Cash Conversion Cycle	**(1)**	**(25)**	**(37)**
ROAE	(3.3%)	309.6%	60.0%
ROAA	2.6%	63.8%	31.3%

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G and management information

a- Current assets

Table (6.13): Current assets as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Bank balances and cash	2,414	35,278	77,397
Trade receivables, prepayments, and other current assets	5,228	13,465	15,054
Amount due from a related party	-	9,675	-
Total current assets	**7,641**	**58,418**	**92,452**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G

Current assets

Current assets increased from SAR 7.6 million as of 31 December 2020G to SAR 58.4 million mainly due to the increase in banks balances and cash by SAR 32.9 million in line with the growth in operating activities that are predominantly conducted on a cash basis and translated to an increase in net profit. In addition, this increase in current assets was mainly due to the increase in amount due from a related party by SAR 9.7 million as of 31 December 2021G.

Current assets increased from SAR 58.4 million as of 31 December 2021G to SAR 92.5 million as of 31 December 2022G on the back of an increase in bank balances and cash by SAR 42.1 million, trade receivables, prepayments, and other assets by SAR 1.6 million as of 31 December 2022G.

rasan

Banks balances and cash

Table (6.14): Bank balances and cash as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Bank balances	2,354	35,247	77,368
Cash in hand	60	31	30
Total	**2,414**	**35,278**	**77,397**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G

Bank balances and cash increased from SAR 2.4 million as of 31 December 2020G to SAR 35.3 million as of 31 December 2021G, mostly due to the net cash inflow from operating activities amounting to SAR 20.8 million in 2021G, and the capital increase by SAR 22.5 million. The increase in bank balances and cash was partially offset by capital expenditures amounting to SAR 14.3 million in 2021G to support the growing operations of the Group, of which SAR 11.2 million related to intangible assets.

Bank balances and cash increased to SAR 77.4 million as of 31 December 2022G mostly due to the net cash inflow from operating activities amounting to SAR 65.9 million in 2022G. This was partially offset by capital expenditures amounting to SAR 21.6 million in 2022G in light of the growth initiatives of the Group including new products and service offerings, of which SAR 16.3 million related to intangible assets.

Bank balances increased from SAR 2.4 million as of 31 December 2020G to SAR 35.2 million as of 31 December 2021G and further to SAR 77.4 million. The increase was in line with the growth in ending cash balances, and included placements in time deposits that were within 3 months of maturity.

Cash in hand decreased from SAR 60 thousand as of 31 December 2020G to SAR 31 thousand as of 31 December 2021G and further to SAR 30 thousand as of 31 December 2022G. Cash in hand was largely treated as petty cash in nature.

Trade receivables, prepayments, and other assets

Table (6.15): Trade receivables, prepayments, and other assets as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Trade receivables	3,393	10,280	8,005
Less: provision for expected credit losses	(1)	(2)	(9)
Net trade receivables	**3,392**	**10,278**	**7,996**
Prepayments	880	2,867	5,402
Advances to suppliers	365	170	942
Security deposits	84	120	270
Contract assets	418	-	-
Others	89	29	444
Total	**5,228**	**13,465**	**15,054**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.16): Movement in the provision for expected credit losses as of 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	-	1	2
Provided during the year	1	1	7
At the end of the year	**1**	**2**	**9**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Trade receivables, prepayments and other assets

Trade receivables, prepayments and other assets increased from SAR 5.2 million as of 31 December 2020G to SAR 13.5 million as of 31 December 2021G on the back of an increase in net trade receivables by SAR 6.9 million primarily related to the Group's direct Treza Leasing activities that transacts with a local bank.

Trade receivables, prepayments and other assets increased to SAR 15.1 million as of 31 December 2022G due to the increase in prepayments by SAR 2.5 million and in advances to suppliers by SAR 773 thousand. These increases were in line with the growing business operations.

Trade receivables

The trade receivables majorly related to receivables from the 2 banks as part of Treza Leasing direct business.

Trade receivables amounted to SAR 3.4 million as of 31 December 2020G, of which SAR 3.3 million related to receivable from a payment gateway service provider. The Group did not renew the following year and shifted to a new gateway service provider.

Trade receivables increased to SAR 10.3 million as of 31 December 2021G due to growth in the direct Treza Leasing business by acquiring 2 prominent local banks (direct customers) in 2021G, with corresponding receivable balances of SAR 7.2 million and SAR 1.2 million, respectively.

The outstanding receivable balance from the gateway service provider as of 31 December 2020G was fully settled as of 31 December 2021G. The Group contracted with a new gateway service provider in 2021G, which recorded a corresponding receivable balance of SAR 1.7 million as of 31 December 2021G.

Trade receivables decreased to SAR 8.0 million as of 31 December 2022G on the back of a decline in receivable from its banking customer (-SAR 4.9 million) and gateway service provider (-SAR 1.1 million) through net collections. This decline was partially offset by the increase in receivable from the other banking customer by SAR 3.8 million, and other counter parties by SAR 108 thousand collectively as of 31 December 2022G.

The Group recorded an impairment for expected credit losses as per IFRS 9, which remained minimal throughout the period amounting to SAR 1 thousand as of 31 December 2020G, SAR 2 thousand as of 31 December 2021G and SAR 9 thousand as of 31 December 2022G.

Prepayments

Prepayments mainly pertained to prepaid marketing, internet, office rent, IT license and other prepaid operating expenses.

Prepayments increased from SAR 880 thousand as of 31 December 2020G to SAR 2.9 million as of 31 December 2021G driven by the increase in the increase in other prepayments by SAR 1.7 million and in prepaid medical insurance for the Group's employees by SAR 278 thousand in line with the increase in year-end headcount. Prepaid office rent increased by SAR 158 thousand through renting additional office premises to support the growing business requirements.

As of 31 December 2022G, prepayments increased to SAR 5.4 million as a result of prepaid marketing expense amounting to SAR 2.5 million as of 31 December 2022G mostly in relation to Saudi League sponsorship for football clubs.

Advances to suppliers

Advances to suppliers amounted to SAR 365 thousand as of 31 December 2020G and related to IT projects advances, which were received in 2020G and thereby contributed to the decline in supplier advances to SAR 170 thousand as of 31 December 2021G.

Advances to suppliers increased to SAR 772 thousand of 31 December 2022G, mainly due to additional advances in line with the growth in business requirements.

Security deposits

Security deposits related to rental properties and labour guarantees. Security deposits increased from SAR 84 thousand as of 31 December 2020G to SAR 120 thousand as of 2021G and further to SAR 270 thousand as of 31 December 2022G driven by additional security deposits pertaining to the new leased offices in KSA and UAE to support growing business requirements.

Contract asset

Related to revenue that is not due and which amounted to SAR 418 thousand as of 31 December 2020G, and nil thereafter.

rasan

Others

Others amounted to SAR 89 thousand as of 31 December 2020G including deferred cost for the Group's lease with its related party, Insurance House Company, amounting to SAR 53 thousand. Others amounted to SAR 29 thousand as of 31 December 2021G and SAR 444 thousand as of 31 December 2022G, pertaining to staff loans and advances.

Provision for expected credit losses

The provision was calculated as per the expected credit loss model in accordance with IFRS 9 and increased from SAR 1 thousand as of 31 December 2020G to SAR 2 thousand as of 31 December 2021G, and SAR 9 thousand as of 31 December 2022G.

Table (6.17): Ageing of trade receivables as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	Total	Current	1 to 30 days	31 to 60 days	61-90 days	Greater than 90 days
31 December 2020	3,393	3,385	8	-	-	-
31 December 2021	10,280	3,284	835	46	6,114	-
31 December 2022	8,005	2,685	786	-	2,192	2,342

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

As of 31 December 2022G, 33.5% of total gross trade receivables were current in nature and not due, with a majority of the balances due from the Group's direct Treza Leasing customers (2 local banks).

As of 31 December 2022G, the Group recorded gross receivables of SAR 2.2 million aged between 61-90 days and SAR 2.3 million outstanding for over 90 days. Although the aging profile of the Group declined over the period, this was mostly a result of the growth in operations, particularly stemming from direct Treza Leasing business (which is conducted on a credit basis given the banking nature of customers).

Management expects to collect the full trade receivable balance as no collectability issues were present throughout the historical period. We note, the Group's business is predominantly cash in nature, therefore resulting in a low DSO throughout the historical period. The Group's operations do not include obtaining collateral over receivables and therefore a majority of receivables were unsecured in nature.

Amounts due from a related party

Table (6.18): Amounts due from a related party as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Insurance House Company	-	9,675	-
Total	**-**	**9,675**	**-**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

The Group's transactions with its related party, Insurance House Company, were mainly based on leveraging the related party's broker license to transact on the Group's behalf. The Group obtained an approval from SAMA in Q2 FY23 for obtaining an independent broker license (for Tameeni services) to operate independently.

Insurance House Company is a limited liability company registered as an insurance broker that is licensed to conduct insurance brokerage activities. As part of its agreement with the Group, the related party acts as the licensee (the Group being the licensor) pertaining to the intellectual property and technical services license grant.

The Group charges the licensee a monthly license fee in exchange for management and operational support services on the platform provided by the Group, related to utilizing the Group's software services.

Amount due from a related party amounted to SAR 9.7 million as of 31 December 2021G and pertained entirely to Insurance House Company. Related party balances are presented as net at year-end, therefore recorded as either a net amount due from or due to related parties. Accordingly, amount due from related parties amounted to nil as of 31 December 2020G and 2022G given the net related party balance was payable in nature.

Amount due from a related party pertained to pending settlement of commercial invoices (revenue) stemming from the Tameeni and Treza Leasing lines of business. The balance was settled, during 2022G.

b- Non-current assets

Table (6.19): Non-current assets as of 31 December 2020G, and 2021G, and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Property and equipment	2,343	4,628	8,522
Intangible assets	13,560	19,361	28,924
Rights of use assets	604	4,095	3,776
Total non-current assets	**16,507**	**28,083**	**41,222**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Non-current assets

Non-current assets increased from SAR 16.5 million as of 31 December 2020G to SAR 28.1 million as of 31 December 2021G mainly due to the additions to intangible assets and right of use assets over the period.

Non-current assets increased to SAR 41.2 million as of 31 December 2022G mainly due to capital expenditures over the period in both intangible assets and property and equipment.

Property and equipment

Table (6.20): Net book value of property and equipment as of 31 December 2020G, and 2021G, and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Servers and network	1,542	1,278	3,788
Furniture and fixture	213	464	2,578
Computers	508	661	1,239
Equipment	80	81	300
Vehicles	-	134	103
Work in progress	-	2,010	514
Total	**2,343**	**4,628**	**8,522**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.21): Estimated useful lives of the main asset categories as of 31 December 2022G.

Asset categories	Estimated useful lives
Servers and network	5 years
Furniture and fixture	6 years
Computers	4 years
Equipment	5 years
Vehicles	5 years
Work in progress	-

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.22): Additions to property and equipment for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Servers and network	1,241	245	3,083
Furniture and fixtures	5	329	505
Computers	220	380	919

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Equipment	12	32	276
Vehicles	-	154	-
Work in progress	-	2,010	514
Total	**1,478**	**3,151**	**5,296**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.23): Depreciation expense for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Servers and network	373	510	572
Furniture and fixtures	62	76	401
Computers	180	228	340
Equipment	25	31	57
Vehicles	-	21	31
Total	**641**	**865**	**1,402**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Property and equipment mainly comprised servers and network, furniture and fixture, computers, equipment, vehicles, and work in progress. Capital expenditure on property and equipment over the period 2020G and 2022G was mostly expansionary in nature in light of the growing business requirements and in preparation for future growth anticipated by the Group.

Property and equipment increased from SAR 2.3 million as of 31 December 2020G to SAR 4.6 million as of 31 December 2021G due to additions of SAR 3.2 million in 2021G (of which SAR 2.0 million were under work in progress, and mostly related to office improvements and fit outs). This was partially offset by depreciation charges for the year amounting to SAR 865 thousand in 2021G.

Property and equipment increased to SAR 8.5 million as of 31 December 2022G due to additions of SAR 5.3 million mainly related to servers and network (SAR 3.1 million), computers (SAR 0.9 million), and furniture and fixture (SAR 0.5 million) as of 31 December 2022G. These capital expenditures were on the back of growing business requirements and shifting to new office premises as part of the Group's growth strategy. The capital expenditures in 2022G were facilitated by the net transfer of SAR 2.0 million from work in progress upon the Group completing its shift to new office premises. The increase in property and equipment to SAR 8.5 million as of 31 December 2022G was partially offset by depreciation charges for the year amounting to SAR 1.4 million.

Management indicated that capex in property and equipment were due to the Group's expansion in light of its ramp-up / growth phase, including expansion of office space in the UAE and KSA.

Intangible assets

Table (6.24): Net Book Value of Intangible assets as of 31 December 2020G, 2021G, and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Tameeni	8,927	10,601	14,071
Awal Mazad	1,903	2,435	2,625
Treza IHC Lease	504	1,579	1,916
Treza Direct Lease	558	1,622	1,794
IT License & Software	-	-	328
Jomlah	523	-	-
Work in progress	1,145	3,125	8,190
Total	**13,560**	**19,361**	**28,924**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.25): Additions and transfers to intangible assets for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Tameeni	-	5,287	8,519
Awal Mazad	1,212	1,116	974
Treza IHC Lease	519	1,299	762
Treza Direct Lease	575	1,299	600
IT License & Software	-	-	342
Jomlah	523	216	-
Work in progress	1,145	1,980	5,065
Total	**3,974**	**11,198**	**16,262**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.26): Amortization expenses on intangible assets for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Tameeni	3,188	3,613	5,048
Awal Mazad	372	584	784
Treza IHC Lease	16	224	424
Treza Direct Lease	17	235	428
IT License & Software	-	-	14
Jomlah	-	-	-
Work in progress	-	-	-
Total	**3,593**	**4,657**	**6,699**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Table (6.27): Additions to work in progress for the financial years ending 31 December 2020G, 2021G, and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Warshati	1,145	1,214	1,212
Auto loan	-	531	2,348
Medical Malpractice	-	-	900
R Solutions	-	-	271
Travel Insurance Tech	-	-	267
Marine	-	235	-
General Insurance	-	-	35
Claims			32
Total	**1,145**	**1,980**	**5,065**

Source: Management information

The Group's intangible assets were related mainly to software development of its product offerings, including developing new products and services. Software development and maintenance was performed by in-house software developers team, mostly based in Egypt. An in-house software development team provides the Group with a competitive advantage to support its operations in the KSA market. The growing business activities required capital expenditure in existing software, operating infrastructure, and continued investment to grow products and services offered. As of 31 December 2022G, the Group had a committed capex balance of SAR 4.6 million pertaining to future IT projects that are in the pipeline including the launch of new products / services.

Following is the description of the Group's operating intangible assets:

- **Tameeni Motor** is the online motor insurance aggregator operating in the KSA, mainly targeting individual customers. Tameeni Motor has made it easier and quicker for customers to compare quotations from participating insurance companies and to buy motor insurance anytime and anywhere. Tameeni was integrated with more than 20 insurance companies.
- **Tameeni Health for SME** is also the online health insurance aggregator in the KSA, supported by Monsha'at. Tameeni Health platform provides SMEs with a wider choice and automated experience making it easier to buy health insurance coverage for employees from participating insurance companies. The Tameeni Health platform also provides the ability to easily add or cancel members, or to cancel a policy. The platform offers immediate and systematic upload to Cooperative Health Insurance Council.
- **Awal Mazad** is the online auto auction platform connecting banks and insurance companies with buyers. Empowered with experienced team and innovative technology, it provides one stop solution for individuals and car traders to buy vehicles from multiple sources such as banks and insurance companies.
- **Treza Leasing** is an online leasing insurance platform, that allows lessors to insure their leased vehicles by providing instant quotes from participating insurance companies. Treza Leasing aims to help banks and financial institutions in KSA to receive quotations and issue policies in a seamless process. Currently, Treza is assisting more than 16 Banks/ financial institutions in KSA with receiving price quotations and issuing policies readily. Treza Leasing provides every lessor with their own customized platform to fulfil their business needs. The seamless connection that Treza Leasing provides with the participating insurance companies eliminates any delay or hassle created through traditional means for purchasing leasing insurance. Treza Leasing also offers automatic renewal of the issued policies as per the defined tenure.

The Group intends to launch new service / product offerings in the near future, for which associated development costs are being capitalized under work in progress. Work in progress increased over the historical period from SAR 1.1 million as of 31 December 2020G to SAR 3.1 million as of 31 December 2021G, and further to SAR 8.2 million as of 31 December 2022G. These increases were due to ongoing developments in software for upcoming projects and initiatives in line with the growth phase of the Group.

A description of the Group's key projects under work in progress that were also in a more advanced development stage are presented below:

- **Warshati** is a concept where customers will be able to generate multiple repair quotations from various registered workshops online. Customers will be able to compare and choose their preferred option through the platform.
- **Medical Malpractice** insurance is required for all health practitioners in the KSA, and evidence is required when registering with the Ministry of Health. The product is currently purchased in the KSA by a health service provider on behalf of all practitioners employed by them; or on an individual basis by the practitioners themselves.
- **Auto Loan** is a new online solution, which enables customers, showroom sales agents, and bank sales agents to submit auto leasing requests and receive the final approval for loan disbursal digitally. The service intends to reduce the allocated time and resources and provide a full-fledged system that can integrate with the existing systems to submit requests and receive loan approvals. Also, customers will be able to buy cars online without physical presence.

Intangible assets mainly pertain to the capitalized cost of software to support the Group's business operations (i.e., Tameeni portal, Awal Mazad and Treza Leasing), in addition to licenses and other developments.

Costs that were capitalized in intangible assets were comprised of employees' cost as per the time spent by the software developers on each project / initiative except the costs which were incurred as of 31 December 2022G in connection with IT licenses and software. Salaries and employee related capitalized expenses represented 100%, 100% and 97.9% of the total additions and transfers to intangible assets as of 31 December 2020G, 2021G and 2022G, respectively. The group has continued to capitalize intangible assets and record continuous additions to this item due to the continuous development of the Group's products and the addition of features on its platforms with the aim of continuously improving the customer experience in terms of using the platforms and thus attracting more customers and launching a new payment gateway, in addition to linking its platforms with new insurance companies after activating new partnerships with insurance companies. The increase in additions to the group's platforms came due to the nature of these digital products, as they require continuous and increasing investments, sometimes reaching investments larger than the initial investment, to keep pace with the continuous and rapid changes in the insurance technology sector and the insurance sector as a whole, in addition to changes in the regulations and legislation of the financial technology sector. It is worth noting that salaries which are capitalized as intangible assets pertain to employees (developers) in connection with their respective product.

Amortization is mainly related to intangible assets that were used in the Group's operations, whereas several other intangible assets related to projects / initiatives that were still work in progress, and hence amortization of those projects was yet to commence.

Intangible assets increased from SAR 13.6 million as of 31 December 2020G to SAR 19.4 million as of 31 December 2021G majorly driven by net capital expenditure of SAR 11.2 million in 2021G, mostly related to Tameeni (SAR 5.3 million), Treza Leasing (SAR 2.6 million), and work in progress (SAR 2.0 million, of which Warshati comprised SAR 1.2 million).

The increase in intangible assets as of 31 December 2021G was partially offset by a write-off amounting to SAR 739 thousand pertaining to a discontinued product, namely Jomlah. The Group also incurred an amortization charge of SAR 4.7 million in light of the growing intangible asset base.

Intangible assets increased to SAR 28.9 million as of 31 December 2022G mainly driven by the additions of SAR 16.3 million. The additions mainly related to Tameeni (SAR 8.5 million), and WIP (SAR 5.1 million) mainly including auto loan (SAR 2.3 million), Warshati (SAR 1.2 million) and Medical Malpractice (SAR 900 thousand).

Right-of-use assets

Table (6.28): Net book value of right-of-use assets as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	705	604	4,095
Additions	291	4,219	993
Depreciation	(392)	(535)	(1,311)
Derecognition	-	(195)	-
As of 31 December	**604**	**4,095**	**3,776**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Right of use assets

The Group has three offices located in KSA, UAE and Egypt. Right of use assets pertained to the capitalized rented office properties in accordance with IFRS 16.

Right of use assets increased from SAR 604 thousand as of 31 December 2020G to SAR 4.1 million as of 31 December 2021G due to net additions of SAR 3.9 million pertaining to a unified commercial contract for leased office units in the KSA (five office units) and the UAE (two additional office units). The additions were partially offset by the depreciation of SAR 535,000. Disposal of asset amounting to SAR 195 thousand in 2021G related to the non-renewal of the lease of the previous office premises in the UAE.

Right of use assets decreased to SAR 3.8 million as of 31 December 2022G due to depreciation of SAR 1.3 million recorded in 2022G related to the full year impact of depreciation on additions performed the previous year. The decline in right of use assets was partially offset by additions of SAR 993 thousand pertaining to a leased space in the KSA for the Tameeni business operations.

c- Current liabilities

Table (6.29): Current liabilities as of 31 December 2020G, 2021G and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Trade and other payables	6,246	15,454	41,535
Amounts due to related parties	32,174	-	7,205
Lease liability	284	1,733	1,033
Loan payables to related party – current portion	-	3,241	-
Zakat payable	310	1,492	3,323
Total current liabilities	**39,014**	**21,920**	**53,096**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Current liabilities

Current liabilities decreased from SAR 39.0 million as of 31 December 2020G to SAR 21.9 million as of 31 December 2021G as a result of the decrease in the balance due to related parties (-SAR 32.2 million).

Current liabilities increased to SAR 53.1 million as of 31 December 2022G mainly due to the increase in trade and other payables by SAR 26.1 million during the same period.

Trade and other payables

Table (6.30): Trade and other payables as of 31 December 2020G, 2021G and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Accruals and other payables	3,584	6,414	25,463
Trade payables	378	7,313	12,070
VAT payable	1,357	978	2,248
Refundable deposits	626	654	1,583
Accrued salaries and benefits	89	85	169
Others	213	10	2
Total	**6,246**	**15,454**	**41,535**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Trade and other payables increased from SAR 6.2 million as of 31 December 2020G to SAR 15.5 million as of 31 December 2021G largely due to the increase in trade payables by SAR 6.9 million in line with the increase in the Group's operating activities, coupled with the increase in accruals and other payables by SAR 2.8 million.

Trade and other payables increased from SAR 15.5 million as of 31 December 2021G to SAR 41.5 million as of 31 December 2022G, mainly stemming from an increase in accruals and other payables by SAR 19.0 million in addition to an increase in trade payables by SAR 4.8 million.

Accruals and other payables

Accruals and other payables relate to accruals for various operating expenses including professional fees, accrual against inventory of vehicles to be auctioned, amongst others.

Accruals and other payables increased from SAR 3.6 million as of 31 December 2020G to SAR 6.4 million as of 31 December 2021G mainly as a result of the increase in other accruals on the back of Elm fees and cancelled motor policies resulting in refunds payable as part of the Tameeni business, amongst others.

Accruals and other payables increased from SAR 6.4 million as of 31 December 2021G to SAR 25.5 million as of 31 December 2022G. This increase was driven by an increase in other accruals by SAR22.5 million mainly related to accrued operational costs to IHC which are settled periodically upon performing reconciliations with the related party.

Trade payables

Trade payables increased from SAR 378 thousand as of 31 December 2020G to SAR 7.3 million as of 31 December 2021G and further to SAR 12.1 million as of 31 December 2022G. These increases were mainly due to an increase in balances due to insurance companies, in line with the increase in revenue from the Tameeni business.

Trade payables also increased over the historical period through the increase in balances payable to Elm in light of the increased business activity, coupled with SAR 1.3 million payable to an external consultant for the growth strategy in light of the Group's intended initial public offering.

VAT Payable

VAT payable decreased from SAR 1.4 million as of 31 December 2020G to SAR 978 thousand as of 31 December 2021G through settling VAT balances in 2021G. VAT payable increased to SAR 2.2 million as of 31 December 2022G in line with the increase in business operations.

Refundable deposits

Refundable deposits pertained to Awal Mazad customers, whereby the Group required these customers to place a deposit in order to participate in the auction. Refundable deposits slightly increased from SAR 626 thousand as of 31 December 2020G to SAR 654 thousand as of 31 December 2021G.

Refundable deposits increased to SAR 1.6 million as of 31 December 2022G driven by the increase in the Awal Mazad customer base, evident in the increase in number of vehicles sold over the period.

Accrued salaries and benefits

Accrued salaries and benefits pertained to cut-off and timing differences between employee costs incurred and compensation disbursed. Accrued salaries and benefits slightly decreased from SAR 89 thousand as of 31 December 2020G to SAR 85 thousand as of 31 December 2021G, before increasing to SAR 169 thousand as of 31 December 2022G.

Others

Others amounted to SAR 213 thousand as of 31 December 2020G pertaining to miscellaneous liabilities as part of normal course of business. Others decreased to immaterial amounts thereafter amounting to SAR 10 thousand as of 31 December 2021G and further to SAR 2 thousand as of 31 December 2022G.

Amounts due to related parties

Table (6.31): Amounts due to related parties as of 31 December 2020G, 2021G and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Insurance House Company	31,550	-	5,982
Suliman Abdullah Suliman Alfallaj	624	-	-
Thiqah Business Services (Watheq)	-	-	382
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	-	-	842
Total	**32,174**	**-**	**7,205**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Amounts due to related parties

Amounts due to related parties of SAR 32.2 million as of 31 December 2020G were largely payable to Insurance House Company, pertaining to costs incurred on behalf of the Group mainly in relation to service providers (Elm fees and IT support expenses, amongst others). A portion of the outstanding balance was converted into a long-term loan payable in sixty monthly equal instalments commencing 15 September 2021G, with the outstanding loan payable amounted SAR 22.5 million as of 31 December 2021G.

Related party balances are reported net and resulted in a net amount receivable from related parties as of 31 December 2021G. Therefore, amounts due to related parties amounted to nil as of 31 December 2021G.

As of 31 December 2022G, amounts due to related parties amounted to SAR 7.2 million, of which SAR 6.0 million was due to Insurance House Company and SAR 842 thousand was payable to Abuhimed Alsheikh Alhagbani Law Firm (AS&H) pertaining to legal expenses. The remaining balance of SAR 382 thousand was payable to Thiqah Business Services (Watheq).

Loan payable to a related party – current portion

Table (6.32): Current portion of loan payable to a related party as of 31 December 2020G, 2021G and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Balance as of 1 January	-	-	22,494
Transfer of due to related party to loan to related party	-	26,378	-
Day one gain on fair valuation of loan, net of unwinding impact	-	(4,425)	-

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Finance cost	-	541	1,351
Reversal of day one gain on fair valuation of loan	-	-	2,533
Subtotal	**-**	**22,494**	**26,378**
Insurance House Company – Receivable	-	-	(26,378)
Balance as of 31 December	**-**	**22,494**	**-**
Current	-	3,241	-

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

During 2021G, SAR 31.6 million in amounts due to Insurance House Company were converted into a loan payable in 60 equal monthly instalments commencing 15 September 2021G and maturing on 15 September 2026G. SAR 5.2 million was settled against lease receivables from the same related party, resulting in a gross balance due to Insurance House Company of SAR 26.4 million as of 31 December 2021G. The agreement was signed on 12 August 2021G.

The loan was non-interest bearing, and as required by IFRS 9, the fair value of the loan was determined in 2021G, thus recorded at net present value amounting to SAR 22.5 million as of 31 December 2021G. The fair value gain (the difference between loan amount and the present value of the loan) was recorded in other income in 2021G (SAR 4.4 million) as the day one gain from the interest free loan. The Group recorded a finance expense related to the unwinding impact of the loan in finance charges (SAR 541 thousand).

During 2022G, the full loan amount was settled against receivables from the same related party - Insurance House Company and as a result, the remaining portion of unwinding impact was recorded as a reversal in the day one gain in 2022G. The Group obtained approval from the Board of Directors to settle the related party loan against receivables, resulting in a nil loan payable balance as of 31 December 2022G.

Zakat payable

Table (6.33): Zakat payable as of 31 December 2020G, 2021G and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	114	310	1,492
Provided during the year	310	1,506	3,305
Paid during the year	(114)	(323)	(1,474)
At the end of the year	**310**	**1,492**	**3,323**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Zakat payable increased from SAR 310 thousand as of 31 December 2020G to SAR 1.5 million as of 31 December 2021G and further to SAR 3.3 million as of 31 December 2022G.

The increase in Zakat payable was mostly a result of the increase in Zakat provision in line with the growth in business operations, partially offset by Zakat paid related mainly to the Zakat provision of the prior year.

The difference between the financial statement income and the income subject to Zakat is primarily due to the disallowance of certain items in the Zakat calculation of income subject to Zakat.

Status of assessments

The Group submitted Zakat returns on a standalone basis for the Parent Company and local subsidiary separately. Below is the status of assessment of the Parent Company and its subsidiaries:

Rasan Information Technology Company

The Company submitted its Zakat return for all prior years up to 31 December 2022G to the Zakat, Tax and Custom Authority. Zakat assessments are yet to be reviewed by the Authority.

Awal Mozawadah LLC

The Company submitted its Zakat return for all prior years up to 31 December 2021G to the Authority. Zakat assessments are yet to be reviewed by the Authority.

Rasan Egypt

Rasan Egypt submitted its Tax returns for all prior years up to 31 December 2022G to the Egyptian Tax Authority. Tax assessments are yet to be reviewed by the Egyptian Tax Authority.

Rasan Software Limited – UAE

Historically, the Company was not subject to income tax in the UAE.

Lease liability – current portion

Table (6.34): Lease liability – current portion as of 31 December 2020G, 2021G and 2022G.

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	603	514	4,063
Accretion of interest	59	76	216
Additions	291	4,219	993
Disposal of asset	-	(195)	-
Payments	(440)	(551)	(1,964)
At the end of the year	**514**	**4,063**	**3,308**
Current	**284**	**1,733**	**1,033**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G

Lease liability increased from SAR 514 thousand as of 31 December 2020G to SAR 4.1 million as of 31 December 2021G as a result of additions (SAR 4.2 million) pertaining to additional office units to support the Group's growing operational requirements and increase in headcount.

Lease liability decreased to SAR 3.3 million as of 31 December 2022G due to payments of SAR 2.0 million, partially offset by additions of SAR 993 thousand the same year. The additions pertained to a lease space for the Tameeni business.

d- Non-current liabilities

Table (6.35): Non-current liabilities as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Employee defined benefits liabilities	2,407	2,703	3,832
Loan payable to related party- non-current portion	-	19,253	-
Lease liability	230	2,330	2,275
Total non-current liabilities	**2,637**	**24,286**	**6,108**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Non-current liabilities

Non-current liabilities increased from SAR 2.6 million as of 31 December 2020G to SAR 24.3 million as of 31 December 2021G as a result of the loan payable to related party amounting to SAR 19.3 million.

Non-current liabilities decreased to SAR 6.1 million as of 31 December 2022G through settling the outstanding loan payable amount against receivables from the same related party.

Table (6.36): Employees' defined benefit liabilities as of 31 December 2020G, 2021G and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	1,415	2,407	2,703
Current service cost	1,019	621	1,326
Benefits paid	(26)	(325)	(196)
Total	**2,407**	**2,703**	**3,832**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Table (6.37): Significant assumptions in calculating employees' defined benefit liabilities as of 31 December 2020G, 2021G and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Discount rate	3.15	3.15	3.15
Future salary increases	5.00	5.00	5.00
Death in service	100% SLIC (2016)	100% SLIC (2016)	100% SLIC (2016)
Withdrawal before normal retirement life	Age based	Age based	Age based

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Table (6.38): Quantitative sensitivity analysis for salary change assumption on the defined benefit obligation as of 31 December 2020G, 2021G and 2022G

In SAR thousands	Change in assumption	Increase in assumption	Decrease in assumption
As of 31 December 2020G			
Discount rate	1%	(357)	443
Future salary increases	1%	437	(353)
As of 31 December 2021G			
Discount rate	1%	(388)	482
Future salary increases	1%	475	(384)
As of 31 December 2022G			
Discount rate	1%	(523)	683
Future salary increases	1%	677	(529)

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Employees' defined benefit liabilities increased from SAR 2.4 million as of 31 December 2020G to SAR 2.7 million as of 31 December 2021G and further to SAR 3.8 million as of 31 December 2022G. The increase in employees' defined benefits liability was in line with the increase in headcount and current service cost over the historical period. Employees' defined benefit liabilities were calculated in accordance with IAS 19.

Loan payable to a related party – non-current portion

Table (6.39): Loan payable to a related party – non-current portion as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Balance as of 1 January	-	-	22,494
Transfer of due to related party to loan to related party	-	26,378	-
Day one gain on fair valuation of loan, net of unwinding impact	-	(4,425)	-
Finance cost	-	541	1,351

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Reversal of day one gain on fair valuation of loan	-	-	2,533
Subtotal	**-**	**22,494**	**26,378**
Insurance House Company – Receivable	-	-	(26,378)
Balance as of 31 December	**-**	**22,494**	**-**
Non-current	**-**	**19,253**	**-**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Loan payable to related party amounted to SAR 22.5 million as of 31 December 2021G. As of 31 December 2021G, an amount of SAR 31.6 million was due to IHC and converted by the Group into a long-term loan of SAR 26.4 million (upon settling SAR 5.2 million against receivables from IHC).

In 2022G, the Group settled its related party loan balance against receivables from the same related party (IHC), upon approval from the Board of Directors, resulting in a nil loan payable balance as of 31 December 2022G.

Lease liability – non-current portion

Table (6.40): Lease liability – non-current portion as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
At the beginning of the year	603	514	4,063
Accretion of interest	59	76	216
Additions	291	4,219	993
Derecognition	-	(195)	-
Payments	(440)	(551)	(1,964)
As of 31 December	**514**	**4,063**	**3,308**
Non-current	**230**	**2,330**	**2,275**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Lease liability increased from SAR 514 thousand as of 31 December 2020G to SAR 4.1 million as of 31 December 2021G as a result of additions (SAR 4.2 million) pertaining to additional office units to support the Group's growing operational requirements and headcount.

Lease liability decreased to SAR 3.3 million as of 31 December 2022G due to payments of SAR 2.0 million, partially offset by additions of SAR 993 thousand the same year.

Table (6.41): Maturity analysis of undiscounted lease liabilities for the year ending 31 December 2022G

In SAR thousands	Total	Within 1 year	1 – 3 years
Lease payments – Gross	3,663	1,143	2,519
Finance cost	(355)	(111)	(244)
Net present value	**3,308**	**1,033**	**2,275**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Table (6.42): Maturity analysis of undiscounted lease liabilities for the year ending 31 December 2021G

In SAR thousands	Total	Within 1 year	1 – 3 years
Lease payments – Gross	4,552	1,941	2,611
Finance cost	(489)	(209)	(281)
Net present value	**4,063**	**1,733**	**2,330**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

e- Shareholders' equity / (deficit)

Table (6.43): Shareholders' equity as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Share capital	3,000	25,500	25,000
Statutory reserve	916	5,448	7,680
Retained earnings / (accumulated losses)	(21,404)	9,343	41,521
Currency translation reserve	(14)	3	(230)
Total shareholders' equity / deficit	**(17,503)**	**40,294**	**74,471**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Total shareholder's equity increased over the historical period from a deficit of SAR 17.5 million as of 31 December 2020G to an equity of SAR 40.3 million as of 31 December 2021G, and further to SAR 74.5 million as of 31 December 2022G.

The increase in total equity over the historical period was mainly driven by the increase in retained earnings through the net income generated throughout the historical period, combined with an increase in share capital by SAR 22.5 million in 2021G, resulting in a share capital of SAR 25.5 million as of 31 December 2021G and 31 December 2022G.

Share capital

Share capital as of 31 December 2020G amounted to SAR 3.0 million, divided into 1,000 shares of 3,000 each. During October 2021G, the Group increased its capital by SAR 22.5 million resulting in 2,250,000 shares of SAR 10 each which led to an increase in the capital to SAR 25.5 million as of 31 December 2021G, and there was no change in the capital, as it remained at SAR 25.5 million as of 31 December 2022G. The first capital raise was issued through partners' resolution as specified in the Company's article of association dated at 25 October 2021G from SAR 3 million to SAR 25.5 million divided into 2,550,000 ordinary shares of SAR 10 each, and the capital increase amounted to SAR 22.5 million was raised in cash through the existing shareholders and through two new investors namely Impact Funds for Financial Technology and Assets Custody Development Impact Company for Communications and IT.

Statutory reserve

Under the Companies Law in the KSA, the Group allocates 10.0 % of its net income for the year to the statutory reserve until the latter reaches 30.0% of share capital. This reserve is not distributable as dividends. The statutory reserve increased from SAR 916 thousand as of 31 December 2020G to SAR 5.4 million as of 31 December 2021G through transfers from retained earnings. As of 31 December 2022G, statutory reserve amounted to SAR 7.7 million, therefore complying with companies' law of 30.0% of share capital.

Retained earnings (Accumulated losses)

Through the positive net income generated in 2020G, 2021G and 2022G, accumulated losses increased from SAR (21.4 million) as of 31 December 2020G, to retained earnings amounted to SAR 9.3 million as of 31 December 2021G, and then to SAR 41.5 million as of 31 December 2022G.

Foreign currency translation reserve

Foreign currency decreased from (-SAR 14 thousand) as of 31 December 2020G, to SAR 3 thousand as of 31 December 2021G. As of 31 December 2022G, foreign currency decreased to (-SAR 230 thousand) as of 31 December 2022G.

6.8.3 Statements of cash flows

Table (6.44): Statements of cash flows for the financial years ending 31 December 2020G, 2021G and 2022G.

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Operating activities			
Profit before zakat	882	36,786	37,715
Adjustments to reconcile profit before zakat to net cash flows			
Depreciation of property and equipment	641	865	1,402
Amortization of intangible assets	3,593	4,657	6,699
Write-off of intangible assets	19	739	-
Depreciation of right of use assets	392	535	1,311
Impairment of trade receivables	1	1	7
Provision for employees' defined benefits liabilities	1,019	621	1,326
Day one gain on fair valuation of loan	-	(4,425)	-
Reversal of day one gain on fair valuation	-	-	2,533
Finance cost on loan payable to related party	-	541	1,351
Finance cost on lease liability	59	76	216
Operating cash flows before working capital changes	**6,604**	**40,397**	**52,559**
Working capital changes			
Trade receivables, prepayments, and other receivables	(3,844)	(13,411)	(1,597)
Amount due from a related party	232	(9,675)	9,675
Trade and other payables	1,589	9,207	26,081
Amounts due to related parties	516	(624)	(19,173)
Cash from operating activities	5,097	25,894	67,545
Zakat paid	(114)	(323)	(1,474)
Interest paid	(59)	(76)	(216)
Employee defined benefits paid	(26)	(325)	(196)
Net cash from operating activities	**4,897**	**25,170**	**65,658**
Investing activities			
Purchase of property and equipment	(1,478)	(3,151)	(5,296)
Addition related to intangible assets	(3,974)	(11,198)	(16,262)
Net cash used in investing activities	**(5,452)**	**(14,348)**	**(21,558)**
Financing activities			
Increase in capital	-	22,500	-
Lease liability paid	(381)	(475)	(1,748)
Net cash from / (used in) financing activities	**(381)**	**22,025**	**(1,748)**
Increase / (decrease) in bank balances and cash	**(936)**	**32,846**	**42,352**

rasan

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G
Currency translation adjustments	(12)	19	(233)
Bank balances and cash at the beginning of the year	3,361	2,414	35,278
Bank balances and cash at the end of the year	**2,414**	**35,278**	**77,397**
Non-cash transactions			
Conversion of amount due to related parties to loan payable to related party	-	26,378	(26,378)
Addition to right-of-use assets and lease liability	291	4,219	993

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G, and 2022G.

Net cash from operating activities

Net cash from operating activities increased from SAR 4.9 million in 2020G to SAR 25.2 million in 2021G, mainly driven by an increase in profit before Zakat on the back of the ramp up in business activities. The increase was partially offset by the increase in trade receivables, prepayments, and other receivables by SAR 13.4 million, increase in amount due from a related party by SAR 9.7 million, and non-cash gain recorded on related party loan payable by SAR 4.4 million.

Net cash from operating activities increased to SAR 65.7 million in 2022G driven by the increase in profit before Zakat on the back of the growth in Tameeni Motor services and ramp-up in newly commenced business operations. The increase in net cash from operating activities was also a result of the increase in trade and other payables by SAR 26.1 million, partially offset by settling the amount due to related parties by SAR 19.2 million mainly related to settling the loan payable amount against receivables from the same related party.

Cash flows from investing activities

Cash used in investing activities increased from SAR 5.5 million in 2020G to SAR 14.3 million in 2021G, and further to SAR 21.6 million in 2022G. The increases were a result of the capital expenditure related to the development and enhancement of intangible assets, in addition to purchases of property and equipment to support the growing business requirements.

Cash flows from financing activities

Cash from financing activities increased from a cash outflow SAR 381 thousand in 2020G to a cash inflow of SAR 22.0 million in 2021G, driven by the capital increase amounting to SAR 22.5 million in 2021G.

Cash from financing activities decreased to SAR 1.7 million in 2022G, driven by the Payment of the lease liability amounting to SAR 1.7 million.

a- Commitments and contingencies

As of 31 December 2022G, the Group had a letter of guarantee amounting to SAR 100 thousand (nil as of 31 December 2021G). There are no commitments reported as at the date of consolidated statement of financial position.

b- Financial instruments and risk management objectives and policies

The Group's principal financial liabilities, comprise loan from related parties and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and bank balance that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) 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, such as equity price risk and commodity risk. The Group does not have any significant financial instruments affected by market risk.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when purchase or expense is denominated in a foreign currency).

Foreign currency sensitivity

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As there is no significant fluctuation between the United Arab Emirates Dirhams (AED) and Egyptian pound (EGP) the Group is not exposed to any significant currency risk.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Group is not exposed to the price risk because Group is not engaged in any commodity market, nor it has any investments in equity instruments.

iii) Interest rate risk

Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Group's is not exposed to interest rate risk as there are no loans with floating interest rates.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables other current financial assets and related parties' balances) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions declared in note (6). The Group does not hold collateral as security.

Credit risk from balances with banks and is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the senior management on an annual basis and may be updated throughout the year.

The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's credit risk as of 31 December 2020, 31 December 2021 and 31 December 2022

31 December 2022G	Total SAR	current	1 – 30 days	31 – 60 days	61 – 90 days	> 91 days
Expected credit loss rate	0.11%	-	0.03%	-	0.03%	0.34%
Gross carrying amount	8,004,997	2,684,880	785,819	-	2,191,945	2,342,353
Expected credit loss	8,881	-	236	-	658	7,987

31 December 2021G	Total SAR	current	1 – 30 days	31 – 60 days	61 – 90 days	> 91 days
Expected credit loss rate	0.02%	-	0.03%	0.03%	0.03%	-
Gross carrying amount	10,280,101	3,284,236	835,453	46,012	6,114,400	-
Expected credit loss	2,194	-	266	14	1,914	-

31 December 2020G	Total SAR	current	1 – 30 days	31 – 60 days	61 – 90 days	> 91 days
Expected credit loss rate	0.02%	-	9.35%	-	-	-
Gross carrying amount	3,392,571	3,384,750	7,821	-	-	-
Expected credit loss	732	-	732	-	-	-

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will 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. The Group continuously monitors its risk of a shortage of funds.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from partners.

Table (6.45): Maturity profile of the Group's financial liabilities based on contractual discounted payments for financial year ending 31 December 2022G

In SAR thousands	Total	Less than 1 month	1 – 3 months	3 – 6 months	6 months – 1 year	More than 1 year
Trade and other payable	12,070	12,070	-	-	-	-
Amounts due to related parties	7,205	7,205	-	-	-	-
Lease liability	3,308	-	265	251	516	2,275
Total	**22,583**	**19,275**	**265**	**251**	**516**	**2,275**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G.

rasan

Table (6.46): Maturity profile of the Group's financial liabilities based on contractual discounted payments for financial year ending 31 December 2021G

In SAR thousands	Total	Less than 1 month	1 – 3 months	3 – 6 months	6 months – 1 year	More than 1 year
Loan from related parties	26,378	-	-	612	3,155	22,611
Trade and other payable	7,313	7,313	-	-	-	-
Lease liability	4,552	357	179	528	711	2,778
Total	**38,244**	**7,670**	**179**	**1,141**	**3,866**	**25,389**

Source: Consolidated audited financial statements for the financial year ending 31 December 2021G.

Table (6.47): Maturity profile of the Group's financial liabilities based on contractual discounted payments for financial year ending 31 December 2020G

In SAR thousands	Total	As on demand	Less than 1 month	1 – 3 months	3 – 6 months	6 months – 1 year	More than 1 year
Loan from related parties	-	-	-	-	-	-	-
Trade and other payable	378	-	378	-	-	-	-
Amounts due to related parties	32,174	32,174	-	-	-	-	-
Lease liability	1,361	-	38	114	131	279	799
Total	**33,914**	**32,174**	**417**	**114**	**131**	**279**	**799**

Source: Consolidated audited financial statements for the financial year ending 31 December 2020G.

Financial assets and financial liabilities

Table (6.48): Financial assets

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Financial assets at amortized cost:			
Trade receivables	3,392	10,278	7,996
Due from related parties	-	9,675	-
Other current financial assets	1,836	1,581	7,058
Bank balances and cash	2,414	35,278	77,397
Total financial assets	**7,641**	**56,812**	**92,452**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G.

Table (6.49): Financial liabilities

In SAR thousands	Effective interest rate	Maturity	31 December 2020G	31 December 2021G	31 December 2022G
Current liabilities					
Trade payables and other payables	Interest free	Less than 1 year	378	7,313	12,070
Lease liabilities	6.50%-10.50%	Less than 1 year	284	1,733	1,033
Loan from related parties	7%	Less than 1 year	-	3,241	-
Due to related parties	Interest free	Less than 1 year	32,174	-	7,205
Total			**32,836**	**12,287**	**20,307**
Non-current liabilities					
Lease liabilities	6.50%-10.50%		230	2,330	2,275

rasan

In SAR thousands	Effective interest rate	Maturity	31 December 2020G	31 December 2021G	31 December 2022G
Loan from related parties	7%		-	19,253	-
Total			**230**	**21,583**	**2,275**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G.

Table (6.50): Changes in liabilities arising from financing activities as of 31 December 2022G

In SAR thousands	1 January 2022G	Cash flows	New lease	Others	31 December 2022G
Lease liabilities	4,063	(1,964)	993	216	3,308
Total liabilities from financing activities	**4,063**	**(1,964)**	**993**	**216**	**3,308**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G.

Table (6.51): Changes in liabilities arising from financing activities as of 31 December 2021G

In SAR thousands	1 January 2021G	Cash flows	New lease	Others	31 December 2021G
Lease liabilities	514	(551)	4,219	(119)	4,063
Total liabilities from financing activities	**514**	**(551)**	**4,219**	**(119)**	**4,063**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G.

Table (6.52): Changes in liabilities arising from financing activities as of 31 December 2020G

In SAR thousands	1 January 2021G	Cash flows	New lease	Others	31 December 2020G
Lease liabilities	603	(440)	291	59	514
Total liabilities from financing activities	**603**	**(440)**	**291**	**59**	**514**

Source: Consolidated audited financial statements for the financial years ending 31 December 2020G, 2021G and 2022G.

c- Events after reporting period

The Group was operating as an insurance aggregator for Tameeni and Treza Leasing businesses where insurance policies are sold with involvement of an insurance broker (Insurance House Company). Subsequent to the year ending 31 December 2022G, the Group obtained an e-brokerage license from SAMA. After obtaining the e-brokerage license, the Group started operating without the involvement of Insurance House Company and is earning the full commission income from policies sold which used to be partially shared with Insurance House Company earlier, also the complete cost is incurred by the Group which used to be partially borne by Insurance House Company earlier. Had this arrangement been implemented in the year ending 31 December 2022, the revenue and cost of sales would have increased approximately by SAR 34.4 million and SAR 29.3 million as of 31 December 2022 and 31 December 2021, respectively.

Subsequently at the end of the year, the Board of Directors suggested, in its meeting held on 18/12/1444H (corresponding to 06 June 2023), to raise the share capital from SAR 25.5 million to SAR 70.5 million, through a transfer from statutory reserve and retained earnings as of 31 December 2022. Approval for raising capital was obtained during the Board meeting on20/12/1444H (corresponding to 08 July 2023), and the required regulatory procedures will be initiated to raise capital.

Other than as noted above, there were no other events subsequent to the reporting date and prior to the issuance of the consolidated financial statements that would require adjustments or disclosures in these consolidated financial statements.

rasan

d- Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 27 June 2023

6.8.4 Subsidiary analysis – Rasan Software House LLC (UAE)

Table (6.53): Income statement for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
General and administrative expenses	(9,890)	(8,743)	(15,003)	(11.7%)	71.6%	23.2%
Marketing expenses	(67)	(208)	(257)	210.4%	23.5%	95.8%
Operating loss	**(9,956)**	**(8,951)**	**(15,260)**	**(15.7%)**	**70.5%**	**19.9%**
Financial expenses	(44)	(60)	(58)	451.5%	(3.6%)	130.6%
Other income	-	2	-	na	(100%)	na
Net loss for the year	**(10,000)**	**(9,009)**	**(15,318)**	**(15.3%)**	**70.0%**	**20.0%**

Source: Audited financial statements for the financial year ending 31 December 2020G and reviewed financial statements for the financial years ending 31 December 2021G, and 2022G.

Rasan Software House LLC is a cost center based in the UAE which provides the Group with strategic, financial, marketing and support function expertise.

General and administrative expenses

General and administrative expenses pertain mainly to salaries, bonuses and rewards, medical insurance, and others. G&A decreased by 11.7% from SAR 9.9 million in 2020G to SAR 8.7 million in 2021G driven by the decrease in legal and official fees by SAR 1.6 million.

In 2022G, general and administrative expenses increased by 71.6% to SAR 15.0 million mainly due to the increase in employee costs by SAR 5.5 million, driven by the increase in employee other benefits by SAR 4.1 million and the increase in salaries by SAR 1.6 million.

The increase in salaries was in line with the growth in headcount from 49 in 2020G to 59 in 2022G coupled with the increase in average salary per employee.

Marketing expenses

Marketing expenses mainly pertain to the cost incurred on exhibitions in UAE for product branding. Marketing expenses increased from SAR 67 thousand in 2020G to SAR 208 thousand in 2021G and further to SAR 257 thousand in 2022G. The increases were in line with the increase in marketing activities over the period.

Financial expenses

Financial expenses pertain to bank charges, which increased from SAR 44 thousand in 2020G to SAR 60 thousand in 2021G and decreased to SAR 58 thousand in 2022G. The fluctuation in bank changes was driven by business activities.

Net loss for the year

Net loss for the year decreased from SAR 10.0 million in 2020G to SAR 9.0 million in 2021G, as a result of the decline in general and administrative expenses.

Net loss for the year increased to SAR 15.3 million in 2022G. The loss was driven by the increase in general and administrative expenses.

rasan

Table (6.54): Statement of financial position as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Current assets	611	1,169	1,926
Non-Current assets	707	1,828	1,289
Total assets	**1,318**	**2,997**	**3,215**
Current liabilities	26,279	34,751	50,340
Non-Current liabilities	326	1,844	1,710
Total Liabilities	26,605	36,595	52,050
Equity	(25,287)	(33,598)	(48,835)
Total liability and equity	**1,318**	**2,997**	**3,215**

Source: Audited financial statements for the financial year ending 31 December 2020G and reviewed financial statements for the financial years ending 31 December 2021G, and 2022G.

Current assets

Current assets increased from SAR 611 thousand as of 31 December 2020G to SAR 1.2 million as of 31 December 2021G mainly driven by the increase in prepayments and other receivables by SAR 298 thousand.

Current assets increased to SAR 1.9 million as of 31 December 2022G mainly on the back of an increase in cash and cash equivalent by SAR 659 thousand.

Non-current assets

Non-current assets increased from SAR 707 thousand as of 31 December 2020G to SAR 1.8 million as of 31 December 2021G driven by the additions in right-of-use assets by SAR 965 thousand.

Non-current assets decreased to SAR 1.3 million as of 31 December 2022G on back of a net right of use asset amounting to SAR 528 thousand.

Current liabilities

Current liabilities increased from SAR 26.3 million as of 31 December 2020G to SAR 34.8 million as of 31 December 2021G and further to SAR 50.3 million as of 31 December 2022G. The increase was on back of the amounts due to related parties amounting to SAR 24.2 million as of 31 December 2020G, SAR 33.0 million as of 31 December 2021G and SAR 46.0 million as of 31 December 2022G (pertaining to KSA entity).

Non-current liabilities

Non-current liabilities increased from SAR 326 thousand as of 31 December 2020G to SAR 1.8 million as of 31 December 2021G, then decreased slightly to SAR 1.7 million as of 31 December 2022G. The increase was on back of EOSB, in line with the growth in headcount over the same period.

Deficit in Shareholders' Equity

The deficit in shareholders' equity increased from a deficit of SAR 25.3 million as of 31 December 2020G to a deficit of SAR 33.6 million as of 31 December 2021G and further to a deficit of SAR 48.8 million as of 31 December 2022G as a result of the net losses recorded each year.

rasan

6.8.5 Subsidiary analysis – Rasan LLC (Egypt)

Table (6.55): Income statement for the financial years ending 31 December 2020G, 2021G, and 2022G

In SAR thousands	Financial year 2020G	Financial year 2021G	Financial year 2022G	Year-over-year Growth 2020G-2021G	Year-over-year Growth 2021G-2022G	CAGR 2020G-2022G
Revenue from contracts	2,024	-	-	(100.0%)	N/A	(100.0%)
Gross profit	**184**	**-**	**-**	**(100.0%)**	**N/A**	**(100.0%)**
Operating losses	**(1,518)**	**(1,213)**	**(1,168)**	**(20.1%)**	**(3.7%)**	**(12.3%)**
Net loss for the year	**(1,524)**	**(1,216)**	**(1,168)**	**(20.2%)**	**(3.9%)**	**(12.5%)**

Source: Audited financial statements for the financial years ending 31 December 2020G, 2021G, and management information for the financial year ending 31 December 2022G.

Rasan LLC is a cost centre based in Egypt supports the Group with its IT operations including software development costs for enhancements to existing intangible assets and development of new products and services.

Gross Profit

Gross Profit decreased from SAR 184 thousand in 2020G to nil in 2021G and 2022G whereby revenue from contracts amounted to SAR 2.0 million in 2020G and cost of contracts amounted to SAR 1.8 million which pertained to technical services rendered to an external party. No revenues were recorded in the subsequent financial years.

Operating losses

Operating losses pertain mainly to the general and administrative expenses whereby operating losses decreased from SAR 1.5 million in 2020G to SAR 1.2 million in 2021G, mainly driven by the decrease in the general and administrative expenses by 40.4% from SAR 1.4 million in 2020G to SAR 857 thousand in 2021G, mainly on the back of a decrease in salaries expenses by SAR 558 thousand, and in penalties by SAR 160 thousand, and in rent by SAR 94 thousand. This decrease in general and administrative expense was offset by an increase in social security insurance by SAR 159 thousand, and in medical insurance by SAR 60 thousand over the same period.

Operating losses decreased to SAR 1.2 million in 2022G mainly driven by the decrease in currency translation adjustments from SAR 238 thousand to nil over the period. This decrease was partially offset by an increase in the general and administrative expense by 35.1% to SAR 1.2 million, mainly as a result of an increase in salaries by SAR 107 thousand which is in line with the increase in the headcount from 35 employees in 2021G to 59 employees in 2022G. These increases are in line with the Group's strategy to leverage the IT team.

The Management confirmed that the increase in headcount in Egypt subsidiary is in line with the Group's strategy which aims to develop the IT internal team to enhance the ongoing IT/software maintenance. The Group leverages the presence of IT software developers in Egypt to introduce new software/ products, which will enable the Group to achieve its growth objectives upon its launching.

Net loss for the year

Net loss for the year decreased from SAR 1.5 million in 2020G to SAR 1.2 million in 2021G on the back of a decline in general and administrative expenses. In 2022G, net loss remained stable at SAR 1.2 million.

The entity is a cost centre (does not generate any income) which supports the IT operations of the Group.

Table (6.56): Statement of financial position as of 31 December 2020G, 2021G, and 2022G

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Current assets	2,151	4,043	2,951
Non-Current assets	231	364	846
Total assets	**2,382**	**4,407**	**3,797**
Current liabilities	3,883	7,124	6,407
Non-Current liabilities	9	14	-
Total liabilities	3,892	7,138	6,407

In SAR thousands	31 December 2020G	31 December 2021G	31 December 2022G
Equity	(1,510)	(2,731)	(2,610)
Total liabilities and equity	**2,382**	**4,407**	**3,797**

Source: Audited financial statements for the financial years ending 31 December 2020G, 2021G, and management information for the financial year ending 31 December 2022G.

Current assets

Current assets increased from SAR 2.2 million as of 31 December 2020G to SAR 4.0 million as of 31 December 2021G majorly driven by the increase in amounts due from related parties by SAR 1.1 million and the increase in cash and cash equivalents by SAR 793 thousand.

Current assets decreased to SAR 2.95 million as of 31 December 2022G on back of an increase in debtors and other debit balances by SAR 1.1 million.

Non-current assets

Non-current assets increased from SAR 231 thousand as of 31 December 2020G to SAR 364 thousand as of 31 December 2021G on the back of an increase in the right of use assets to SAR 160 thousand as of 31 December 2021G (nil balance as of 31 December 2020G)

Non-current assets increased to SAR 846 thousand as of 31 December 2022G, on the back of additions in fixed assets across the same period.

Current liabilities

Current liabilities increased from SAR 3.9 million as of 31 December 2020G to SAR 7.1 million as of 31 December 2021G, then decreased to SAR 6.4 million as of 31 December 2022G.

The increase in current liabilities mainly resulted from the increase in the amounts due to related parties from SAR 3.5 million as of 31 December 2020G to SAR 6.0 million as of 31 December 2022G.

Non-current liabilities

Non-current liabilities increased from SAR 9 thousand as of 31 December 2020G to SAR 14 thousand as of 31 December 2021G, then decreased to nil across the remaining historical period.

Deficit in Shareholders' Equity

Deficit in shareholders' equity increased from (SAR 5.1 million) as of 31 December 2020G to (SAR 7.2 million) as of 31 December 2021G, and remained relatively stable at negative SAR 6.2 million as of 31 December 2022G as a result of losses incurred from the business operations year on year.

6.9 The Group's Operating results for the nine-month period ending 30 September 2022G and 2023G:

6.9.1 Income Statement

Table (6.57): Comprehensive income statement of the Group for the nine-month period ending 30 September 2022G and 2023G.

In SAR thousands	Nine-month period ending September 2022G	Nine-month period ending September 2023G	Variance 2022G-2023G
Revenue	106,314	186,389	75.3%
Cost of sales	(34,848)	(77,034)	121.1%
Gross profit	**71,645**	**109,356**	**53.0%**
General and administrative expenses	(26,847)	(57,307)	116.4%
Marketing expenses	(6,123)	(13,407)	118.9%
Operating profit	**38,855**	**38,642**	**(0.5%)**
Finance charges	(1,260)	(232)	(81.6%)
Other income / (expenses)	74	2	(98.0%)
Profit before Zakat	**37,670**	**38,412**	**2%**
Zakat	(2,479)	(2,410)	(2.8%)
Net profit for the year	**35,191**	**36,002**	**2.3%**
Other comprehensive income / (loss)	95	507	(633.2%)
Total comprehensive income	**35,096**	**36,509**	**4.0%**
Basic and diluted earnings per share	0.5	0.51	2.0%

Source: Consolidated reviewed interim financial statements for the period ending 30 September 2022G and 2023G, and Management information

Table (6.58): Key performance indicators for the nine-month period ending 30 September 2022G and 2023G.

%	Nine-month period ending September 2022G	Nine-month period ending September 2023G	Variance 2021G-2022G
As a percentage of revenue			
Gross profit	67.2%	58.7%	(12.7%)
G&A expenses	24.9%	30.7%	23.4%
Marketing expenses	5.8%	7.2%	24.9%
EBITDA	36.5%	20.7%	(43.3%)
Net profit for the year	33.0%	19.3%	(41.6%)
Net revenue/GWP	3.6%	3.8%	0.2

Source: Consolidated reviewed interim financial statements for the period ending 30 September 2022G and 2023G and Management information

Revenue

The Group's revenue comprised sales from four lines of business:

- Tameeni Motor represented 60.9% of the total revenue during the nine-month period ending 30 September 2023G, mainly pertaining to the commission earned on gross written premiums sold to individual customers. The commission of TPL motor policies is 2%, and the commission of TPL+ motor policies range between 4-8%, and the commission of comprehensive motor policies ranges 10-15%. TPL motor policies' revenue represented 43% of Tameeni platform's revenue which represented 26.2% of the total revenue, and TPL+ motor policies' revenue represented 1.7% of Tameeni Platform's revenue which represented 0.9% of the total revenue, whereas the comprehensive policies' revenue represented 24.1% of Tameeni platform's revenue which represented 14.7% of the total revenue. Total gross written premium for TPL amounted to SAR 2,426.9 million, gross written premium for TPL+ amounted to SAR23.4 million, whereas gross written premium for comprehensive policies amounted to SAR 192.1 million. TPL motor policies represented 91.8% of Tameeni's gross written premiums, TPL+ policies represented 0.9% of Tameeni's gross written premiums, whereas comprehensive policies 7.3% of Tameeni's gross written premiums.
- Tameeni Health represented 16.5% of the total revenue during the nine-month period ending 30 September 2023G, mainly pertaining to the commission earned on gross written premiums sold to SMEs.
- Treza product represented 20.9% of the total revenue during the nine-month period ending 30 September 2023G, mainly pertaining to the commission earned on gross written premiums sold and on policies' other income.
- Awal Mazad represented 1.5% of the total revenue during the nine-month period ending 30 September 2023G, and mainly pertaining to the revenue earned from the vehicle auction platform for salvage cars including the auction price of the vehicles, seller fees (based on a fixed commission ranging from SAR 200 to SAR 1,200 on each vehicle for ART, and on a variable commission of 5.5% pertaining to another local bank
- R Solutions represented 0.2% of the total revenue. R Solutions pertain to an in-house technical software deployed to analyze data and monitor the performance of the insurance portfolio, business models and solutions for predicting business models in the insurance sector; a software that targets insurance companies given they are the end users. The software was developed by insurance specialists who have extensive knowledge in providing full-fledged solutions combining artificial intelligence and pricing, which saves costs for customers and simplifies the actuarial operations, in addition to implementing the Management's executive vision in a profitable manner.

Revenue increased from SAR 106.3 million in the nine-month period ending 30 September 2022G to SAR 186.4 million in the nine-month period ending 30 September 2023G, mainly driven by the increase in Tameeni Motor revenue by SAR 46.9 million in line with the increase in number of Tameeni Motor policies sold from 2.1 million policies in the nine-month period ending 30 September 2022G to 2.6 million policies in the nine-month period ending 30 September 2023G. This was due to ramp-up of the line of business due to increased demand in the market (overall economic growth in KSA), coupled with the Group's marketing of the Tameeni platform. This ramp-up in motor line of business stemmed from the new regulation in the Kingdom related to mandating third-party vehicle insurance starting 1 October 2023G, which contributed to the ramp-up in the number of third-party policies sold especially during September 2023G; and there was a ramp-up across all lines of business over the historical period where Tameeni Health revenue increased by SAR 14.1 million, and Treza Leasing revenue increased by SAR 16.8 million, and Awal Mazad revenue increased by SAR 1.9 million. Please refer to table 6-59 "**Revenue for the nine-month period ending 30 September 2022G and 2023G**" for further details on the reason of the growth by line of business.

The Group signed contracts with Elm Company in the fourth quarter of 2022G, which contributed to the increase in revenue which was recorded on a gross basis, and cost of sales of the same amount was associated in 2023G up to 1 July 2023G. Subsequently, the revenue was recorded on a net basis as part of the cost of sales upon launching Tameeni as an independent entity.

Cost of sales

Cost of sales are fixed in nature and are comprised mainly of audit fees amongst other direct costs (i.e., Elm, Najm, Watheq, Mazaya, and other service providers), overhead expenses (amortization, IT support cost, CS, and accounting fee) and others.

Cost of sales increased from SAR 34.9 million in the nine-month period ending 30 September 2022G to SAR 77.0 million in the nine-month period ending 30 September 2023G, mainly due to the increase in audit fees and direct costs from SAR 20.8 million in the nine-month period ending 30 September 2022G to SAR 62.5 million in the nine-month period ending 30 September 2023G, in addition to an increase in verification fees by SAR 2.2 million since mid-July 2023G, pertaining to additional measures to verify the ID and contact number of each customer as required by SAMA. The increase in audit fees and other direct costs mainly stemmed from recording Elm fees from the beginning of the first half of 2023G till the end of the first half of 2023G on a gross basis, resulting from signing a contract in the fourth quarter of 2022G between Elm and Rasan IT Company which led to an adverse impact on the operating profit of 2023G. In July 2023G, after receiving the Tameeni license, the contracts pertaining to Tameeni product and insurance companies were signed, and as a result, Elm fees were recorded on a net basis in the beginning of the third quarter of 2023G. It is worth noting that, since the beginning July 2023G, in all contracts signed between Tameeni and insurance companies, Elm fees have been considered direct costs to be borne by insurance companies, and accordingly, there won't be any adverse impact on the profit margin, as a result of recording these fees on a net basis in the cost of sales.

Gross Profit

Gross profit increased from SAR 71.6 million in the nine-month period ending 30 September 2022G to SAR 109.4 million in the nine-month period ending 30 September 2023G, mainly as a result of the increase in revenue (+75.3%) on the back of an increase in Tameeni's Motor revenue by SAR 46.9 million and an increase in Treza Leasing's revenue by SAR 16.8 million, however cost of revenue increased by 121.1%, resulting in a decrease in gross profit margin from 67.2%in the nine-month period ending 30 September 2022G to SAR 58.7% in the nine-month period ending 30 September 2023G, impacted by the increase in the revenue from third-party policies (having a lower operating profit in the Group) in line with the new regulation in the Kingdom in connection with mandating vehicles to be insured through third-party policies effective 1 October 2023, coupled with an increase in Elm fees during the first half of 2023G on a gross basis and not on a net basis.

General and administrative expenses

General and administrative expenses comprised manpower cost and other employee benefits, professional and legal fees, IT license, subscriptions and maintenance, depreciation on property and equipment, depreciation of right of use, and others.

General and administrative expenses increased from SAR 26.5 million in the nine-month period ending 30 September 2022G to SAR 57.3 million in the nine-month period ending 30 September 2023G, mainly due to the increase in the headcount from 154 employees in 2022G to 311 employees in 2023G, majority of headcount increase pertains to the IT employees in order to support the Group's expansion plans, in addition to an increase in executive management hires. This increase in headcount contributed to the growth in manpower and other employee benefits. This increase in general and administrative expenses was associated with the increase in professional & legal fees from SAR 3.2 million in the nine-month period ending 30 September 2022G to SAR 7.9 million in the nine-month period ending 30 September 2023G which pertain to the Group's IPO.

Marketing expenses

Marketing expenses pertained to the cost incurred on promotional activities (i.e online/offline advertisement, sponsorship of events/teams, and other activities), coupons awarded to Tameeni Motor customers in order to upsell third party liability policies to comprehensive insurance policies, and sales incentives related to performance incentives awarded to the Group's sales team based on achieving sales targets.

Marketing expenses increased from SAR 6.1 million in 2020G in the nine-month period ending 30 September 2022G to SAR 13.4 million in the nine-month period ending 30 September 2023G. This increase was mostly due to a ramp-up in marketing activities, mainly pertaining to marketing activities in connection with Roshn Saudi Arabia League; and pertaining to customers' cashback marketing to gain additional customers.

rasan

Finance charges

Finance charges comprise finance expense from the unwinding impact on interest-free loan from a related party, interest on lease liabilities, and bank charges.

Finance charges decreased from SAR 1.3 million in the nine-month period ending 30 September 2022G to SAR 232 thousand in the nine-month period ending 30 September 2023G, upon fully settling the outstanding loan payable amount to Insurance House Company ("**IHC**"), which resulted in a decrease in the finance expenses from SAR 1.3 million in the nine-month period ending 30 September 2022G to nil in the nine-month period ending 30 September 2023G. As of 30 September 2023G, finance charges are mainly comprised of interest charges on lease liabilities amounted to SAR 187 thousand and bank charges amounted to SAR 45 thousand.

Zakat

Zakat expense amounted to SAR 2.5 million in the nine-month period ending 30 September 2022G, and amounted to SAR 2.4 million in the nine-month period ending 30 September 2023G.

Net profit for the period

Net profit for the period increased from SAR 35.2 million in the nine-month period ending 30 September 2022G to SAR 36.0 million in the nine-month period ending 30 September 2023G in line with the increase in the cost of sales. The Group's cost of sales and general and administrative expenses increased which contributed to the decrease in the net profit margin from 33.1% in the nine-month period ending 30 September 2022G to 19.3% in the nine-month period ending 30 September 2023G.

Other comprehensive income / (loss)

Other comprehensive income / (loss) increased from a loss of SAR 95 thousand in the nine-month period ending 30 September 2022G to an income of SAR 507 thousand in the nine-month period ending 30 September 2023G, due to the currency translation reserve from the Group's operating activities in Egypt.

Table (6.59): Revenue for the nine-month period ending 30 September 2022G and 2023G

In SAR thousands	Nine-month period ending September 2022G	Nine-month period ending September 2023G	Variance 2022G-2023G
Tameeni Motor	66,622	113,554	70.4%
Tameeni Health	16,267	30,746	84.9%
Treza Leasing	22,179	38,959	75.7%
Awal Mazad	886	2,730	208.3%
R Solutions	-	400	na
Total revenue	**106,314**	**186,389**	**75.3%**
Total cost of revenue	(34,848)	(77,034)	121.1%
Total Expenses	(33,796)	(70,944)	109.9%
Segmental profit before Zakat	**37,670**	**38,412**	**2.0%**

Source: Consolidated reviewed interim financial statements for the period ending 30 September 2022G and 2023G

Tameeni

Revenue is recorded upon the issuance of Motor and Health insurance policies on the Tameeni platform as a broker commission. The commission rates are capped by SAMA guidelines, whereby the Group does not have the full flexibility to adjust pricing. However, the Group provides add-on services to manage pricing levels. Although Tameeni line of business operates in a SAMA regulated environment, the Group obtained the SAMA license to operate as an online aggregator starting the second quarter of 2023G. Historically, the Group leveraged IHC's license to operate in its aggregator/broker capacity.

Tameeni revenue comprised revenue from Tameeni Motor (78.7% contribution in the nine-month period ending 30 September 2023G) and Tameeni Health (21.3% contribution in the nine-month period ending 30 September 2023G) lines of business, and collectively contributed 77.4% of total revenue in the nine-month period ending 30 September 2023G.

Tameeni - Motor

Tameeni Motor revenue increased by SAR 66.6 million in the nine-month period ending 30 September 2022G to SAR 113.6 million in the nine-month period ending 30 September 2023G, driven by the increase in number of Tameeni Motor policies sold from 2.1 million policies in the nine-month period ending 30 September 2022G to 2.6 million policies in the nine-month period ending 30 September 2023G, facilitated by the increase in the premiums of written policies sold by 50.7% during the same period, coupled with the Management's strategic drive to attract more customers through digital marketing campaigns, which increased the Group's market share. In addition, the new regulation in the Kingdom, mandated by the regulatory body, contributed to the increase in the demand on third-party vehicle insurance policies.

Besides, the average revenue per policy increased from SAR 31.9 in the nine-month period ending 30 September 2022G to SAR 44.5 in the nine-month period ending 30 September 2023G, in line with the increase in average written premiums per policy over the period. Tameeni Motor renewals represented 24.0% in the nine-month period ending 30 September 2023G.

Tameeni - Health

Revenue from Tameeni Health increased from SAR 16.6 million in the nine-month period ending 30 September 2022G to SAR 30.8 million in the nine-month period ending 30 September 2023G, primarily due to the increase in number of policies sold from SAR 99 thousand in the nine-month period ending 30 September 2022G to 210 thousand in the nine-month period ending 30 September 2023G, mainly driven by ramp-up in Tameeni Health operations, and this growth was facilitated by the Management's strategy which focused on the SME market, coupled with building brand awareness through increased marketing activities.

The average revenue per policy decreased from SAR 167.3 to SAR 146.4 over the same period, resulting from the change in product mix between class B and C products in the nine-month period ending 30 September 2023G. In line with the Management's strategic direction towards increasing its investment portfolio, Tameeni Health revenue as a percentage of total revenue increased from 15.6% in the nine-month period ending 30 September 2022G to 16.5% in the nine-month period ending 30 September 2023G.

Treza Leasing

Revenue is recorded upon the issuance of Motor insurance policies on the Treza Leasing platform as a broker commission. The commission rates are capped by SAMA guidelines, whereby the Group does not have the full flexibility to adjust pricing. Although the Treza product line of business operates in a SAMA regulated environment, the Group can operate in its broker capacity leveraging IHC's license.

Beginning of October 2023G, the Group signed a new agreement with IHC online brokerage in relation to Treza Leasing contracts, whereby SAR 160 commission per policy were allocated to the Group, where the agreed upon commission does not exceed 4.05%. It is worth noting that the 4.05% commission recently agreed upon equally amounts to the Group's commission as per the old agreement (i.e. 45% commission amounting to 9% of the gross insurance premium) and, accordingly, there was no impact on the Group's revenue in connection with the new agreement.

Revenue from Treza Leasing represented 20.9% of total revenue in the nine-month period ending 30 September 2023G and pertained to the commission earned on gross written premium of policies issued, combined with other fees per policy issuance.

Revenue from Treza Leasing increased from SAR 22.2 million in the nine-month period ending 30 September 2022G to SAR 39.0 million in the nine-month period ending 30 September 2023G, primarily due to the increase in number of policies sold from SAR 277 thousand in the nine-month period ending 30 September 2022G to 411 thousand in the nine-month period ending 30 September 2023G. This increase was mainly driven by the ramp-up in Treza Leasing partners' portfolio, whereby the number of insured rented cars increased and which comprised two banks in the Kingdom that occupy 40% of the vehicle financing lease' market share.

In addition, average revenue per policy increased from SAR 80.1 to SAR 94.9 over the same period, mainly driven by changing the channel mix to the indirect channel which generates more profit to the Group than the direct channel.

Awal Mazad

Awal Mazad revenue accounted for 1.5% of total revenue in the nine-month period ending 30 September 2023G and pertained to the revenue earned from vehicles sold as part of the auction platform for salvage cars. The Group adopted the IFRS 15 to recognize the revenue and costs.

Awal Mazad revenue increased from SAR 886 thousand in the nine-month period ending 30 September 2022G to SAR 2.7 million in the nine-month period ending 30 September 2023G, mainly driven by the increase in number of vehicles sold from 416 in the nine-month period ending 30 September 2022G to 885 in the nine-month period ending 30 September 2023G, and this was mainly on the back of emphasizing and adding new products' offerings through adding salvaged and used cars in the nine-month period ending 30 September 2023G, coupled with an increase in the average price per vehicle sold from SAR 2,129 to SAR 3,085 over the same period.

R Solutions

R Solutions Revenue accounted for 0.2% of total revenue in the nine-month period ending 30 September 2023G.

R Solutions revenue increased from nil in the nine-month period ending 30 September 2022G to SAR 400 thousand in the nine-month period ending 30 September 2023G. R Solutions pertain to an in-house technical software deployed to analyze data and monitor the performance of the insurance portfolio, business models and solutions for predicting business models in the insurance sector; a software that targets insurance companies given they are the end users. The software was developed by insurance specialists who have extensive knowledge in providing full-fledged solutions combining artificial intelligence and pricing, which saves costs for customers and simplifies the actuarial operations, in addition to implementing the Management's executive vision in a profitable manner.

6.9.2 Statement of financial position

Table (6.60): Statement of financial position as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Assets		
Current Assets		
Bank balances and cash	77,397	103,478
Trade receivables, prepayments, and other assets	15,054	34,748
Amount due from a related party	-	69,738
Total current assets	**92,452**	**207,964**
Non-Current Assets		
Property and equipment	8,522	12,585
Intangible assets	28,924	37,504
Right-of-use assets	3,776	3,433
Total Non-Current assets	**41,222**	**53,522**
Total assets	**133,674**	**261,486**
Liabilities and partners' equity (deficit)		
Current liabilities		
Trade and other payables	41,535	138,193
Amounts due to related parties	7,205	1,306
Lease liability-current	1,033	1,750
Zakat payable	3,323	2,410
Total current liabilities	**53,096**	**143,660**
Non-current liabilities		
Employee' defined benefits liabilities	3,832	5,348
Lease liability – noncurrent	2,275	1,498
Total non-current liabilities	6,108	6,846
Total liabilities	**59,203**	**150,506**
Partners' Equity (deficit)		
Capital	25,500	70,500

In SAR thousands	31 December 2022G	30 September 2023G
Statutory reserve	7,680	30
Retained earnings (Accumulated losses)	41,521	40,173
Currency translation reserve	(230)	278
Total partners' equity (deficit)	**74,471**	**110,980**
Total liabilities and partners' equity	**133,674**	**261,486**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Table (6.61): Statement of financial position key performance indicators as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
KPIs		
DSO (based on trade receivables)(1)	20	25
DPO (based on trade payables)(2)	58	71
Cash Conversion Cycle(3)	**(37)**	**(46)**
ROAE(4)	60.0%	38.5%
ROAA(5)	31.3%	18.1%

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

(1) Number of DSO (based on trade receivables) is defined as the average (using prior year-end and current period balances) of the total commercial receivables (commercial only) divided by revenue (for the last nine months) multiplied by 270.

(2) Number of DPO (based on trade payables) is defined as the average (using prior year-end balances and the current period) of commercial creditors divided by the cost of sales (for the last nine months) multiplied by 270.

(3) Number of cash transfer days calculated by adding outstanding days inventory days to outstanding sales days and subtracting late orders days.

(4) The rate of return on partners' rights is calculated on the basis of net profit for the financial year divided by the average partner rights (using prior year and current period balances).

(5) The rate of return on assets is calculated on the basis of net profit for the fiscal year divided by average assets (using prior year-end and current period balances).

Current assets

Banks balances and cash

Bank balances and cash increased from SAR 77.4 million as of 31 December 2022G to SAR 103.5 million as of 30 September 2023G, mostly due to the increase in trade and other payables by SAR 96.7 million, mostly pertaining to receivables due from insurance companies in relation to written premiums that are settled within one month. This increase was partially offset by the cash used in investing activities amounted to (SAR 20.7- million), coupled with additions in intangible assets amounted to (SAR 14.6 million), purchases of property and equipment amounted to (SAR 6.2 million), and the increase in trade receivables prepayments and other assets by SAR 20 million.

Trade receivables, prepayments, and other assets

Trade receivables, prepayments, and other assets increased from SAR 15.1 million as of 31 December 2022G to SAR 34.8 million as of 30 September 2023G mainly on the back of an increase in net trade receivables by SAR 15.8 million, coupled with an increase in prepayments by SAR 2.5 million. The increase in Trade receivables, net was a result of an increase in gross trade receivables pertaining to one of the payment service providers by SAR 8.2 million, and the increase of trade receivables balance of another payment service provider by SAR 5.8 million, and an increase in trade receivables related to a local bank by SAR 3.5 million, offset by a decrease in trade receivables' balance of another local bank by SAR 559 thousand.

Amounts due from related party

Amount due from a related party was recorded on a net basis and amounted to nil as of 31 December 2022G, before increasing to SAR 69.7 million as of 30 September 2023G. This amount is mainly comprised of dues from IHC amounted to SAR 42.8 million, mainly in connection with Tameeni's operations up to July 2023G, and Treza Leasing- direct over the period, in addition to SAR 27.0 million related to investors' share of IPO costs. The amount due from IHC was partially collected, later in October 2023G.

Non-current assets

Property and equipment

Property and equipment increased from SAR 8.5 million as of 31 December 2022G to SAR 12.6 million as of 30 September 2023G due to additions of SAR 6.2 million (of which SAR 2.7 million pertained to Tameeni's new office furniture in Riyadh and SAR 2.7 million related to servers and networks). This was partially offset by depreciation charges for the year amounting to SAR 2.0 million. Regarding the important fixed assets to be purchased during the remaining period of 2023G, they amounted to SAR 2.1 million as of 30 September 2023G, and mainly pertained to purchasing software licenses, enhancing the Group's infrastructure, purchasing laptops as well as purchasing Tameeni's new office infrastructure requirements.

Intangible assets

Table (6.62): Net Book Value of Intangible Assets as of December 31, 2022G and September 30, 2023G

In SAR thousands	31 December 2022G	30 September 2023G
Tameeni	14,071	15,562
Awal Mazad	2,625	2,942
Treza IHC Lease	1,916	2,436
Treza Direct Lease	1,794	2,094
IT Liscense & Software	328	1,111
Work in Progress	8,190	13,359
Total	**28,924**	**37,504**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and Management Information

Table (6.63): Additions and transfers of intangible assets for the fiscal year ending December 31, 2022 and the nine-month period ending September 30, 2023

In SAR thousands	Financial year 2022G	Nine-month period ending September 2023G
Tameeni	8,519	5,586
Awal Mazad	974	1,082
Treza IHC Lease	762	1,015
Treza Direct Lease	600	726
IT Liscense & Software	342	911
Work in Progress	5,065	5,233
Total	**16,262**	**14,552**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and Management Information

rasan

Table (6.64): Amortization expenses on intangible assets for the fiscal year ending December 31, 2022 and the nine-month period ending September 30, 2023

In SAR thousands	Financial year 2022G	Nine-month period ending September 2023G
Tameeni	5,048	4,094
Awal Mazad	784	764
Treza IHC Lease	424	496
Treza Direct Lease	428	426
IT License & Software	14	127
Work in Progress	-	64
Total	**6,699**	**5,972**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and Management Information

Table (6.65): Additions to work in progress for the financial year ending 31 December 2022G and the nine-month period ending September 30, 2023

In SAR thousands	Financial year 2022G	Nine-month period ending September 2023G
Warshati	1,212	488
Auto loan	2,348	856
Medical Malpractice	900	626
R Solutions	271	845
Travel Insurance Tech	267	298
General Insurance	35	256
Claims	32	423
Domestic Worker Insurance	-	225
Value Added Services	-	193
Corporate Health	-	1,025
Total	**5,065**	**5,233**

Source: Management Information

Intangible assets increased from SAR 28.9 million as of 31 December 2022G to SAR 37.5 million as of 30 September 2023G, mainly due to additions amounted to SAR 14.6 million since the beginning of 2023G, SAR 5.6 million of which were part of Tameeni's line of business, and SAR 5.2 million were classified as work-in-progress. The increase is in line with the Group's strategy which aims to develop the in-house programming of new services and to meet the growing business requirements.

Right-of-use assets

Right of use assets decreased from SAR 3.8 million as of 31 December 2022G to SAR 3.4 million as of 30 September 2023G, mainly due to depreciation charges amounted to SAR 517 thousand. This decrease was partially offset by addition in right of use assets amounted to SAR 1.6 million, pertaining to Tameeni's new office in Riyadh and to the expansion of Tameeni's office in Egypt.

Current liabilities

Trade and other payables

Trade and other payables increased from SAR 41.5 million as of 31 December 2022G to SAR 138.2 million as of 30 September 2023G, on the back of the increase in accruals and other payables by SAR 77.6 million, mainly driven by the increase in Elm' accrued payables by SAR 28.0 million, the increase in accrued IPO costs by SAR 24.5 million and the increase in dues to insurance companies by SAR 23.1 million.

Amounts due to related parties

Amounts due to related parties decreased from SAR 7.2 million as of 31 December 2022G to SAR 1.3 million as of 30 September 2023G, due to settlements to IHC amounted to SAR 6.0 million.

Zakat payable

Zakat payable amounted to SAR 3.3 million as of 31 December 2022G and represented the full- year Zakat payable. Zakat payable amounted to SAR 2.4 million as of 30 September 2023G and represented the Zakat payable of the nine-month period.

Lease Liability – current and non-current portions

Lease liability decreased from SAR 3.3 million as of 31 December 2022G to SAR 3.2 million as of 30 September 2023G as a result of additions (SAR 1.5 million) partially offset by payments of SAR 1.6 million pertaining to Tameeni's new office in Riyadh and Egypt office's expansion.

Non-Current liabilities

Employees' defined benefit liabilities

Employees' defined benefit liabilities increased from SAR 3.8 million as of 31 December 2022G to SAR 5.4 million as of 30 September 2023G. The increase in employees' defined benefits liability was in line with the increase in headcount from 178 employees as of 31 December 2022G to 311 employees as of 30 September 2023G. Employees' defined benefit liabilities were calculated in accordance with IAS 19.

Shareholders' equity

Total shareholder's equity increased from SAR 74.5 million as of 31 December 2022G to SAR 111.0 million as of 30 September 2023G, mainly on the back of an increase by SAR 45.0 million which were transferred from the retained earnings and the statutory reserve.

Share capital

Share capital increased from SAR 25.5 million as of 31 December 2022G to SAR 70.5 million as of 30 September 2023G, stemming from a transfer of SAR 45 million from the retained earnings and the statutory reserve as of 31 December 2022G. The share capital increase was agreed during shareholders' meeting on 21/12/1444H (corresponding to 9 July 2023). The legal procedures were completed in August 2023G.

The Extraordinary General Assembly approved on 21/12/1444H (corresponding to 9 July 2023) the capital increase from SAR 25.5 million to SAR 70.5 million divided into 70.5 million ordinary shares of SAR 1 each, through capitalizing SAR 37.35 million from the retained earnings and SAR 7.65 million from the statutory reserve. Finally, on 27/01/1445H (corresponding to 14 August 2023), the Extraordinary General Assembly approved the capital increase from SAR 70.5 million to SAR 70.8 divided into 70.8 million ordinary shares of SAR 1, and approved the public offering of 5.3 million shares (for further details, please refer to section 4.1.2 "**Corporate History and Evolution of the Company's Ownership Structure and Capital**" of this prospectus).

Statutory reserve

Under the Companies Law in the KSA, the Group allocates 10.0 % of its net income for the year to the statutory reserve until the latter reaches 30.0% of share capital. This reserve is not distributable as dividends. This requirement was discarded and superseded by a new regulation for companies. The new regulation became effective on 19 January 2023G.

The statutory reserve amounted to SAR 7.7 million as of 31 December 2022G. There were transfers from statutory reserve to capital which amounted to SAR 30 thousand as of 30 September 2023G.

Retained earnings

Retained earnings decreased from SAR 41.5 million as of 31 December 2022G, to SAR 40.2 million as of 30 September 2023G, stemming from a transfer of a portion of net income to the share capital.

Foreign currency translation reserve

Foreign currency increased from minus SAR 230 thousand as of 31 December 2022G, to SAR 278 thousand as of 30 September 2023G, mainly impacted by the currency exchange rate in Egypt.

rasan

Trade receivables, prepayments, and other assets

Table (6.66): Trade receivables, prepayments, and other assets as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Trade receivables	8,005	25,944
Less: provision for expected credit losses	(9)	(2,177)
Net trade receivables	7,996	23,767
Prepayments	5,402	6,970
Advances to suppliers	942	3,475
Security deposits	270	224
Others	444	311
Total	**15,054**	**34,748**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Trade receivables, prepayments, and other assets increased from SAR 15.1 million as of 31 December 2022G to SAR 34.8 million as of 30 September 2023G, mainly driven by an increase in gross trade receivables by SAR 17.9 million in line with the ramp-up in the Group's operations. This increase was associated with the increase in the suppliers' prepayments by SAR 2.5 million mainly driven by prepayments to two suppliers to separate between the Group's infrastructure and Tameeni IT upon launching the independent Tameeni Company, and enhancing Tameeni's IT infrastructure.

Trade receivables

Trade receivables increased from SAR 8.0 million as of 31 December 2022G to SAR 25.9 million as of 30 September 2023G. The increase in trade receivables, net was a result of an increase in gross trade receivables pertaining to one of the payment service providers by SAR 8.2 million, and the increase of trade receivables balance of another payment service provider by SAR 5.8 million, and an increase in trade receivables related to a local bank by SAR 3.5 million, offset by a decrease in trade receivables' balance of another local bank by SAR 599 thousand.

The Group recorded an impairment for expected credit losses as per IFRS 9, which increased from SAR 9 thousand as of 31 December 2022G to SAR 2.2 million as of 30 September 2023G.

Prepayments

Prepayments increased from SAR 5.4 million as of 31 December 2022G to SAR 7 million as of 30 September 2023G due to the increase in prepayments of IT licenses by SAR 1.6 million, and in prepaid medical insurance by SAR 890 thousand. These increases were partially offset by a decrease in prepaid office rent by SAR 819 thousand and the decrease in prepaid marketing expense by SAR 285 thousand.

Advances to supplier

Advances to suppliers increased from SAR 772 thousand as of 31 December 2022G to SAR 3.5 million as of 30 September 2023G, and mainly pertained to prepayments to two suppliers amounted to SAR 1.1 million, to separate between the Group's infrastructure and Tameeni IT upon launching the independent Tameeni Company, and prepayments to enhance Tameeni's IT infrastructure amounted to SAR 606 thousand.

Security deposits

Security deposits related to rental properties and labour guarantees. Security deposits remained relatively stable, slightly decreasing from SAR 270 thousand as of 31 December 2022G to SAR 224 thousand as of 30 September 2023G.

Others

Others decreased from SAR 444 thousand as of 31 December 2022G to SAR 311 thousand as of 30 September 2023G, and mainly pertained to staff loans and advances.

Amounts due from a related party

Table (6.67): Amounts due from a related party as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Shareholders	-	26,950
Insurance House Company	-	42,788
Total	**-**	**69,738**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

The Group's transactions with its related party, Insurance House Company, were mainly based on leveraging the related party's broker license to transact on the Group's behalf. The Group obtained an approval from SAMA in Q2 FY23 for obtaining an independent broker license (for Tameeni services) to operate independently.

Insurance House Company is a limited liability company registered as an insurance broker that is licensed to conduct insurance brokerage activities. As part of its agreement with the Group, the related party acts as the licensee (the Group being the licensor) pertaining to the intellectual property and technical services license grant.

The Group charges the licensee a monthly license fee in exchange for management and operational support services on the platform provided by the Group, related to utilizing the Group's software services.

Amount due from a related party amounted to nil as of 31 December 2022G before increasing to SAR 42.8 million as of 30 September 2023G, mainly driven by the increase in Tameeni dues up to July 2023G, and dues from Treza Leasing operations.

Trade and other payables

Table (6.68): Trade and other payables as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Accruals and other payables	25,463	102,793
Trade payables	12,070	28,124
VAT payable	2,248	4,291
Refundable deposits	1,583	1,763
Accrued salaries and benefits	169	1,084
Others	2	139
Total	**41,535**	**138,193**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Trade and other payables increased from SAR 41.5 million as of 31 December 2022G to SAR 138.2 million as of 30 September 2023G largely due to the increase in other trade payables by SAR 77.3 million, driven by the increase of payable dues to Elm Company by SAR 28 million, the increase in IPO costs by SAR 24.5 million, the increase in payables due to IHC by SAR 23.1 million. This increase was coupled with an increase in the gross trade payables by SAR 16.1 million.

Accruals and other payables

Accruals and other payables increased from SAR 25.5 million as of 31 December 2022G to SAR 102.8 million as of 30 September 2023G mainly as a result of the increase in other accruals related to Elm fees by SAR 28.0 million and the increase in accruals related to IPO costs by SAR 24.5 million and the increase in IHC accruals by SAR 23.1 million.

Trade payables

Trade payables increased from SAR 12.1 million as of 31 December 2022G to SAR 28.1 million as of 30 September 2023G. This increase was mainly on the back of the increase in trade payables due to Elm Company by SAR 17.1 million.

VAT Payable

VAT payable increased from SAR 2.2 million as of 31 December 2022G to SAR 4.3 million as of 30 September 2023G, in line with the increase in revenue.

Refundable deposits

Refundable deposits pertained to Awal Mazad customers, whereby the Group required these customers to place a deposit in order to participate in the auction. Refundable deposits remained relatively stable, slightly increasing from SAR 1.6 million as of 31 December 2022G to SAR 1.8 million as of 30 September 2023G.

Accrued salaries and benefits

Accrued salaries and benefits increased from SAR 169 thousand as of 31 December 2022G to SAR 1.1 million as of 30 September 2023G, in line with the increase in headcount.

Others

Others increased from SAR 2 thousand as of 31 December 2022G to SAR 139 thousand as of 30 September 2023G.

Amounts due to related parties

Table (6.69): Amounts due to related parties as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Thiqah Business Services (Watheq)	382	1,002
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	842	257
Arabian Company Traveling Services	-	47
Insurance House Company	5,982	-
Total	**7,205**	**1,306**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Amounts due to related parties

Amounts due to related parties of SAR 7.2 million as of 31 December 2020G, SAR 6.0 of which were payable to Insurance House Company, and the remaining balance amounted to SAR 842 thousand pertained to Abuhimed Alsheikh Alhagbani Law Firm (AS&H) Law Firm in connection with legal costs. The remaining balance SAR 382 thousand were payable to Thiqah Business Services (Watheq) associated with direct costs.

Amounts due to related parties decreased to SAR 1.3 million as of 30 September 2023G, SAR 1.0 million of which were due to Thiqah Business Services (Watheq) mainly in relation to key service providers' costs, and SAR 257 thousand of which due to Abuhimed Alsheikh Alhagbani Law Firm (AS&H) mainly related to the Group's legal advice. As of 1 July 2023G, the Group terminated its service contract with Abuhimed Alsheikh Alhagbani Law Firm (AS&H). The remaining balance amounted to SAR 47 thousand as of 30 September 2023G, payable to Arabian Company Traveling Services in relation to travel costs.

Zakat payable

Table (6.70): Zakat payable as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
At the beginning of the year	1,492	3,323
Provided during the year	3,305	2,410
Paid during the year	(1,474)	(3,305)
Settlements	(18)	-
At the end of the year	**3,323**	**2,410**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Zakat payable amounted SAR 3.3 million as of 31 December 2022G which represented the full-year Zakat, and amounted to SAR 2.4 million as of 30 September 2023G.

Status of assessments

The Group submitted Zakat returns on a standalone basis for the Parent Company and local subsidiary separately. Below is the status of assessment of the Parent Company and its subsidiaries:

Rasan Information Technology Company

The Company submitted its Zakat return for all prior years up to 31 December 2022G to the Zakat, Tax and Custom Authority. Zakat assessments are finalized up to 31 December 2021G.

Awal Mozawadah LLC

Awal Mazad submitted its Zakat return for all prior years up to 31 December 2021G to the Authority. Zakat assessments are yet to be reviewed by the Authority.

Rasan Egypt

Rasan Egypt submitted its Tax returns for all prior years up to 31 December 2021G to the Egyptian Tax Authority. Tax assessments are yet to be reviewed by the Egyptian Tax Authority.

Rasan Software Limited – UAE

Historically, the Company was not subject to income tax in the UAE.

Tameeni Online Brokerage

The Company is yet to submit its first Zakat assessment.

Treza Company

The Company was registered in March 2023G, and as of 30 September 2023G the Company has not submitted its Zakat assessment to the authority.

6.9.3 Statements of cash flows

Table (6.71): Statement of cash flows as of 31 December 2022G and 30 September 2023G.

In SAR thousands	30 September 2022G	30 September 2023G
Operating activities		
Profit before zakat	37,670	38,412
Adjustments to reconcile profit before zakat to net cash flows		
Depreciation of property and equipment	954	1,973
Depreciation of right of use assets	900	1,674
Gain on disposal of leased assets	-	(6)
Amortization of intangible assets	4,812	5,972
Provision for expected credit losses	-	2,448
Provision for employees' defined benefits liabilities	1,481	1,733
Finance cost on loan payable to related party	1,071	-
Finance cost on lease liability	166	187
Operating cash flows before working capital changes	**47,054**	**52,392**

In SAR thousands	30 September 2022G	30 September 2023G
Working capital changes		
Trade receivables, prepayments, and other receivables	(1,475)	(21,861)
Amount due from a related party	(21,160)	(70,018)
Trade and other payables	8,976	96,641
Amounts due to related parties	-	(5,899)
Cash from operating activities	**33,394**	**51,255**
Zakat paid	(1,431)	(3,305)
Interest paid	(166)	(187)
Employee defined benefits paid	(157)	(217)
Net cash from operating activities	**31,640**	**47,546**
Investing activities		
Purchase of property and equipment	(715)	(6,173)
Addition related to intangible assets	(12,300)	(14,552)
Net cash used in investing activities	**(13,015)**	**(20,725)**
Financing activities		
Lease liability paid	(1,057)	(1,423)
Net cash from / (used in) financing activities	**(1,057)**	**(1,423)**
Increase / (decrease) in bank balances and cash	**17,569**	**25,298**
Currency translation adjustments	(75)	683
Bank balances and cash at the beginning of the year	35,278	77,397
Bank balances and cash at the end of the year	**52,772**	**103,478**
Non-cash transactions		
Addition to right-of-use assets and lease liability	-	1,547
Capital raise	-	45,000

Source: Consolidated reviewed interim financial statements for the nine-period ending 30 September 2022G and 2023G

Net cash from operating activities

Net cash from operating activities increased from SAR 33.4 million in the nine-month period ending 30 September 2022G to SAR 51.3 million in the nine-month period ending 30 September 2023G, mainly on the back of the increase in trade and other payables from SAR 9.0 million in the nine-month period ending 30 September 2022G to SAR 96.6 million in the nine-month period ending 30 September 2023G.

This increase was partially offset by a decrease in trade receivables, prepayments and other receivables from a cash outflow of (SAR 1.5 million) in the nine-month period ending 30 September 2022G to a cash outflow of (SAR 21.9 million) in the nine-month period ending 30 September 2023G, and decrease in settlements of amounts due to related parties by SAR 5.9 million, and amounts due from related parties amounted to SAR 70.0 million in the nine-month period ending 30 September 2023G.

Cash flows from investing activities

Cash used in investing activities increased from SAR 13.0 million in the nine-month period ending 30 September 2022G to SAR 20.7 million in the nine-month period ending 30 September 2023G, due to the increase in property and equipment purchases from SAR 715 thousand in the nine-month period ending 30 September 2022G to SAR 6.2 million in the nine-month period ending 30 September 2023G, mainly pertained to the recent launching of Tameeni offices in KSA. The additions in intangible assets increased from SAR 12.3 million in the nine-month period ending 30 September 2022G to SAR 14.6 million in the nine-month period ending 30 September 2023G to facilitate the business requirements in relation to the ramp-up in the Company's operation.

Cash flows from financing activities

Cash from financing activities increased from SAR 1.1 million in the nine-month period ending 30 September 2022G to SAR 1.4 million in the nine-month period ending 30 September 2023G, due to the increase in prepaid lease liabilities.

6.9.4 Subsidiary analysis – Rasan Software House LLC (UAE)

Table (6.72): Income statement for the nine-month period ending 30 September 2022G and 2023G.

In SAR thousands	Nine-month period ending September 2022G	Nine-month period ending September 2023G	Variance 2022G-2023G
General and administrative expenses	(9,650)	(12,689)	31.6%
Marketing expenses	(195)	(72)	(63.0%)
Operating loss	(9,845)	(12,761)	29.7%
Financial expenses	(49)	(14)	(72.5%)
Other income (expenses)	0	1	
Net loss for the year	**(9,894)**	**(12,773)**	**29.2%**

Source: Consolidated reviewed interim financial statements for the nine-period ending 30 September 2022G and 2023G

Rasan Software House LLC is a cost center based in the UAE which provides the Group with strategic, financial, marketing and support function expertise.

General and administrative expenses

General and administrative expenses pertain mainly to salaries, bonuses and rewards, medical insurance, and others. G&A increased by 31.6% from SAR 9.7 million in the nine-month period ending 30 September 2022G to SAR 12.7 million in the nine-month period ending 30 September 2023G, driven by the Finance Management's salaries by SAR 634 thousand, Executive Management's salaries by SAR 595 thousand, and human resources' salaries by SAR 556 thousand. This increase in general and administrative expenses was partially offset by the decrease in Management's by SAR 1.5 million.

The increase in salaries was in line with the growth in headcount from 53 in the nine-month period ending 30 September 2022G to 66 in the nine-month period ending 30 September 2023G.

Marketing expenses

Marketing expenses mainly pertain to the cost incurred on exhibitions in UAE for product branding. Marketing expenses decreased from SAR 195 thousand in the nine-month period ending 30 September 2022G to SAR 72 thousand in the nine-month period ending 30 September 2023G.

Financial expenses

Financial expenses pertain to lease expenses, which decreased from SAR 49 thousand in the nine-month period ending 30 September 2022G to SAR 14 thousand in the nine-month period ending 30 September 2023G, mainly on the back of a decrease in interest expenses on lease.

Net loss for the year

Net loss for the year increased from SAR 9.9 million in the nine-month period ending 30 September 2022G to SAR 12.8 million in the nine-month period ending 30 September 2023G, as a result of the increase in general and administrative expenses, in line with the ramp-up in operations across the historical period.

Table (6.73): Statement of financial position as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Current assets	1,927	1,883
Non-Current assets	1,290	837
Total assets	**3,217**	**2,720**
Current liabilities	50,360	(62,134)
Non-Current liabilities	1,711	(2,213)
Total Liabilities	52,050	(64,348)
Equity	(48,854)	(61,267)
Total liability and equity	**3,217**	**2,720**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Current assets

Current assets remained stable at SAR 1.9 million as of 31 December 2022G and as of 30 September 2023G.

Non-current assets

Non-current assets decreased from SAR 1.3 million as of 31 December 2022G to SAR 837 thousand as of 30 September 2023G, driven by the decrease in right-of-use assets by SAR 393 thousand.

Current liabilities

Current liabilities increased from SAR 50.4 million as of 31 December 2022G to SAR 62.1 million as of 30 September 2023G. The increase was on back of the amounts due to related parties amounting from SAR 46.0 million to SAR 58.1 million (pertaining to KSA entity) over the same period.

Non-current liabilities

Non-current liabilities increased from SAR 1.7 million as of 31 December 2022G to SAR 2.2 million as of 30 September 2023G. The increase was on back of EOSB, in line with the growth in headcount over the same period.

Deficit in Shareholders' Equity

The deficit in shareholders' equity increased from a deficit of SAR 48.85 million as of 31 December 2022G to a deficit of SAR 61.6 million as of 30 September 2023G, as a result of the net losses recorded each year.

6.9.5 Subsidiary analysis – Rasan LLC (Egypt)

Table (6.74): Income statement for the nine-month period ending 30 September 2022G and 2023G.

In SAR thousands	Nine-month period ending September 2022G	Nine-month period ending September 2023G	Variance 2022G-2023G
Revenue from contracts	-	-	N/A
Gross profit	-	-	N/A
Operating losses	(606)	(3,182)	(425.1%)
Net loss for the year	**(614)**	**(3,260)**	**(430.9%)**

Source: Consolidated reviewed interim financial statements for the nine-period ending 30 September 2022G and 2023G

Rasan LLC is a cost center based in Egypt supports the Group with its IT operations including software development costs for enhancements to existing intangible assets and development of new products and services.

Operating losses

Operating losses represented mainly the losses in relation to the increase in general and administrative expenses which increased from SAR 606 thousand in the nine-month period ending 30 September 2022G to SAR 3.2 million in the nine-month period ending 30 September 2023G, due to the increase in employees' costs, coupled with an increase in bonus by SAR 834 thousand, and the increase in HR salaries by SAR 734 thousand as well as the increase in depreciation on right-of-use assets by SAR 410 thousand.

The Management confirmed that the increase in employees' headcount was in line with the Group's strategy focus on enhancing the in-house IT team to perform on-going IT software maintenance. The Group leverages IT software developers in Egypt to obtain new products/services, which will enable the Group to achieve its growth.

Net loss for the year

Net loss for the year increased from SAR 614 thousand in the nine-month period ending 30 September 2022G to SAR 3.3 million in the nine-month period ending 30 September 2023G, mainly driven by the increase in the general and administrative expenses to support the growth in the Group's business requirements. The subsidiary Company is a cost center (which does not generate any income) that supports the Group's IT and software operations.

Table (6.75): Statement of financial position as of 31 December 2022G and 30 September 2023G.

In SAR thousands	31 December 2022G	30 September 2023G
Current assets	2,951	2,780
Non-Current assets	846	1,591
Total assets	**3,797**	**4,372**
Current liabilities	6,407	9,048
Non-Current liabilities	-	662
Total liabilities	**6,407**	**9,709**
Equity	**(2,610)**	**(5,338)**
Total liabilities and equity	**3,797**	**4,372**

Source: Consolidated audited financial statements for the financial year ending 31 December 2022G and consolidated reviewed interim financial statements for the nine-period ending 30 September 2023G

Current assets

Current assets decreased from SAR 2.9 million as of 31 December 2022G to SAR 2.8 million as of 30 September 2023G majorly driven by the decrease in receivables and other receivables by SAR 849 thousand.

Non-current assets

Non-current assets increased from SAR 846 thousand as of 31 December 2022G to SAR 1.6 million as of 30 September 2023G on the back of additions in fixed assets across the historical period.

The right-of-use assets increased from SAR 22 thousand as of 31 December 2022G to SAR 771 thousand as of 30 September 2023G, which led to an increase in fixed assets over the same period.

Current liabilities

The increase in current liabilities over the historical from SAR 6.4 million as of 31 December 2022G to SAR 9.1 million as of 30 September 2023G, mainly resulted from the increase in the amounts due to related parties from SAR 3.5 million as of 31 December 2022G to SAR 7.3 million as of 30 September 2023G.

Non-current liabilities

Non-current liabilities increased from nil as of 31 December 2022G to SAR 662 thousand as of 30 September 2023G, mainly driven by the increase in lease liabilities.

Deficit in Shareholders' Equity

Deficit in shareholders' equity increased from a deficit of SAR 2.6 million as of 31 December 2022G to a deficit of SAR 5.3 million as of 30 September 2023G, as a result of losses incurred from the business operations across the period.

6.9.6 Subsidiary analysis – Tameeni

Table (6.76): Income statement for the nine-month period ending 30 September 2023G.

In SAR thousands	Nine-month period ending September 2023G
Sales	45,362
Cost of revenue	(25,715)
Gross profit	**19,647**
General and Administrative expenses	(1,784)
Marketing expenses	(285)
Operating losses	**17,577**
Bank charges	(21)
Deferred tax and others	(15)
Profit (loss) before Zakat	**17,541**
Zakat	(439)
Net loss for the year	**17,102**

Source: Management information for the nine-month period ending 30 September 2023G.

Sales

Net sales amounted to SAR 45.4 million in the nine-month period ending 30 September 2023G and pertained to commission incomes from Tameeni Motor and Tameeni Health Companies. Tameeni Motor revenue amounted to SAR 40.2 million, and Tameeni Health amounted to SAR 5.5 million in the nine-month period ending 30 September 2023G.

Cost of sales

Cost of sales amounted to SAR 25.7 million in the nine-month period ending 30 September 2023G, and mainly comprised of different service providers' costs, IT salaries, operations' teams, business development as well as technical support services costs.

General and administrative expenses

General and administrative expenses amounted to SAR 1.8 million in the nine-month period ending 30 September 2023G, and mainly comprised of lease expenses, professional fees, finance department's salaries, project management department's salaries as well as HR salaries.

Marketing expenses

Marketing expenses amounted to SAR 285 thousand in the nine-month period ending 30 September 2023G, and mainly pertained to marketing activities to promote Tameeni's lines of business.

Finance expenses

Finance expenses amounted to SAR 21 thousand in the nine-month period ending 30 September 2023G, and mainly related to bank charges.

Deferred taxes and others

Deferred taxes and others amounted to SAR 15 thousand in the nine-month period ending 30 September 2023G. Further tax related information is included in the tax due diligence report.

Table (6.77): Statement of financial position as of 30 September 2023G.

In SAR thousands	30 September 2023G
Current assets	84,411
Non-Current assets	3,051
Total assets	**87,462**
Current liabilities	69,749
Non-Current liabilities	111
Total liabilities	69,860
Equity	17,602
Total liabilities and equity	**87,462**

Source: Management information as of 30 September 2023G.

Current assets

Current assets amounted to SAR 84.4 million as of 30 September 2023G and comprised of cash and cash equivalents amounted to SAR 75.5 million, trade receivables and others amounted to SAR 7.6 million resulted from SAR 6.6 million pertaining to trade receivables and amounts due from related parties amounted to SAR 1.3 million, stemming from transactions with companies in KSA.

Non-current assets

Non-current assets amounted to SAR 3.1 million as of 30 September 2023G and comprised of property and equipment, net. Property and equipment, net are comprised of capital expenditures amounted to SAR 3.1 million, trade receivables and accumulated depreciation amounted to SAR 49 thousand.

Current liability

Current liability amounted to SAR 69.8 million as of 30 September 2023G and mainly comprised of trade payables and other payables amounted to SAR 69.2 million, majorly stemming from payables to suppliers amounted to SAR 37.3 million, and payables amounted to SAR 31.3 million, Zakat payable amounted to SAR 439 thousand as well as amounts due to related parties amounted to SAR 103 thousand.

Non-current liability

Non-current liability amounted to SAR 111 thousand as of 30 September 2023G and mainly pertained to ESOB.

Shareholders' Equity

Shareholder's equity amounted to SAR 17.6 million as of 30 September 2023G.

rasan

7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder is equally entitled to the rights and obligations attached to the Company's shares, including the right to receive a portion of the dividends declared. The declaration and payment of any dividends will be recommended by the Board in its annual report before being approved by the Shareholders at a General Assembly meeting. However, there are no guarantees as to the actual distribution of dividends. Any dividends declared will depend on, amongst other things, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market data, general economic conditions, the Company's Zakat position and such other factors that the Board deems significant, in addition to legal and regulatory considerations. The Company's expectations with respect to these factors are subject to numerous assumptions, risks and uncertainties that may be beyond the control of the Company. For a discussion of the risks associated with the distribution of dividends, please refer to Section 2.3.4 "**Risks related to the Group's ability to distribute dividends**" of this Prospectus.

The Company intends to distribute annual dividends to its Shareholders in order to increase the value of their investments in the Company based on the profits it achieves in proportion to its financial position, capital expenditures, investment requirements, the restrictions to which dividend distributions are subject under financing and debt agreements, the results of the Company's activities, current and future cash needs, expansion plans, and other factors, including market conditions, analysis of investment opportunities, the Company's reinvestment requirements, cash and capital requirements, business prospects, and the impact of any such distributions on any legal and regulatory considerations.

In addition, investors wishing to invest in the Offer Shares should be aware that the dividend distribution policy may change from time to time.

Although the Company intends to distribute annual dividends to its Shareholders, the Company does not guarantee the distribution of such dividends or the amounts to be distributed in any given year.

Pursuant to the Company's Bylaws and after the deduction of all general expenses and other costs, the Company's net dividends shall be distributed as follows:

1- The Ordinary General Assembly, when determining the portion of the shares in the net profits, may decide to form reserves to the extent they serve the Company's interests or to ensure the distribution of fixed dividends as much as possible to Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.
2- The General Assembly shall determine the percentage of the net profits to be distributed to Shareholders after deducting the reserves, if any.
3- Shareholders shall be entitled to receive their share of dividends in accordance with the General Assembly resolution issued in this regard. Such resolution shall indicate the date of entitlement and the date of distribution. Entitlement to dividends shall be for the Shareholders registered in the Shareholders' register at the end of the day specified for entitlement. The Board of Directors shall implement the General Assembly resolution regarding the distribution of dividends to Shareholders.
4- The Company may distribute interim dividends to its Shareholders on a semi-annual or quarterly basis in accordance with the controls set by the competent authority.

Shareholders shall be entitled to their portion of the dividends, whether in the form of cash or shares, in accordance with the General Assembly resolution issued in this regard. The General Assembly resolution shall indicate the date of entitlement and the date of distribution. Entitlement to dividends shall be for the Shareholders registered in the Shareholders' register at the end of the day specified for entitlement.

It is worth noting that the Company did not distribute any dividends in the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G.

Shares entitle their holders the right to receive dividends announced by the Company from the date of this Prospectus and for subsequent financial years. The Offer Shares are not entitled to any dividends declared prior to the date of this Prospectus. The first entitlement of the Offer Shares shall be for dividends announced by the Company from the date of this Prospectus and for subsequent financial years.

rasan

8. Use of Offering Proceeds

8.1 Offering Proceeds

The total Offering Proceeds are estimated at eight hundred and forty one million, three hundred and eighty thousand Saudi Riyals (SAR 841,380,000), of which approximately forty million and four hundred thousand Saudi Riyals (SAR 40,400,000), exclusive of VAT, will be used to settle all expenses related to the Offering, including the fees of the Financial Advisors, Lead Manager, Bookrunners, Underwriters, Legal Advisors to the Company, Legal Advisors to the Underwriters, Auditor, Receiving Agents, Market Consultant and Financial Due Diligence Advisor, as well as marketing, printing, distribution and translation fees and other fees and expenses related to the Offering.

The Offering Expenses will be deducted from the Offering Proceeds and divided between the Company and the Selling Shareholders pro rata based on the number of Offer Shares sold by each Selling Shareholder and the total number of new Offer Shares.

8.2 Use of Net Offering Proceeds

The Net Offering Proceeds of approximately eight hundred million nine-hundred and eighty thousand Saudi Riyals (800,980,000) (after deduction of the Offering Expenses) will be distributed as follows:

1- An amount of six hundred and fourteen million two hundred and ninety six thousand seven Saudi Riyals (SAR 614,296,007) will be distributed pro rata to the Selling Shareholders according to their respective ownership percentages in the Sale Shares being sold in the Offering.

2- An amount of one hundred and eighty six million six hundred and eighty three thousand nine hundred and ninety three Saudi Riyals (SAR 186,683,993) will be distributed to the Company. The Company intends to use the Net Offering Proceeds to finance the following activities:

- expanding the Group's existing operations and products;
- marketing and developing the Group's new products; and
- financing the general purposes of the Group.

The following table summarizes the expected use of the Company's share of the Net Offering Proceeds by item:

Table (8.1): Expected Use of the Company's Share of the Net Offering Proceeds by Item

Item	Expected Use of the Company's Share of the Net Offering Proceeds (%)(1)(2)(3)	Expected Timeframe for Use of the Proceeds	Summary of Timeline for Use of Offering Outcomes	Expected use of net proceeds of the offering (in million SAR)
Expanding the Group's existing operations and products	10% - 20%	6 – 12 months	Third quarter 2024G to first quarter 2025G	18,668,399 - 37,336,799
Marketing and developing the Group's new products	40% - 50%	12 – 36 months	First quarter 2025G to first quarter 2027G	74,673,597 - 93,341,996
Financing the general purposes of the Group	35% - 45%	12 – 24 months	First quarter 2025G to first quarter 2026G	65,339,398 - 84,007,797

(1) For further information on potential changes to the expected use of the Company's share of the Net Offering Proceeds outlined above, please refer to Section 8.3 "**Timetable for the Expected Use of the Net Offering Proceeds and Potential Changes**" of this Prospectus.

(2) Taking into account what was mentioned in Note 1 above and Sections 8.2 "**Use of Net Offering Proceeds**" and 8.3 "**Timetable for the Expected Use of the Net Offering Proceeds and Potential Changes**" of this Prospectus, the uses of the Company's share of the Net Offering Proceeds as divided in the items shown in the above table shall not, in their entirety, exceed 100% of the Company's share of the Net Offering Proceeds.

(3) If there is a surplus in the Net Offering Proceeds, the Company will use the surplus to accelerate the launch of new products and develop existing products. If there is a shortage in the Net Offering Proceeds, the Company intends to use the Company's financial resources and debt to cover such shortage.

Source: The Company.

8.2.1 Expanding the Group's existing operations and products

Based on the Group's strategy to maintain and enhance market leadership in existing businesses, which includes, without limitation, products within the motor and health insurance sectors and the vehicle auction sector and other key sectors, the Group intends to expand its operations for existing products by developing the technical infrastructure and improve customer service through after sale services, advertisement, digital marketing and other channels to suit the needs of a larger customer base. The Group also intends to allocate 10%-20% of the Net Offering Proceeds for the purposes of developing such products.

8.2.2 Marketing and developing the Group's new products

In accordance with the Group's strategy to create growth opportunities across the value chain of the insurance sector and adjacent sectors, the Group intends to allocate 40%-50% of the Net Offering Proceeds to finance growth and expansion in new products including travel insurance, claims management, corporate health insurance, consumer lending sector solutions and other new products (for further details, please refer to Section 4.4.5 "**Overview of the Group's New Product Offering**" of this Prospectus). The Company intends to use the proceeds allocated for this item to finance research and development operations for new products through developing and expanding infrastructure, expanding work teams and hiring new employees to enhance research capacity, which will contribute to developing products more efficiently and within a shorter time period. In addition, the Company also intends to enhance its marketing efforts for these products to include, without limitation, advertising, marketing campaigns, sponsorships, digital marketing and other marketing channels that maximize the visibility of the Group's brands and facilitate potential customer's access to its products and services. The Group will also continue to evaluate acquisition opportunities, particularly those that directly contribute to the Company's achievement of its strategy for continued development and growth.

8.2.3 Financing the general purposes of the Group

The Group plans to allocate 35%-45% of the Net Offering Proceeds to finance, potential merger and acquisition opportunities in line with its financial controls, though no specific investment opportunities have been identified as at the date of this Prospectus. The details of these operations will be defined at a later stage, following a thorough assessment of market conditions and investment opportunities. The remainder of the Offering proceeds, if any, will be used to fund the other requirements of the Group, including working capital requirements, other capital requirements and funding for the general purposes of the Group. This portion of the Net Offering Proceeds shall be invested within a period of approximately two (2) years following listing, and the relevant Net Offering Proceed amounts shall be kept separately from the Company's financial resources until they are utilized. Further, the Group will disclose any update relating to the use of the Offering proceeds in an appropriate manner.

8.3 Timetable for the Expected Use of the Net Offering Proceeds and Potential Changes

The Company intends to employ its entire share of the Net Offering Proceeds for some or all of the uses mentioned above within three years from the date of this Prospectus. The expected usage plans for the Company's share of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus. Accordingly, the expected use of the Company's share of the Net Offering Proceeds is subject to change according to economic, social or political developments or potential changes in the Company's business plan.

rasan

9. Capitalization and Indebtedness of the Company

Prior to the Offering, the Selling Shareholders own the entire capital of the Company. Upon completion of the Offering, the Selling Shareholders will collectively own 70.0% of the Company's shares.

The following table shows the capitalization of the Company as derived from the audited consolidated financial statements for the financial years ended 31 December 2020G, 2021G and 2022 and the Group's unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2023G. The following table should be read in conjunction with the relevant financial statements and the accompanying notes thereto contained in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

Table (9.1): Capitalization and Indebtedness of the Company for the Financial Years Ended 31 December 2020G, 2021G, 2022G and the Nine-Month Period Ended 30 September 2023G

(SAR'000)	FY Ended 31 December			Nine-Month Period Ended 30 September
	2020G	2021G	2022G	2023G
Shareholders' equity				
Total loans	**-**	**22,494**	**-**	**-**
Shareholders' equity				
Capital	3,000	25,500	25,500	70,500
Statutory reserve	916	5,448	7,680	30
Retained earnings	(21,404)	9,343	41,521	40,173
Total Shareholders' equity	**(17,489)**	**40,291**	**74,701**	**110,703**
Foreign currency translation reserve	(14)	3	(230)	278
Total Shareholders' equity	**(17,503)**	**40,294**	**74,471**	**110,980**
Total capitalization (total loans + total equity)	**(17,503)**	**62,789**	**74,471**	**110,980**
Total loans/total capitalization	**-**	**35.8%**	**-**	**-**

Source: The Group's audited consolidated financial statements for the financial years ended 2021G and 2022G, the interim financial statements for the nine-month period ended 30 September 2023G and Management information.

The Directors declare that:

1- None of the Company's shares are under option.

2- The Company does not have any debt instruments as of the date of this Prospectus.

3- The Company's balance and cash flows are sufficient to meet its expected cash and working capital requirements for at least twelve (12) months from the date of this Prospectus, taking into account any negative and material change in the Company's business.

10. Expert Statements

All of the Advisors and the Auditor, whose names are listed on pages (vii) to (viii) of this Prospectus, have given and, as of the date of this Prospectus, have not withdrawn their written consent to the publication of their names, addresses, logos, statements and reports, as applicable, in this Prospectus, and do not, themselves, nor their employees forming part of the team serving the Company, or any of their relatives, have any shareholding or interest of any kind in the Company or its Subsidiaries as of the date of this Prospectus which would impair their independence.

rasan

11. Declarations

The Directors declare that:

1- There has been no discontinuation or interruption in the Group's business (including the Company and its Subsidiaries) that could significantly affect or has significantly affected the financial position of the Company during the past twelve (12) months.

2- No commissions, discounts, brokerages or other non-cash compensation have been granted within the three years immediately preceding the application for the registration and offer the securities that are the subject of this Prospectus in connection with the issue or offer of any securities by the Company or any of the Subsidiaries.

3- There has not been any material adverse change in the financial or trading position of the Company or any of its Subsidiaries during the three years preceding the application for the registration and offer of securities that are the subject of this Prospectus, in addition to the period covered by the Auditor's report up to and including the date of approval of this Prospectus.

4- The Company, individually or jointly with its Subsidiaries, has working capital sufficient for a period of at least twelve (12) months immediately following the date of publication of this Prospectus.

5- Other than as disclosed in Section 2 "**Risk Factors**" of this Prospectus, and to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus that may affect an Investor's decision to invest in the Offer Shares.

6- Except as disclosed in Section 2 "**Risk Factors**" and Section 6.6 "**Key Factors affecting the Group's Performance and Operations**", the Company is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have affected or could (directly or indirectly) have a material impact on its operations.

7- As of the date of this Prospectus, and to the best of their knowledge and belief, there is no intention to materially change the nature of the Company's business.

8- Except as disclosed in Section 5.3 "**Board of Directors and Board Secretary**", Section 5.5.2 "**Members of the Executive Management**", Section 5.7 "**Direct and Indirect Interests of the Directors and Executive Management**" and Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus, none of the Directors, Executive Management, the Board Secretary or any of their relatives have any direct or indirect interest in the shares or debt instruments of the Company and its Subsidiaries (if any) or any interest in any other matter which would affect the Company's business.

9- Except as disclosed in Section 12.5 "**Material Agreements with Related Parties**" and Section 5.7 "**Direct and Indirect Interests of the Directors and Executive Management**" of this Prospectus, none of the Directors, Executive Management, the Board Secretary or any of their relatives or affiliates have any interest in any current or proposed contract or arrangement, whether written or verbal, in connection with the business of the Company and its Subsidiaries as of the date of this Prospectus, nor are there any such arrangements under consideration.

10- The Directors are not permitted to have any direct or indirect interest in the transactions or contracts concluded for the benefit of the Company except with the authorization of the General Assembly.

11- The Directors shall notify the Board of their direct or indirect personal interests in the business and contracts executed for the benefit of the Company, provided that the same shall be recorded in the minutes of the Board meeting.

12- As at the date of this Prospectus, the Group has obtained the approval of the General Assembly in respect of transactions and agreements with Related Parties in which the Directors have a direct or indirect interest.

13- All transactions with Related Parties will be conducted on an arm's length basis and all business and contracts with Related Parties will be voted on at the meetings of the Board of Directors and General Assembly of the Company, if the Companies Law so requires. Directors shall abstain from voting on resolutions related to the business and contracts executed for the Company's account in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Articles 27 and 71 of the Companies Law and Chapter 6 of Part 3 of the CGRs.

14- Neither the Directors nor the CEO have the right to vote on a contract or proposal in which they have an interest.

15- Neither the Directors nor the CEO have the right to vote on the fees and remuneration granted to them.

16- Except as disclosed in Section 5.10 "**Conflicts of Interest**" of this Prospectus, none of the Directors are involved in any activities competitive with those of the Company as of the date of this Prospectus. The Directors undertake to comply with the regulatory requirement in the future, in accordance with Article 72 of the Companies Law and Chapter 6 of Part 3 of the CGRs.

17- Neither the Directors nor any of the Senior Executives may borrow from the Company, nor may the Company guarantee any loan obtained by any of the Directors.

18- None of the Company's shares are under option.

19- As of the date of this Prospectus, the Company does not have any issued, outstanding or authorized debt instruments, convertible debt instruments or exchangeable debt instruments of any kind, nor does it have any guaranteed, unguaranteed, secured or unsecured term loans (whether the pledge is provided by the Issuer or a third party).

20- Except as disclosed in Section 5.11 "**Employee Shares**" of this Prospectus, the Company does not have any employee share schemes in place which involve employees in the Company's capital, nor are there any other similar arrangements in place as of the date of this Prospectus.

21- The Company's balance and cash flows are sufficient to meet its expected cash and working capital requirements for at least twelve (12) months from the date of this Prospectus, taking into account any negative and material change in the Company's business.

22- As of the date of this Prospectus, the Company has obtained all necessary approvals for its shares to be offered on the Exchange and for it to become a public joint-stock company.

23- The Offering does not violate the applicable laws and regulations of the Kingdom.

24- The Offering does not prejudice any of the contracts or agreements to which the Company is a party.

25- As of the date of this Prospectus, there are no cases of bankruptcy involving the Directors, Executive Management or the Board Secretary. There have been no cases of insolvency during the previous five years involving any company in which any of the Directors, Executive Management or the Board Secretary held an administrative or supervisory position.

26- All material legal information related to the Company has been disclosed in Section 12 "**Legal Information**" of this Prospectus, including all contracts and agreements (as well as all terms and conditions thereof) which the Company believes to be of a significant or material nature, or which may affect investors' decisions to invest in the Offer Shares, and there are no material contracts or agreements which have not been disclosed in this Prospectus.

27- The Company and its Subsidiaries are not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company or its Subsidiaries.

28- The Directors are not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company or its Subsidiaries.

29- None of the agreements with Related Parties described in Section 12 "**Legal Information**" of this Prospectus include any preferential terms and all such agreements have been executed in accordance with the laws and regulations and on an arm's length basis, similar to those concluded with other third parties. Except as disclosed in Section 12 "**Legal Information**" of this Prospectus, the Company is not bound by any transactions, agreements, commercial relations or real estate deals with a Related Party.

30- Neither the Company nor any of its Subsidiaries have any financing agreements as of the date of this Prospectus.

31- Except as disclosed in Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus, there are no contracts or material transactions with Related Parties that have a significant impact on the Group's business, nor does the Group intend to conclude any new agreements with Related Parties.

32- The financial information contained in this Prospectus has been extracted without material change and is presented in a format consistent with the audited consolidated financial statements for the years ended 31 December 2020G, 2021G and 2022, the unaudited condensed consolidated interim financial statements for the nine-month periods ended 30 September 2022G and 30 September 2023G and the accompanying notes thereto which were prepared by the Group in accordance with IFRS-KSA.

33- All material facts and information related to the Group and its financial performance which are required to be included in accordance with the OSCOs have been disclosed in this Prospectus, and there are no other information, documents or facts, the omission of which would make any statement herein misleading, nor are there any other facts that may affect the application for the registration and offer of securities which have not been included in this Prospectus.

34- The information and data contained in this Prospectus which has been obtained from third parties, including information obtained from the Market Study prepared by the Market Consultant, is reliable and there is no reason for the Company to believe that such information is materially inaccurate.

35- The Group does not own any property, including (contractual or other) securities or other assets, whose value is subject to fluctuation or is difficult to ascertain, which would materially affect the assessment of its financial position.

36- There are no mortgages, rights or encumbrances on the property of the Group as of the date of this Prospectus.

37- The Group does not have any loans or other liabilities, including bank overdrafts, liabilities under acceptance and acceptance credits, nor does it have any borrowings or secured or unsecured debt as of the date of this Prospectus.

38- The Group has no contingent liabilities or guarantees.

39- The Company is capable of preparing the required reports on time, in accordance with the Implementing Regulations issued by the CMA.

40- The statistical information used in Section 3 "**Market and Industry Data**" of this Prospectus, which has been obtained from external sources, represents the most recent information available from its respective source.

41- The Group's insurance policies provide insurance coverage with sufficient limits for the Group to undertake its business and the Group renews insurance policies and contracts periodically to ensure insurance coverage on an ongoing basis.

42- Procedures, controls and systems have been established to enable the Company to meet the requirements of the relevant laws, regulations and directives, including the Companies Law, the CML and its Implementing Regulations, the OSCOs and the Listing Rules.

43- All of the Company's employees are under its sponsorship.

44- As of the date of this Prospectus, the direct and indirect legal and beneficial ownership of the Company's shares belongs to the persons whose names are mentioned in Section 4.1.1 "**The Company's Shareholding Structure Pre- and Post-Offering**" and Section 4.1.3 "**Overview of the Company's Substantial Shareholders**" of this Prospectus.

45- All increases in the Company's capital are in compliance with the laws and regulations in force in the Kingdom.

46- Except as disclosed in Section 2.1.44 "**Risks related to licenses, certificates, permits and approvals**" and Section 12.2.4 "**Key Licenses**" of this Prospectus, the Company and its Material Subsidiaries have obtained all of the key licenses and approvals required to carry out their activities.

47- As of the date of this Prospectus, the Company does not have a written research and development policy.

48- The Company has submitted and will submit to the CMA all documents required pursuant to the CML and the OSCOs.

49- The internal control systems and internal controls have been prepared by the Company on a sound basis, and a written policy has been developed regulating conflicts of interest and addressing potential conflicts of interest, including misuse of the Company's assets and misconduct resulting from dealings with related persons. In addition, the Company has ensured the integrity of its financial and operational systems and the application of appropriate control systems to manage risks in accordance with the requirements of Part 5 of the CGRs. The Directors also conduct an annual review of the Company's internal control procedures.

50- The Group's internal control, accounting and IT systems are adequate and suitable.

12. Legal Information

12.1 Legal Declarations

The Directors declare that:

1- The Offering does not violate the applicable laws and regulations of the Kingdom.

2- The Offering does not prejudice any of the contracts or agreements to which the Company is a party.

3- All material legal information related to the Company has been disclosed in this Prospectus.

4- The Company and its Subsidiaries are not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company or its Subsidiaries.

5- The Directors are not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company or its Subsidiaries.

12.2 The Company

Rasan Information Technology Company is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G), under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 05/12/2016G), and its registered address is 3413 Al Thoumamah Road, Qurtuba District, Riyadh 8135-13248, Kingdom of Saudi Arabia.

The Company was established on 05/08/1437H (corresponding to 12/05/2016G) as a limited liability company with a fully paid-up capital of three million Saudi Riyals (SAR 3,000,000), divided into one thousand (1,000) cash shares with a fully paid nominal value of three thousand Saudi Riyals (SAR 3,000) per share, and is registered in Riyadh under Commercial Registration No. 1010476663, dated 05/08/1437H (corresponding to 12/05/2016G). Increases in the Company's capital have been approved several times since its incorporation. The Company's capital was first increased pursuant to the Shareholders' resolution recorded in the Company's articles of association on 19/03/1443H (corresponding to 25/10/2021G), from three million Saudi Riyals (SAR 3,000,000) to twenty-five million, five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million, five hundred and fifty thousand (2,550,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share representing an increase of 750% in the Company's the capital. The full amount of the increase of twenty-two million five hundred thousand Saudi Riyals (SAR 22,500,000) was paid in cash by two new Shareholders, namely Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, on their own behalf and equally between them on behalf of the other Shareholders in the Company, following which the shareholding of Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology in the Company's capital was 2.83% and 2.83% respectively, and the total shareholding of the other Shareholders of the Company – collectively – was 94.34% of the capital. The capital increase was made in conjunction with an investment round on 26/02/1443H (corresponding to 03/10/2021) led by Impact46 – which specializes in venture capital – in the amount of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) for the purpose of increasing the Company's capital as referenced above and for the purpose of acquiring 19.40% of the capital from the current Shareholders' for the two new Shareholders, whose shares amounted to four hundred ninety-four thousand, seven hundred (494,700) one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the Company's capital, respectively, following the capital increase and purchase of Shares (for further details on the investment round, please refer to Section 4.1.2(d) "**The Investment Round and Increase in Capital and Structure Amendment (2021G)**" of this Prospectus). On 10/01/1444H (corresponding to 08/08/2022G), the Company was converted from a limited liability company into a closed joint-stock company under the name "**Rasan Information Technology Company**" pursuant to Ministry of Commerce Resolution No. 1158, dated 10/01/1444H (corresponding to 08/08/2022G) with a fully paid-up capital of twenty-five million five hundred thousand Saudi Riyals (SAR 25,500,000), divided into two million five hundred and fifty thousand (2,550,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 21/12/1444H (corresponding to 09/07/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from twenty-five million and five hundred thousand Saudi Riyals (SAR 25,500,000) to seventy million five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million five hundred thousand (70,500,000) ordinary shares with a nominal value of one (SAR 1) per share representing an increase of approximately 176.5% in the Company's capital, through the capitalization of thirty-seven million three hundred and fifty thousand Saudi Riyals (SAR 37,350,000) from the retained earnings account and seven million six hundred and fifty thousand Saudi Riyals (SAR 7,650,000) from the statutory reserve account. In addition, the Extraordinary General Assembly resolved to reduce the nominal value of the Company's shares from ten Saudi Riyals (SAR 10) to one Saudi Riyal (SAR 1) through a forward split of seven million and fifty thousand (7,050,000) shares to seventy million five hundred thousand (70,500,000) shares. Thereafter, on 27/01/1445H (corresponding to 14/08/2023G), the Extraordinary General Assembly of the Company approved an increase in the Company's capital from seventy million five hundred thousand Saudi Riyals (SAR 70,500,000) to seventy-five million eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of approximately 7.5% in the Company's capital, through the Offering of five million, three hundred thousand (5,300,000) new shares for public subscription. The Company's ownership structure has undergone several changes since its establishment on 05/08/1437H (corresponding to 12/05/2016G). At establishment, the Company's shares were owned by Muheideb Ali Mohammed AlMuheideb, who owned three hundred and seventy (370) shares, representing 37.00% of the capital; Suleiman Abdullah Suleiman AlFallaj, who owned one hundred and sixty-eight (168) shares, representing 16.80% of the capital; Mohammed Muheideb Ali AlMuheideb, who owned one hundred and thirty (130) shares, representing 13.00% of the capital; Thamer Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital; Abdulrahman Abdullah Abdulrahman Bin Aiban, who owned eighty-three (83) shares, representing 8.30% of the capital; Majed Abdullah Mohammed AlBawardi, who owned eighty-three (83) shares, representing 8.30% of the capital; and Moayad Abdullah Suleiman AlFallaj, who owned eighty-three (83) shares, representing 8.30% of the capital. On 11/02/1439H (corresponding to 31/10/2017G), the Shareholder Majed Abdullah Mohammed AlBawardi transferred ownership of his entire shareholding, amounting to eighty-three (83) shares, representing 8.30% of the capital, to Suleiman Abdullah Suleiman AlFallaj, without consideration. On 10/08/1442H (corresponding to 23/03/2021G), the Shareholders Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj transferred the ownership of one hundred and forty (140) shares, representing 14.00% of the capital, and ten (10) shares, representing 1.00% of the capital, respectively, to Theib Hudeiban Ghallab AlMutairi, without consideration. Muheideb Ali Mohammed AlMuheideb and Suleiman Abdullah Suleiman AlFallaj also transferred ownership of seven (7) shares, representing 0.70% of the capital, and fifty-nine (59) shares, representing 5.90% of the capital, respectively, to Ayman Abdullah Suleiman AlFallaj, without consideration. Moreover, Suleiman Abdullah Suleiman AlFallaj transferred fifty (50) shares, representing 5.00% of the capital, to Sami Muheideb Ali AlMuheideb, and sixty-six (66) shares, representing 6.60% of the capital, to Majed Abdullah Mohammed AlBawardi, without consideration. Furthermore, Muheideb Ali Mohammed AlMuheideb, Thamer Abdullah Suleiman AlFallaj, Moayad Abdullah Suleiman AlFallaj and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred one (1) share, representing 0.10% of the capital, seventeen (17) shares, representing 1.70% of the capital, seventeen (17) shares, representing 1.70% of the capital and seventeen (17) shares, representing 1.70% of the capital, respectively, to Fahad Ahmed Mohamed Abuhaimed, without consideration. In addition, Muheideb Ali Mohammed AlMuheideb transferred fifty-two (52) shares, representing 5.20% of the capital, to Abdulelah Mohammed Manei AlGhufaili, without consideration. On 19/03/1443H (corresponding to 25/10/2021), Suleiman Abdullah Suleiman AlFallaj, transferred forty (40) shares representing 4.0% of the Company's capital, and Thamer Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Ayman Abdullah Suleiman AlFallaj transferred forty (40) shares representing 4.0% of the capital, and Abdulelah Mohammed Manei AlGhufaili transferred thirty-two (32) shares representing 3.2% of the capital, and Abdulrahman Abdullah Abdulrahman Bin Aiban transferred fourteen (14) shares representing 1.4% of the capital, and Majed Abdullah Mohammed AlBawardi transferred fourteen (14) shares representing 1.4% of the capital, and Moayad Abdullah Suleiman AlFallaj transferred fourteen (14) shares representing 1.4% of the capital to the two (2) new Shareholders, Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, with shares in the amount of one hundred sixty-six (166) shares and twenty-eight (28) shares, representing 16.57% and 2.83% of the Company's capital, respectively, in conjunction with an investment round of eighty-seven million nine hundred seventy-five thousand Saudi Riyals (SAR 87,975,000) which included the purchase of shares representing 19.40% of the Company's capital from the current Shareholders for the two (2) new Shareholders and the increase in capital from three million Saudi Riyals (SAR 3,000,000) to twenty five million five hundred thousand Saudi Riyals (SAR 25,500,000). This resulted in a total shareholding of four hundred ninety-four thousand seven hundred (494,700) shares and one hundred forty-four thousand three hundred forty (144,340) shares representing 19.40% and 5.66% of the company's capital for Impact Funds for Financial Technology Company and Assets Custody Development Impact Company for Communications and Information Technology, respectively, following the capital increase and purchase of Shares. On 10/01/1444H (corresponding to 08/08/2022G), Impact Funds for Financial Technology Company transferred ownership of nineteen thousand and ninety-eight (19,098) shares, representing 0.75% of the capital, to Assets Custody Development Impact Company for Communications and Information Technology, without consideration. Muheideb Ali Mohammed AlMuheideb also transferred two hundred and forty thousand, five hundred and sixty-six (240,566) shares, representing 9.43% of the capital, to a new shareholder in the Company, Samer Mohammed Raslan, without consideration (for further information on the Company's ownership structure pre- and post-Offering, please refer to Section 4.1.2 "**Corporate History and Evolution of the Company's Ownership Structure and Capital**" of this Prospectus).

12.2.1 Shareholder Structure

As of the date of this Prospectus, the Company's capital is seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million, five hundred thousand (70,500,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share. The Company's capital post-Offering will be seventy-five million, eight hundred thousand Saudi Riyals (SAR 75,800,000), divided into seventy-five million, eight hundred thousand (75,800,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, as a result of the Company's capital increase through the issue and Offering of five million, three hundred thousand (5,300,000) New Shares (representing 7.0% of the Company's capital post-Offering) for public subscription. The following table shows the ownership structure of the Company pre- and post-Offering:

rasan

Table (12.1): Ownership Structure of the Company Pre- and Post-Offering[1]

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Percentage[2]	No. of Shares	Total Nominal Value (SAR)	Percentage[2]
1.	Impact Funds for Financial Technology Company	13,148,250	13,148,250	18.65%	9,895,690	9,895,690	13.06%
2.	Theib Hudeiban Ghallab AlMutairi	9,975,750	9,975,750	14.15%	7,507,990	7,507,990	9.91%
3.	Muheideb Ali Mohammed AlMuheideb	8,643,300	8,643,300	12.26%	6,505,156	6,505,156	8.58%
4.	Samer Mohammed Raslan	6,648,150	6,648,150	9.43%	5,003,558	5,003,558	6.60%
5.	Mohammed Muheideb Ali AlMuheideb	4,653,000	4,653,000	6.60%	3,501,960	3,501,960	4.62%
6.	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	4,519,050	6.41%	3,401,146	3,401,146	4.49%
7.	Fahad Ahmed Mohammed Abuhaimed	3,454,500	3,454,500	4.90%	2,599,940	2,599,940	3.44%
8.	Majed Abdullah Mohammed AlBawardi	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
9.	Moayad Abdullah Suleiman AlFallaj	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
10.	Abdulrahman Abdullah Abdulrahman Bin Aiban	3,405,150	3,405,150	4.83%	2,562,798	2,562,798	3.38%
11.	Sami Muheideb Ali AlMuheideb	3,327,600	3,327,600	4.72%	2,504,432	2,504,432	3.30%
12.	Ayman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
13.	Suleiman Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
14.	Thamer Abdullah Suleiman AlFallaj	1,572,150	1,572,150	2.23%	1,183,238	1,183,238	1.56%
15.	Abdulelah Mohammed Manei AlGhufaili	1,198,500	1,198,500	1.71%	902,020	902,020	1.20%
16.	Public	-	-	-	22,740,000	22,740,000	30.0%
	Total	**70,500,000**	**70,500,000**	**100%**	**75,800,000**	**75,800,000**	**100%**

(1) There are no shareholders with indirect ownership of 5% or more of the Company's shares.

(2) The ownership percentages are rounded to the nearest integer.

Source: The Company

The following table shows the Substantial Shareholders, the number of their shares, and their ownership percentages pre- and post-Offering.

Table (12.2): The Substantial Shareholders, the Number of their Shares, and their Ownership Percentages Pre- and Post-Offering[1]:

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage[2]	Number of Shares	Total Nominal Value (SAR)	Percentage[2]
1	Impact Funds for Financial Technology Company	13,148,250	13,148,250	18.65%	9,895,690	9,895,690	13.06%
2	Theib Hudeiban Ghallab AlMutairi	9,975,750	9,975,750	14.15%	7,507,990	7,507,990	9.91%

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage[2]	Number of Shares	Total Nominal Value (SAR)	Percentage[2]
3	Muheideb Ali Mohammed AlMuheideb	8,643,300	8,643,300	12.26%	6,505,156	6,505,156	8.58%
4	Samer Mohammed Raslan	6,648,150	6,648,150	9.43%	5,003,558	5,003,558	6.60%
5	Mohammed Muheideb Ali AlMuheideb	4,653,000	4,653,000	6.60%	3,501,960	3,501,960	4.62%
6	Assets Custody Development Impact Company for Communications and Information Technology	4,519,050	4,519,050	6.41%	3,401,146	3,401,146	4.49%
	Total	**47,587,500**	**47,587,500**	**67.50%**	**35,815,500**	**35,815,500**	**47.26%**

(1) There are no shareholders with indirect ownership of 5% or more of the Company's shares.

(2) The ownership percentages are rounded to the nearest integer.

Source: The Company

12.2.2 Company Branches

The Directors confirm that the Company has no branches as of the date of this Prospectus.

12.2.3 Subsidiaries

The Company has five (5) Subsidiaries. The following table shows the details of the Subsidiaries and the Company's ownership in them as of the date of this Prospectus.

Table (12.3): Subsidiaries as of the Date of this Prospectus

#	Subsidiary	Country of Incorporation	Commercial Registration No.	Commercial Registration Issue Date	Commercial Registration Expiry Date	Company's Ownership Percentage	Other Partners (if any)
1.	Awal Mozawadah Company	KSA	1010627669	24/06/1441H (corresponding to 18/02/2020G)	24/06/1446H (corresponding to 25/12/2024G)	100%	-
2.	Tameeni Company	KSA	1010838913	12/04/1444H (corresponding to 06/11/2022G)	05/05/1445H (corresponding to 27/10/2025G)	100%	-
3.	Treza Company	KSA	1010867990	21/08/1444H (corresponding to 13/03/2023G)	21/08/1449H (corresponding to 18/01/2028G)	100%	-
4.	Rasan - Dubai	UAE	1411638	28/06/1438H (corresponding to 27/03/2017G)	16/09/1445H (corresponding to 26/03/2024G)	100%	-
5.	Rasan LLC - Egypt	Egypt	137619	15/11/1440H (corresponding to 18/07/2019G)	11/01/1446H (corresponding to 17/07/2024G)	100%	99% – the remaining 1% is owned by Moayad Abdullah Suleiman AlFallaj[1]

(1) 1% of the shares of Rasan LLC - Egypt are registered in the name of Moayad Abdullah Suleiman AlFallaj on behalf of the Company while the Company is the actual owner thereof. It is worth noting that the nominee arrangement has not been documented through a written agreement between the Company and Moayad Abdullah Suleiman AlFallaj (for further details, please see Section 2.1.50 "**Risks related to the nominee arrangement in Egypt**" of this Prospectus).

Source: The Company

12.2.4 Key Licenses

a- The Company

Except as disclosed in Section 2.1.44 "**Risks related to licenses, certificates, permits and approvals**" of this Prospectus, as of the date hereof, the Company has obtained all the necessary key licenses from the competent authorities to conduct its business. The following is a summary of the key licenses obtained by the Company in the Kingdom:

Table (12.4): Key Licenses of the Company in the Kingdom as of the Date of this Prospectus

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
1.	Service investment license	Ministry of Investment (MISA)	• Electronic publishing. • Deployment of off-the-shelf software. • Design and programming of specialized software. • Application development. • FinTech solutions. • Establishing infrastructure for web hosting, data processing services and related activities.	102104309148670	25/09/1443H (corresponding to 27/04/2022G)	23/09/1445H (corresponding to 02/04/2024G)
2.	Ministry of Municipal, Rural Affairs and Housing (MOMRAH) license	Riyadh Municipality, MOMRAH	Operating an administrative office on Al Thoumamah Road, Qurtuba District, Riyadh.	450112723499	-	03/01/1446H (corresponding to 09/07/2024G)
3.	Information registration certificate	Communications, Space & Technology Commission (CST)	• Software. • Data center and cloud services. • IT services.	2023078660	30/12/1444H (corresponding to 18/07/2023G)	12/01/1444H (corresponding to 18/07/2024G)
4.	Media license	Ministry of Media	Custom software design and programming.	151820	25/04/1445H (corresponding to 09/11/2023G)	25/04/1448H (corresponding to 06/10/2026G)

Source: The Company

b- Material Subsidiaries

As of the date of this Prospectus, the Material Subsidiaries have obtained all the necessary key licenses from the competent authorities to conduct their business. The following is a summary of the key licenses obtained by the Subsidiaries:

Table (12.5): Key Licenses of the Subsidiaries

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
Tameeni Company						
1	Electronic insurance aggregation license	SAMA	Undertaking electronic insurance aggregation activities	FVA/U/1/202305	12/10/1444H (corresponding to 02/05/2023G)	11/10/1447H (corresponding to 30/03/2026G)
2	Service investment license	Ministry of Investment (MISA)	Undertaking electronic insurance aggregation activities	102114403172531	21/03/1444H (corresponding to 17/10/2022G)	18/03/1446H (corresponding to 22/09/2024G)
3	Ministry of Municipal, Rural Affairs and Housing (MOMRAH) license	Riyadh Municipality, MOMRAH	Operating an administrative office in the Al Qamar district in Riyadh.	450112751030	18/04/1445H (corresponding to 02/11/2023G)	18/04/1446H (corresponding to 21/10/2024G)

rasan

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
Rasan - Dubai						
1	Trade license	Dubai Department of Economy and Tourism	Trade license for the purpose of designing computer systems and communication devices	779139	28/06/1438H (corresponding to 27/03/2017G)	08/09/1445H (corresponding to 26/03/2024G)
2	Commercial register	Dubai Department of Economy and Tourism	Commercial register	11411638	28/06/1438H (corresponding to 27/03/2017G)	08/09/1445H (corresponding to 26/03/2024G)
Rasan LLC - Egypt						
1	Operating license	Information Technology Industry Development Agency (ITIDA)	License to carry out the following activities: • Specification, analysis and design of software and databases of various types. • Producing and developing programs and applications, creating and operating databases and electronic information systems and providing training thereon. • Producing electronic content in its various forms, including audio, images, and data. • Entering data into computers via electronic means. • Specification and design of computer systems of various types. • Producing, developing and operating integrated systems and providing training thereon. • Providing programs through the internet.	0010452	08/04/1445H (corresponding to 23/10/2023G)	19/04/1446H (corresponding to 22/10/2024G)

Source: The Company

12.3 Summary of the Company's Bylaws

12.3.1 Objects, Term and Head Office of the Company

a- Objects of the Company

1- designing and programing special software;

2- application development;

3- fintech solutions;

4- provision of infrastructure for web hosting, data processing services, and related activities;

5- electronic publishing;

6- publishing of ready-made software; and

7- provision of marketing services on behalf of others.

rasan

b- Term of the Company

The term of the Company is ninety-nine (99) Gregorian years, commencing from the date of its registration in the Commercial Register as a joint-stock company. The Company's term may always be extended by a resolution of the Extraordinary General Assembly at least one year prior to the expiry thereof.

c- Headquarters of the Company

The Company's headquarters are located in Riyadh. The Company may establish branches, offices or agencies inside or outside the Kingdom pursuant a resolution of the Board of Directors.

12.3.2 Administrative and Supervisory Affairs of the Company and its Supervisory Committees

a- Management of the Company

The Company shall be managed by a Board of Directors composed of nine (9) Directors, who shall be natural persons elected by the Ordinary General Assembly through cumulative voting for a term not exceeding four (4) years. It should be noted that as long as Assets Custody Development Impact Company for Communications and Information Technology and Impact Funds for Financial Technology Company are Shareholders in the Company, they shall collectively have the right to appoint two (2) Directors to the Company's Board, provided that the appointed Directors fulfill the membership terms and standards approved by the General Assembly. Assets Custody Development Impact Company for Communications and Information Technology and Impact Funds for Financial Technology Company may not use the votes they received to appoint their own nominees for the purpose of electing the remaining Directors. If any of the Directors representing the Assets Custody Development Impact Company for Communications and Information Technology resign, the Board shall address both companies to appoint a replacement member to the vacant position within a maximum period of ninety (90) days from the date of notification.

b- Expiration or Termination of Board Membership

1- Board membership shall expire upon the lapse of the Board's term or if a Director becomes ineligible for Board membership according to any applicable law or directive of the Kingdom. The Ordinary General Assembly may, based on a recommendation from the Board, terminate the membership of any Director who is absent for three (3) consecutive meetings or five (5) nonconsecutive meetings during their membership term without a legitimate excuse accepted by the Board.

2- The Ordinary General Assembly may dismiss all or any of the Directors, and in such case the Ordinary General Assembly shall elect a new Board or someone to replace the dismissed Director (as applicable) in accordance with the provisions of the Companies Law.

c- Expiration of the Board's Term, Resignation of Directors and Board Vacancies

1- Prior to the expiration of its term, the Board shall call the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If an election cannot be held and the current Board's term has expired, its members will continue to serve until a Board is elected for a new term, provided that the holdover period of the Directors whose term has expired does not exceed ninety (90) days from the date of the expiration of the Board's term. The Board shall take the necessary steps to elect a Board of Directors to replace it before the expiration of the holdover period specified in this paragraph.

2- If the Chairman and Directors resign, they shall invite the Ordinary General Assembly to convene to elect a new Board of Directors. Such resignation shall not take effect until a new Board is elected, provided that the holdover period of the resigning Board shall not exceed one hundred and twenty (120) days from the date of resignation. The Board of Directors shall take the necessary steps to elect a Board of Directors to replace it before the expiration of the holdover period specified in this paragraph.

3- Directors may tender their resignation from Board membership by virtue of a written notice addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining Directors and the Board Secretary. In both cases, resignation shall be effective from the date specified in the notice.

4- If the position of a Director becomes vacant due to death or resignation, and the vacancy does not result in a violation of the minimum quorum requirement for Board meetings, the Board may temporarily appoint a sufficiently qualified and experienced member to the vacant position. The Commercial Register and the CMA (if the Company is listed on the Exchange) shall be notified of such appointment within fifteen (15) days from the date of appointment. The appointment shall be presented to the Ordinary General Assembly at its first meeting, and the appointed member shall complete the term of their predecessor. The Board may decide to keep the vacant position until the end of the session or until the General Assembly is convened to appoint a member to the vacant position.

5- If the Board of Directors cannot convene due to the number of Directors being less than the minimum stipulated in the Companies Law or these Bylaws, the remaining Directors shall call the Ordinary General Assembly to convene within sixty (60) days to elect the necessary number of Directors.

d- Powers of the Board of Directors

1- Without prejudice to the powers of the General Assembly, the board of directors shall have all the powers necessary to manage the company and achieve its purposes, with exception to any limitation in the Companies Law, its Implementing Regulations, the CGRs issued by the CMA, the Bylaws, or any matters that are within the exclusive competence of the General Assembly. The Board may:

a- Represent the Company in its relations with third parties, government and private entities. With respect to real estate and land, the Board may: grant and transfer title; accept the grant and transfer of title; accept the assignment and transfer of title; mortgage; accept mortgages; merge instruments; subdivide and sort instruments; updating instruments and enter them into the comprehensive system; receive instruments; extract a replacement instrument for a lost instrument; extract a replacement instrument for a damaged one; waive shortages in area; convert agricultural plots to residential plots; amend owners' names and civil register numbers; amend boundaries, lengths, areas, plot numbers, plans, deeds and the dates thereof and district names; sign lease contracts; renew lease contracts; receive rent; cancel and terminate lease contracts; sell and transfer to heirs. With respect to companies, the Board may: establish a company; sign the Articles of Incorporation and amendment annexes thereof; sign partners' resolutions; appoint and dismiss managers, amend management clauses; manage the entry and exit of partners; enter into existing companies; increase the capital; reduce the capital; define the capital; receive surplus allocations; purchase stocks and shares and pay the price; sell stocks and shares and receive the value; sell Company branches; assign stocks and shares from the capital; accept the assignment of stocks, shares and capital; transfer stocks, shares and bonds; amend the Company's objects; open bank accounts in the name of the Company; sign agreements; amend the Company's name; close bank accounts in the name of the Company; amend the terms of the articles of association or amendment annexes thereof; register the Company; register agencies and trademarks; assign or cancel trademarks; attend General Assemblies; open files for the Company; open branches for the Company; liquidate the Company; convert the Company from a joint-stock company into a limited liability company; convert the Company from a limited liability company into a joint-stock company; convert the Company from a joint liability company into a limited liability company; cancel the Articles of Incorporation and amendment annexes thereof; sign the Articles of Incorporation and amendment annexes thereof before notaries public; extract and renew commercial registrations for the Company; subscribe to the Chamber of Commerce and renew the membership thereof; attend the Quality Department and Saudi Standards Metrology and Quality Organization; issue and renew licenses for the Company; convert Company branches into enterprises; convert the Company from a simple partnership to a limited liability company; attend telecommunication companies and establish fixed or mobile phones in the name of the Company; attend the Ministry of Investment and sign before it; attend the CMA; sign the Company's contracts with third parties; publish the Bylaws, Articles of Incorporation, amendment annexes and summaries thereof in the Official Gazette; and change the legal entity of the Company. With respect to commercial registrations, the Board may: attend the Registration Department; transfer commercial registrations; reserve trade names; register trademarks; assign trademarks; assign trade names; subscribe to the Chamber of Commerce; renew Chamber of Commerce subscriptions; sign all documents at the Chamber of Commerce; approve signatures at the Chamber of Commerce; cancel signatures at the Chamber of Commerce; manage the business of the Company; add an activity; enter tenders and receive forms; extract commercial registrations; renew commercial registrations; manage commercial registrations; cancel commercial registrations; supervise commercial registrations; amend commercial registrations; open branches of commercial registrations; transferring commercial registrations; extract a replacement for a damaged or lost registration; attend the General Organization for Social Insurance; attend the Department of Zakat and Income Tax; attend the General Authority of Zakat and Tax; and attend the Civil Defense. With respect to secretariats and municipalities, the Board may: open stores; obtain licenses; renew licenses; cancel licenses; transfer licenses; extract construction and restoration permits; extract fencing licenses; extract demolition licenses; attend the General Department of Urban Planning; extract construction completion certificates; plan plots; extract health cards; and convert an agricultural plot to a residential plot. With respect to passports, the Board may: extract a passport; renew a passport; extract a replacement for a lost or damaged passport; extract travel permits; add dependents; extract agent cards; transfer labor sponsorship; extract replacement travel visas for damaged or lost visas; cancel workers; manage customs affairs; register for the electronic service; extract residence permits; renew residence permits; extract replacements for lost residence permits, exit and reentry visas and final exit visas; transfer sponsorship; transfer information and update data; relinquish workers; modify occupations; report cases of abscondment; cancel abscondment reports; cancel exit and reentry visas; cancel final exit visas; extract visit visa extensions; extract information statements (printouts); and attend at Department of Deportation and Expatriates. With respect to labor and labor offices, the Board may: cancel visas; update labor data; release and cancel laborers; report laborers' abscondment; cancel abscondment reports of laborers; end employment procedures at the General Organization for Social Insurance; attend the Computer Department for labor to cancel laborers and add laborers; add and remove Saudis; receive Saudization certificates; open, renew and cancel main and sub-files; extract information statements (printouts); transfer ownership, liquidate and cancel establishments; attend the National Recruitment Offices Department; extract visas; cancel visas; recruit foreign labor; receive visa compensation; transfer sponsorship; amend occupations; extract a business license; report cases of abscondment; cancel abscondment reports; open files; activate the Saudi portal; and upgrading to the second level. With respect to ministries, the Board may: attend the Ministry of Justice; attend the Trademark Department and Commercial Agencies Department; assign commercial agencies; cancel commercial agencies; attend the Quality and Precious Metals Department and the Freelance Professions Department; extract certificates of origin and customs exemption requests; attend the MoC; attend the Ministry of Investment; attend the Ministry of Finance; attend the Ministry of Municipal and Rural Affairs; attend the Ministry of Electricity and Water; and attend the Ministry of Communications and Information Technology, its branches and affiliated departments and divisions thereof. With respect to Government institutions, the Board may: attend SAMA and its branches and affiliated departments and divisions thereof. With respect to Government bodies, the Board may: attend the CMA and its branches and affiliated departments and divisions thereof. With respect to telecommunications companies, the Board may: request all services provided by telecommunications companies; attend telecommunication companies; extract a mobile SIM card; replace a mobile SIM card; extract replacement SIM for damaged or missing SIMs; transfer mobile SIM cards; assign or cancel mobile SIM cards; request fixed phone lines; transfer fixed phone lines; and cancel or assign fixed phone lines. With respect to electricity companies, the Board may: request disconnection of electricity meters and object to bills. With respect to mail, the Board may: request mailboxes; receive mailbox keys; receive registered mail; extract an authorization card for mailboxes; renew or cancel subscription to mailboxes; and disburse the amounts deposited in postal books.

b- The Board may also sign contracts, documents and deeds, loan agreements, bank facilities, guarantees and bonds, issue powers of attorney on behalf of the Company, buy and sell, transfer titles and accept transfers of title, receive and deliver, rent and lease, receive and pay, open accounts and credits, withdraw and deposit in banks, issue bank guarantees and sign all papers, documents, checks and all bank transactions, transfer instruments, sell land and real estate owned by the Company and mortgage them, as well as purchase plots and real estate in the name of the Company.

c- Sign the Articles of Incorporation and the amendments and annexes thereto for the companies in which the Company participates or which the Company establishes independently, purchase and sell stocks and shares, deliver and receive the price, appoint and dismiss directors, increase and reduce capital, liquidate such companies and sign before notaries public, accredited notaries and all other competent authorities.

d- Monitor and supervise the business of the Company and its Subsidiaries and submit reports to the Ordinary General Assembly thereon.

e- Prepare financial statements for each financial year and submit the necessary recommendations to the Ordinary General Assembly for approval.

f- Ensure that the Company maintains correct, complete and accurate accounting records.

g- Make recommendations regarding the auditors and their fees to the Ordinary General Assembly.

h- Appoint the Executive Management.

i- Appoint employees and workers in the Company and determine their salaries and bonuses if required, including the Company's CFO, and determine their wages, benefits and bonuses. The Board shall also appoint members of the Company's Executive Management as it deems appropriate and necessary and shall determine their wages, benefits and bonuses.

j- Prepare periodic reports for Shareholders that include the financial position of the Company and its Subsidiaries, in addition to any other information that the Ordinary General Assembly may request from time to time.

k- The Board may, within the limits of its competence, delegate one or more Directors or third parties to carry out its work and they shall have the right to receive, deliver, and attend all relevant parties, complete all necessary procedures and sign the required documentation in connection with all of the above, whether on behalf of the Company or Subsidiaries or the companies in which the Company is a shareholder.

2- Subject to the Companies Law, the Board must obtain the approval of the General Assembly before selling Company assets worth more than fifty percent (50%) of the value of its total assets, regardless of whether the sale is made through a single transaction or several transactions. In such case, the transaction that results in the sale of more than (50%) of the value of the total assets shall require the General Assembly's approval, and this percentage is calculated from the date of the first transaction that occurred during the previous twelve (12) months.

3- The Board may also, within the limits of its competence, authorize one (1) or more Directors or a third party to undertake a specific work or works.

e- Powers of the Chairman, Vice-Chairman, Managing Director, Secretary and CEO

1- At its first meeting, the Board shall appoint a Chairman and Vice Chairman from amongst its members. The Board may also appoint a Managing Director from amongst its members.

2- The Board shall appoint a CEO from amongst its members or from others.

3- The Board Chairman shall preside the Board meetings or authorize whomever he sees fit to preside over Board meetings, supervise the affairs of the Company and its administrative bodies, and carry out the tasks assigned to him by the Board. In addition, the Board Chairman and, in his absence, the Vice Chairman shall have the power to: Represent the Company and act on its behalf; demand, defend, plead, reconcile, dispute, waive, respond, acknowledge, deny, receive, pay and declare on behalf of the Company; accept and contest judgments; arbitrate; request the execution of judgments and challenge them; receive execution awards; request or reject an oath; consider and respond to claims; deny handwriting and stamps and challenge the same for forgery; follow up on all cases filed by or against the Company or by the companies in which the Company participates on behalf of the Company; appoint or dismiss advisors and experts, including lawyers, accountants and arbitrators before all governmental and semi-governmental bodies or entities, committees, courts, judicial bodies and authorities of all types and degrees inside or outside the Kingdom of Saudi Arabia, including, but not limited to, the Board of Grievances, Sharia courts, courts of appeal, judicial bodies, labor courts, supreme and first instance committees, arbitration committees and bodies, labor committees of all levels, the Commercial Papers Committee, the Banking Disputes Settlement Committee, the Securities Disputes Settlement Committee, customs committees and all judicial and quasi-judicial committees established by any entity or institution, the Saudi Central Bank, the CMA, the police, provincial municipalities, the General Department for Civil Rights of the Ministry of Interior, the Ministry of Foreign Affairs, the Chamber of Commerce and Industry, municipalities, secretariat, labor and recruitment offices, the General Directorate of Passports, telecommunications companies licensed in the Kingdom of Saudi Arabia, the General Organization for Social Insurance, the Zakat, Tax, and Customs Authority, all governmental, semi-governmental and national entities or bodies, and institutions of all types and competencies. They shall also be competent to perform or undertake any other work or powers granted to them by the Board.

4- The CEO shall be responsible for managing the daily operations of the Company within the limits of the powers granted to him by the Board, in accordance with the resolutions, budgets and directives issued by the Board from time to time. In addition, the CEO shall: Be accountable to the Board, report to the Board, and keep the Board fully informed of the Company's business, position and activities at all times. The CEO shall submit periodic reports to the Board as requested by the Board from time to time. Prepare the business plan of the Company and its Subsidiaries and presenting it to the Board for approval. The CEO shall also have the right to, inter alia, represent the Company in its relations with third parties and government and private entities, as well as open and close accounts in the name of the Company at banks and financial institutions. Obtain the necessary regulatory approvals, permits and certificates in relation to the Company's business. Receive and deliver notices on behalf of the Company; Manage the Company's bank accounts, including the electronic banking services of such accounts in relation to paying, withdrawing or transferring any amounts. Appoint the Company's representatives and employees, terminate their services, determine their wages and privileges and other terms and conditions of employment; request employment, exit and reentry and final exit visas for the Company's employees and individuals under its sponsorship, and transfer and waive the sponsorship of such individuals. Enter into tenders, submit bids, negotiate and sign contracts, agreements and undertakings in this regard with government or private entities. Represent the Company in the Kingdom of Saudi Arabia and sign on its behalf before all government and private entities, including, but not limited to, the Ministry of Commerce and Investment, the Saudi Arabian General Investment Authority (SAGIA), the General Authority of Zakat and Income, the General Organization for Social Insurance, notaries public, customs, labor offices, the General Directorate of Passports and Chambers of Commerce. Register their signature at the Chamber of Commerce. Manage and handle the daily business of the Company. Authorize any person in writing with all or any of the powers entrusted to them as they deem appropriate and revoke such authorization at any time.

5- The Board shall determine the powers of the Managing Director (if applicable) and the remuneration of the Board Chairman, the Managing Director (if applicable) and the CEO at its discretion, in addition to the remuneration stipulated for the Directors in accordance with these Bylaws.

6- The Board shall appoint a Board Secretary from among its members or others. The responsibilities of the Board Secretary shall include the following:

   a- Documenting Board meetings and preparing minutes therefor which shall include the discussions and deliberations that took place and shall indicate the location, date, start and end times of the meeting; documenting Board resolutions and voting results and maintaining them in a dedicated and organized register; recording the names of the Directors present and the reservations they expressed, if any; and signature of such minutes by all Directors present.

   b- Maintaining the reports submitted to and prepared by the Board.

c- Providing the Directors with the Board agenda, business papers, documents, information and any additional documents or information requested by any of the Directors in relation to the meeting agenda topics.

d- Ensuring that the Directors comply with the procedures approved by the Board.

e- Notifying the Directors of the dates of Board meetings sufficiently before the specified date therefor.

f- Presenting draft minutes to the Directors to express their views thereon them before signature thereof.

g- Ensuring that the Directors have full and prompt access to the Board meeting minutes and information and documents related to the Company.

h- Coordinating between the Directors.

i- Maintaining the record of disclosures of Directors and Executive Management in accordance with the provisions of Article 92 of the CGRs.

j- Providing assistance and advice to the Directors.

7- The Board Chairman may delegate, by way of a written decision, some of his powers to other Directors or to third parties to carry out a specific work or works.

8- The Vice Chairman shall replace the Chairman in his absence in cases where the Board has a Vice Chairman.

9- The term of office of the Chairman, Vice Chairman, Managing Director (if applicable), Secretary and Directors shall not exceed the term of their respective membership of the Board. The Board may dismiss the Chairman, Vice Chairman, Managing Director (if applicable), CEO (if applicable), Secretary or any of them from such positions and such dismissal shall not entail relieving them of their membership of the Board.

f- Remuneration of Directors

1- The Board shall determine the remuneration of Directors, including an attendance allowance and a transportation allowance, subject to the approval of the Company's Ordinary General Assembly and in accordance with the terms and controls specified in the Companies Law and its Regulations.

2- The Board's report to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance and meeting allowances and other benefits which Directors received or were entitled to during the financial year. Such report shall also include a statement of the earnings of Directors in their capacities as employees or executives, or in consideration of technical, administrative or consultative services. It shall also include a statement of the number of Board meetings and the number of meetings attended by each Director.

g- Board Meetings and Resolutions

1- The Board of Directors shall meet at least four (4) times per year, not less than once every three (3) months, at the invitation of the Chairman. The Chairman shall call the Board to meet whenever requested to do so in writing by any Director to discuss one or more matters. The invitation to the meeting shall be sent at least five (5) days prior to the date of the meeting, accompanied by the meeting agenda and the necessary documents and information. The invitation shall be in writing and may be delivered by hand or sent by mail, fax or email. If the situation requires holding the meeting on an urgent basis, the invitation to the meeting may be sent, accompanied by the meeting agenda and the necessary documents and information, within a period of less than five (5) days prior to the date of the meeting.

2- The Board shall determine the location of its meetings, and may hold its meetings through means of technology.

3- Board meetings shall only be valid if attended by at least half of the Directors (in person or by proxy). If such quorum is not met for a duly called meeting within an hour of the scheduled start time, the meeting shall be postponed for at least five (5) business days from the date of the original Board meeting, provided that a written notice is issued regarding this postponed meeting and delivered immediately to all Directors. The postponed meeting shall only be valid if at attended by at least half of the Directors, provided that at least one Director shall be appointed by Assets Custody Development Impact Company for Communications and Information Technology and Impact Funds for Financial Technology Company.

4- A Directors may delegate another Director to attend Board meetings on his behalf in accordance with the following controls:

a- A Director may not represent more than one Director in the same meeting.

b- The delegation shall be made in writing and shall be for a specific meeting.

c- The Director acting by proxy may not vote on resolutions on which his principal is prohibited by law from voting on.

Each Director shall have one (1) vote on any issue presented to the Board for resolution. Board resolutions shall be passed by a majority of the votes cast by Directors present (in person or by proxy). In the event of a tie vote, the Chairman shall not have the casting vote. The following resolutions require the approval of a majority of the Directors:

a- Any change in the business field or services provided by the Subsidiaries, including engaging in any material activity other than their current activities.

b- Approval of any mortgage, fees or grant of a security right in relation to any of the assets of the Company or its Subsidiaries in excess of SAR 937,500 or SAR 1,875,000 annually, other than those arising in the ordinary course of business of the Company or its Subsidiaries.

c- Any borrowing by the Company or its Subsidiaries in excess of SAR 1,875,000 during any financial year, whether through one or more transactions, that is not authorized in the annual budget of the Company and/or Subsidiaries and approved by the Company's Board.

d- Entering into any agreement under which the Company or its Subsidiaries guarantee any debt or obligation to any third party (excluding customers) in excess of SAR 937,500 in any single transaction or SAR 1,875,000 in any financial year, other than those arising in the ordinary course of business of the Company or its Subsidiaries.

e- Any capital expenditure in excess of SAR 1,875,000 annually that is not included in the previously approved annual budget.

f- Any change in auditors or material changes in the accounting policies of the Subsidiaries, except for changes necessary for compliance with GAAP, IFRS or local accounting standards applicable in the countries in which the Subsidiaries operate (this provision applies to consolidated audits).

g- Any liquidation or dissolution of any of the Subsidiaries, including any merger, amalgamation, combination or similar procedures.

h- Any transfer or sale outside the Company or its Subsidiaries of any assets or intellectual property rights that are necessary for business.

i- Any increase or reduction in the capital of any of the Subsidiaries, including capitalization or changes in the paid-up capital of any of the Subsidiaries.

j- Any allocation for or approval of an employee share scheme in any of the Subsidiaries.

k- Any amendments made to any of the constitutional documents of any of the Subsidiaries.

5- Board resolutions shall be effective from the date they are passed, unless they provide for entry into force at another time or when certain terms are met.

h- Resolutions of the Board on Urgent Matters

The Board of Directors shall have the right to pass resolutions on urgent matters by circulating them among the Directors, unless a Director submits a written request for a Board meeting to deliberate on them. Such resolutions shall be passed by a majority vote of the Directors and shall be submitted to the Board at its first subsequent meeting to be recorded in the meeting minutes.

i- Deliberations of the Board

1- Deliberations and resolutions of the Board shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the attending Directors and the Secretary.

2- The minutes shall be recorded in a dedicated register to be signed by the Chairman and Board Secretary.

3- Means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes.

j- Appointment, Dismissal and Resignation of the Company's Auditor

1- The Company shall have one or more auditors from among those licensed to work in the Kingdom who shall be appointed by the Ordinary General Assembly, which shall determine their fees and term and scope of their work. The Auditor(s) may be reappointed, provided that the term of their appointment does not exceed the period prescribed by law.

2- The Auditor may be dismissed pursuant to a resolution of the General Assembly, and the Board Chairman shall inform the competent authority of the dismissal resolution and the reasons therefor within five (5) days from the date of such resolution.

3- The Auditor may resign by giving written notice to the Company. The Auditor's work shall end on the date of notice or on a later date specified in the notice, without prejudice to the Company's right to compensation for damages, if applicable. The resigning auditor shall submit to the Company and the competent authority, upon submission of such notice, a statement of the reasons for their resignation. The Board shall invite the General Assembly to convene to consider the reasons for resignation, appoint another auditor and determine their remuneration and the term and scope of their work.

k- Powers of the Auditor

The Auditor shall, at all times, have access to the Company's documents, accounting records and supporting documents. The Auditor may also request information and clarification, as they deem necessary, to verify the Company's assets and liabilities and other matters that fall within the scope of their work. The Board shall enable the Auditor to perform its duties. If the Auditor encounters difficulties in this regard, they shall document the same in a report to be submitted to the Board. If the Board does not facilitate the work of the Auditor, the Auditor shall request the Board to invite the General Assembly to convene to consider the matter. The Auditor may send such invitation if the Board fails to do so within thirty (30) days from the date of the Auditor's request.

l- Financial Documents

1- At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report of its activities and its financial position for such financial year, including the proposed method for dividend distribution. The Board shall place these documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for the annual Ordinary General Assembly.

2- The Chairman, CEO and CFO, if any, shall sign the documents referred to in the preceding paragraph, and copies thereof shall be deposited at the Company's head office at the disposal of the Shareholders.

3- The Chairman shall provide Shareholders with the Company's financial statements and the Board's report upon signature thereof, as well as the Auditor's report, if applicable, unless they are published using modern technological means at least twenty-one (21) days prior to the date set for the annual Ordinary General Assembly. The Chairman shall also deposit these documents in accordance with the Implementing Regulations of the Companies Law.

12.3.3 Rights and Restrictions Related to Securities

a- Capital of the Company

The Company's issued capital was set at seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000), divided into seventy million, five hundred thousand (70,500,000) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share. All of the Shares are ordinary cash shares and the capital has been fully paid up.

b- Subscription to Shares

The Shareholders have subscribed for the Company's entire capital of seventy million, five hundred thousand (70,500,000) ordinary shares, valued at seventy million, five hundred thousand Saudi Riyals (SAR 70,500,000), fully paid.

c- Sale of Unpaid Shares

1- Each Shareholder undertakes to pay the outstanding value of the shares on the dates set for such payment. Should a Shareholder fail to make payment by the deadline, the Board may, after notification of the Shareholder via email or registered mail, sell such shares at public auction or on the Exchange, as the case may be, provided that the other Shareholders shall have priority in purchasing shares of a defaulting Shareholder.

2- The Company shall collect the amounts due thereto from the proceeds of the sale and refund the remaining balance to the Shareholder. If the proceeds of the sale fall short of the amounts due, the Company shall have a claim on the entire assets of the Shareholder for the unpaid balance.

3- The rights related to the defaulted shares shall be suspended after lapse of the payment deadline until such shares are sold or the due payment is made in accordance with Paragraph 1 of this Article. These rights include the right to obtain a portion of the net dividends and the right to attend the assemblies and vote on their resolutions. However, a defaulting Shareholder may, up to the date of sale, pay the amount owed thereby plus the expenses incurred by the Company in this regard. In such case, the Shareholder is entitled to request the declared dividends.

4- The Company shall cancel the certificate of the shares sold in accordance with this Article, issue to the purchaser a new certificate for the shares bearing the same serial number and make an annotation to this effect in the Shareholders' Register, specifying the details of the new owner.

d- Shareholders' Register

1- The Company shall maintain a dedicated Shareholders' register containing the names, nationalities, details, places of residence and professions of the Shareholders, the number of shares owned by each of them, the serial numbers of the shares and the amount paid for such shares. The Company may contract to have this register prepared, and it shall be maintained in the Kingdom of Saudi Arabia.

2- The Company shall provide the Commercial Register with the information contained in the register referred to in Paragraph 1 of this Article and any amendments made thereto within fifteen (15) days from the date of registration of the Company in the Commercial Register or from the date of the amendment, as the case may be.

e- Share Trading

The Company's shares may be traded upon registration in the Shareholders' Register. Share ownership transfer shall only be effective vis à vis the Company or third parties from the date of such registration.

f- Formation of Reserves

1- The Ordinary General Assembly may, when determining the stake of shares in the net profits, decide to form reserves, to the extent that serves the interest of the Company or guarantees the distribution of fixed profits as much as possible to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.

2- The General Assembly shall determine the percentage of the net profits to be distributed to Shareholders after deducting the reserves, if any.

g- Entitlement to Dividends

1- Shareholders shall be entitled to receive their share of dividends in accordance with the General Assembly resolution issued in this regard. Such resolution shall indicate the date of entitlement and the date of distribution. Entitlement to dividends shall be for the Shareholders registered in the Shareholders' register at the end of the day specified for entitlement. The Board of Directors shall implement the General Assembly resolution regarding the distribution of dividends to Shareholders.

2- The Company may distribute interim dividends to its Shareholders on a semi-annual or quarterly basis in accordance with the controls set by the competent authority.

h- Bonds and Sukuk (Debt Instruments)

1- The Company may issue negotiable and indivisible debt instruments or financing instruments of equal value in accordance with the provisions of the Companies Law.

2- The Company may, by a resolution of the Extraordinary General Assembly and in accordance with the Capital Market Law and other applicable laws and regulations, issue any type of negotiable debt instrument, including bonds and sukuk, in Saudi Riyals or other currencies, inside or outside the Kingdom of Saudi Arabia. The Extraordinary General Assembly may authorize the Board to issue these debt instruments, including bonds and sukuk, in one or more series or through one or more schemes established by the Board from time to time, at the times, in the amounts and on the terms approved by the Board. The Board has the right to take all necessary actions in this regard.

3- The Company may also issue debt instruments or financing instruments that are convertible into shares subject to a resolution of the Extraordinary General Assembly, which shall specify the maximum number of shares that may be issued in exchange for such instruments or sukuk, whether such instruments or sukuk are issued in one or more series, or through one or more schemes. The Board may then issue new shares in exchange for those instruments or sukuk whose holders request conversion thereof, immediately after the end of the conversion period specified for the holders of those instruments or sukuk, without the need for further approval from the Extraordinary General Assembly. The Board shall take the necessary steps to amend the Company's Bylaws to reflect the change in the number of issued shares and capital. The Board shall announce the completion of the procedures for each capital increase in the manner specified in these Bylaws for announcing Extraordinary General Assembly resolutions.

12.3.4 Amendment of Share Rights and Classes

a- Amendment of the Rights and Obligations of Shares

1- Any amendment or cancellation of the rights, obligations, or restrictions of shares, any conversion of one type or class of shares to another, which results amending or canceling the rights and obligations of the type or class of shares that will be converted, or any issuance of shares of a specific type or class that would prejudice the rights of another category of Shareholders requires the approval of a special assembly of the Shareholders who are affected by this amendment, cancellation, conversion, or issuance, in accordance with Article 89 of the Companies Law, as well as the approval of the Extraordinary General Assembly.

2- If the Company's has preferred shares or redeemable shares, new shares may not be issued that have priority over any of these classes, except with the approval of a special assembly of the Shareholders who are affected by this issuance, formed in accordance with Article 89 of the Companies Law.

b- Preferred Shares

The Extraordinary General Assembly of the Company may, in accordance with the principles established by the competent authority, issue preferred or redeemable shares, decide to purchase such shares, convert ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares do not grant their holders the right to vote in the General Assemblies. Preferred shares entitle their holders to a greater percentage of the Company's net profits than holders of ordinary shares, after setting aside any reserve required to be formed in accordance with Article 40 of these Bylaws.

c- Capital Increase

1- The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the issued capital has been paid in full. However, it shall not be a condition that the capital is paid in full if the unpaid amount thereof is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the term prescribed for the conversion of such instruments has not yet expired.

2- The Extraordinary General Assembly may suspend the pre-emptive of Shareholders to subscribe for a capital increase in exchange for cash shares or grant pre-emptive rights to non-Shareholders in cases that are deemed to be in the best interests of the Company.

d- Capital Reduction

1- The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the Company's needs or if the Company sustains losses. In the latter case only, the capital may be reduced to below the limit set in Article 59 of the Companies Law. Such resolution shall only be issued after reading out a statement, in a General Assembly prepared by the Board, on the reasons for the reduction, the Company's obligations and the effect of the reduction on the fulfillment thereof, provided that a report from the Company's Auditor shall be attached to this statement.

2- If the reduction of the Company's capital is due to an excess in capital beyond the Company's needs, the creditors of the Company shall be invited to express their objections thereto, if any, at least forty-five (45) days from the date specified for the Extraordinary General Assembly meeting on the reduction. The invitation must be accompanied by a statement explaining the amount of capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If a creditor objects to the reduction and submits the relevant documentation to the Company within the said period, the Company shall pay the relevant debt if it is due or provide a guarantee in the same amount it if it is deferred.

3- Shareholders holding shares of the same type and class shall be treated on equal footing when reducing the capital.

e- Conversion of Shares

1- One type or class of shares may be converted into another type or class.

2- To convert one type or class of shares to another type or class, the approval of the Extraordinary General Assembly must be obtained, except for cases where the resolution to issue shares provides that they will automatically convert to another type or class once certain terms are met or after a specific period of time elapses. Article 110 of the Companies Law applies in cases where the conversion results in amendment or cancellation of the rights and obligations related to the type or class of share.

3- Ordinary or preferred shares of any class may not be converted into redeemable shares of any class except with the approval of all Shareholders of the Company.

rasan

f- Purchase, Sale and Mortgage of the Company's Shares

1- The Company may purchase, mortgage or sell its ordinary, preferred or redeemable shares in accordance with controls set by the competent authority. The shares purchased by the Company shall not be entitled votes in Shareholder assemblies.

2- The Company may purchase its shares for the purpose of allocating them to its employees as part of the employee share scheme and in accordance with the controls issued by the competent authority.

3- The Company may sell treasury shares in one or more stages in accordance with the controls set by the competent authority.

4- The Company may mortgage its shares in accordance with controls set by the competent authority. Mortgage creditors have the right to receive the profits and exercise the rights attached to such shares unless otherwise agreed in the respective mortgage contracts. Mortgage creditors may not attend or vote at the meetings of the General Assembly or special assemblies of shareholders.

12.3.5 General Assemblies

a- Shareholder General Assemblies

1- General Assembly meetings shall be presided by the Chairman or, in his absence, the Vice Chairman or, in the absence of both, any person delegated by the Directors. If this is not possible, the General Assembly shall be presided over by a person delegated by the Shareholders, either from the Directors or others, through voting.

2- Each Shareholder shall have the right to attend General Assembly meetings. They may also delegate another person, other than a Director, to attend meetings on their behalf.

3- General Assembly meetings may be convened and Shareholders may participate in the deliberations and vote on the resolutions thereof by modern technological means.

b- Convening of Assemblies

1- General and Special Assemblies shall be convened at the invitation of the Board. The Board shall invite the Ordinary General Assembly to convene within thirty (30) days from the date of the request of the Auditor or one or more Shareholders representing at least ten percent (10%) of the Company's shares that have voting rights attached thereto. The Auditor may invite the Ordinary General Assembly to convene if the Board fails to do so within thirty (30) days from the date of the Auditor's request.

2- The request referred to in Paragraph 1 of this Article shall state the issues on which Shareholders are requested to vote.

3- The invitation shall be sent at least twenty-one (21) days prior to the date set for the Assembly in accordance with the provisions of the law, provided that:

a- Shareholders shall be informed through registered mail sent to their addresses in the Shareholder Register, or by announcement of the invitation through modern technological means; and

b- A copy of the invitation and the agenda shall be sent to the Commercial Register and, if the Company is listed in the Exchange on the date of the invitation announcement, a copy shall also be sent to the CMA.

4- The invitation to the Assembly meeting shall include the following as a minimum:

a- An indication of the person entitled to attend the Assembly meeting and their right to delegate anyone other than a Director, a statement of the Shareholder's right to discuss the topics on the Assembly agenda and ask questions, as well as how to exercise voting rights.

b- The location, date and time of the meeting;

c- The type of Assembly, whether it is a General or Special Assembly; and

d- The meeting agenda, including the items on which Shareholders are requested to vote.

c- Quorum of the Ordinary General Assembly

1- An Ordinary General Assembly meeting shall not be valid unless attended by Shareholders (in person or by proxy) representing at least fifty percent (50%) of the Company's shares that have voting rights attached thereto.

2- If the required quorum for an Ordinary General Assembly meeting is not met in accordance with Paragraph 1 of this Article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law within thirty (30) days of the date specified for the previous meeting. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting mentions the possibility of a second meeting being held. In all cases, the second meeting shall be valid regardless of the number of shares that have voting rights represented therein.

d- Quorum of the Extraordinary General Assembly

1- An Extraordinary General Assembly meeting shall not be valid unless attended by Shareholders representing at least two-thirds of the Company's shares that have voting rights attached thereto.

2- If the required quorum for an Extraordinary General Assembly meeting is not met in accordance with Paragraph 1 of this Article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting mentions the possibility of a second meeting being held. In all cases, the second meeting shall be valid if attended by Shareholders representing at least a quarter of the Company's shares that have voting rights attached thereto.

3- If the required quorum is not met in the second meeting, an invitation will be sent for a third meeting to be held in the same conditions stipulated in Article 91 of the Companies Law. The third meeting will be valid regardless of the number of shares with voting rights represented therein.

e- Voting in Assemblies

1- Each Shareholder shall have one vote for each share held in the General Assemblies. Cumulative voting shall be used to elect the Directors, meaning that voting rights attached to shares may not be used more than once (1).

2- Directors may not participate in voting on Assembly resolutions related to business and contracts in which they have a direct or indirect interest or that involve a conflict of interest.

3- Preferred shares do not grant the right to vote in Shareholder General Assemblies, unless the Company fails to pay the owners of such shares the specified percentage of the Company's net profits after deduction of the reserves, if any, for a period of three consecutive years.

4- As an exception to Paragraph 3 of this Article, preferred shares entitle their holders the right to vote in Shareholder General Assemblies if a General Assembly resolution results in a reduction of the capital, liquidation or sale of the Company's assets. Each preferred share grants its holder the right to one vote at General Assembly meetings.

5- A General Assembly resolution that amends the rights of preferred Shareholders, including liquidating the Company, converting preferred shares to ordinary shares or converting ordinary shares to preferred shares, shall only be valid if it is ratified in a special Assembly by the holders of preferred shares who have the right to vote.

f- Assembly Resolutions

1- Resolutions of the Ordinary General Assembly shall be passed with the approval of the majority of voting rights represented in the meeting.

2- Resolutions of the Extraordinary General Assembly shall be passed with the approval of two-thirds of the voting rights represented in the meeting, unless the resolution relates to increasing or reducing the Company's capital, extending the Company's term, dissolving the Company before the expiration of the period specified in its Bylaws, merging the Company with another company or demerging the Company into two or more companies. In such cases, resolutions shall not be valid unless they are passed with the approval of three-quarters of the voting rights represented in the meeting.

g- Deliberations at Assembly Meetings

Each Shareholder shall have the right to discuss the topics in the Assembly agenda and to ask the Directors and the Auditor questions thereon. The Directors or the Auditor shall answer the Shareholders' questions to the extent that such does not harm the Company's interests. If a Shareholder feels that the answer to their question is unsatisfactory, they may appeal to the General Assembly, whose decision shall be final in this respect.

h- Preparation of Assembly Minutes

Minutes shall be kept for every Assembly, stating the number of Shareholders present in person and by proxy, the number of shares held by each of them, the number of votes assigned to such shares, the resolutions adopted, the number of consenting and dissenting votes, and a comprehensive summary of the deliberations that took place in the meeting. Minutes shall be recorded on a regular basis after each meeting in a special register signed by the Chairman of the Assembly, its Secretary and vote collectors.

12.3.6 Liquidation and Dissolution of the Company

a- Dissolution of the Company

The Company shall be dissolved for any of the reasons mentioned in Article 243 of the Companies Law. Upon dissolution, the Company shall enter a liquidation stage in accordance with the provisions of Chapter 12 of the Companies Law. If the Company is dissolved and its assets are insufficient to pay its debts or it is in default according to the Bankruptcy Law, it shall petition the competent judicial authority to initiate any liquidation procedures under the Bankruptcy Law.

12.4 Material Agreements

The Company and Tameeni Company entered into a number of material agreements and contracts with numerous parties. This section provides a summary of the agreements and contracts which the Directors members believe are material in relation to the business of the Company and its Subsidiaries or may affect investors' decisions to subscribe for the Offer Shares. The summary of the agreements and contracts referred to below does not include all of the terms and conditions and cannot be deemed a substitute for the terms and conditions contained in such agreements.

12.4.1 Technical Support Services Agreements

As of the date of this Prospectus, the Company has three (3) agreements with each of Insurance House Company (IHC), Tameeni Company and Diamond Insurance Broker, respectively, under which the Company provides the contracting party with technical support services in relation to the Treza product and the Tameeni platform. The following is a summary of the technical support services agreements with IHC:

a- Technical support services agreement with Insurance House Company (IHC) in connection with the Treza Product

The Company entered into a technical support services agreement with on 10/05/1445H (corresponding to 24/11/2023G), in IHC's capacity as an insurance broker licensed by SAMA and the Company's capacity as the owner of the Treza platform for use by IHC to facilitate IHC contracting and registering insurance companies in the Treza product. A key feature of Treza is the provision of electronic linkage services between IHC's customers and insurance companies in line with the relevant laws, thus enabling IHC's customers to view offers and purchase and renew insurance policies. Moreover, insurance companies registered in Treza product will be able to use the electronic archiving and marketing features of insurance products.

Pursuant to such agreement, the Company shall:

- Create the necessary electronic linkage to provide insurance offers from insurance companies by displaying and exporting Comprehensive Motor Insurance policies for lease financing to IHC for comparison prior to IHC's purchase thereof.
- Operate the Treza product in line with the availability, continuity and security terms attached to the agreement under the Service Level Agreement Annex.
- Provide technical support services to IHC employees entitled to the product, in line with the provisions contained in the Service Level Agreement Annex.
- Continuously develop and update the Treza product.
- Provide support to IHC as needed, in accordance with the provisions contained in the Service Level Agreement Annex concluded between the two parties.
- Ensure the Treza product is compliant with the relevant laws and controls.
- As part of its due diligence, the Company shall take the necessary steps to manage data and information security.
- Adhere to all laws, rules and regulations under the agreement, statements of work, all other agreements related to the agreement and any other documents that govern the relation of the two parties with each other.
- Inform IHC of any weaknesses in monitoring or any negative developments in its financial performance.

The table below shows the roles and responsibilities of the Company and IHC under such agreement:

Table (12.6): Roles and Responsibilities of IHC and the Company under the Technical Support Services Agreement with IHC for the Treza Product

Responsibility	Responsible Party
Providing the system on an ongoing basis and ensuring its availability for use	The Company
Notifying the Company of the necessity of developing the Treza product system in accordance with SAMA rules and regulations	The Company
Developing the Treza product system in accordance with SAMA rules and regulations	The Company
Technical linkage with insurance companies in accordance with IHC requirements	The Company
Providing technical information and linkage with the Treza product system	The Company
Signing agreements with insurance companies, banks and finance companies to provide services for the Treza product	IHC
Training the Company's officials and customers on the Treza product system	IHC
Setting terms and conditions and service level agreements that govern the level of service of insurance companies	IHC
Obtaining the necessary governmental approvals and licenses	IHC
Providing technical support and customer services	IHC
Notifying the Company of routine cybersecurity updates provided by SAMA	IHC
Routine review of authorities and accounts activated on the Treza platform in line with IHC policies	IHC

Source: The Company

IHC shall pay specific fees not exceeding a certain percentage of the commission value of each comprehensive insurance policy using the Treza product. The parties may amend the fees, provided that written approval is obtained from both parties. Fees are subject to periodic review within two years from the effective date of the agreement.

IHC shall be responsible for all support service fees in connection with issuing insurance policies, including, for example, the fees of Elm Company, Najm Company and a postal service provider. The Company shall not be responsible for any fees resulting from the cancellation of an insurance policy of one of IHC's customers.

The agreement is valid for a period of three (3) years commencing from 16/03/1445H (corresponding to 01/10/2023G) and shall automatically renew with the same terms unless one of the parties notifies the other of their intent not to renew at least one hundred and eighty (180) days before the end of the term.

The Company shall submit a monthly statement of account to IHC, showing the total dues to be paid to the Company during the first week of the following month. IHC shall pay the amounts due to the Company on a monthly basis, and the number of policies shall be reviewed quarterly. Any additional dues owed to the Company by IHC shall be calculated accordingly.

IHC shall pay 90% of the amounts due to the Company within a maximum period of ninety (90) days from the date of the monthly statement and issuance of the invoice, provided that the remaining 10% may be paid upon completion of the quarterly review. IHC may raise any queries regarding invoices issued by the Company within forty-five (45) days of receipt thereof.

Either party may terminate the agreement in the event the other party commits a material breach of any of the terms of the agreement which affect the continuity of its business, through the submission of a written termination notice to the breaching party within a period of one hundred and eighty (180) days prior to the termination date.

Either party may also terminate the agreement with immediate effect in the following cases:

- Suspension or threatened suspension of payment of amounts due to the Company, or the inability of either party to pay amounts owed as they fall due or such party's declaration of its inability to pay.
- If either party becomes insolvent or bankrupt, is declared insolvent or bankrupt, enters into liquidation, insolvency or bankruptcy proceedings, or if an administrator is appointed for such party, or it waives for the benefit of its creditors in part or in full.

Both parties agree that the following terms shall apply if the agreement includes the use, storage or processing of data by the Company:

- The Company shall implement data security procedures that ensure confidentiality, credibility, liability and the availability of IHC information. The level of these controls shall not fall below the information security standards approved by IHC or shall be consistent with internationally recognized controls.
- The Company shall adopt security practices and procedures and shall have comprehensive data security programs, policies and procedures that include security, administrative, technical, operational and tangible procedures consistent with protected information assets.
- The Company shall conduct a regular review and audit through an independent and certified external auditor. A review of security practices, procedures and measures shall be conducted at least once (1) annually by an external auditor, or when the Company implements a major upgrade to its operations and technical infrastructure.
- In the event of an information security breach, the Company shall provide evidence to the security and regulatory authorities as needed, along with an explanation of the security control procedures that have been implemented in line with the information security program and policies.
- The Company shall have a business continuity plan and a disaster recovery plan, which shall be tested annually.
- IHC's data shall be used for the aforementioned purpose only, and shall be treated with complete confidentiality and not disclosed to any third party without the approval of IHC.
- IHC's data shall be returned to it in a usable form if the Company no longer requires such data, or destroyed in accordance with the procedures agreed upon between the Company and IHC.
- IHC reserves the right to review the business and/or services provided by the Company and the associated infrastructure thereof in order to evaluate the suitability of the security controls that have been implemented to protect IHC's data.
- IHC reserves the right to conduct a cybersecurity risk assessment to ensure that the necessary controls are available to address or reduce risks prior to the conclusion of any agreements. IHC also reserves the right to review cybersecurity risks after obtaining the approval of the National Cybersecurity Authority in special cases.
- The Company shall ensure that the agreed procedures in relation to data protection disaster response are implemented.
- The Company shall comply with additional requirements related to data protection, processing and storage that may be requested by IHC from time to time, or based on any regulations or directives that are issued.
- Data shall be hosted and stored within the Kingdom if the Company provides managed services or cloud computing services.
- IHC reserves the right to make additional copies of the policy data of its customers.

The technical support services agreement concluded with IHC for the Treza product is governed by the laws and regulations in force in the Kingdom. Both parties shall attempt to settle any disputes amicably within forty (40) days, failing which they shall submit the dispute to the relevant judicial authorities and courts having exclusive jurisdiction in the Kingdom.

b- Technical Support Services Agreement with Diamond Insurance Broker

The Company concluded an agreement for the provision of technical and technological support services with Diamond Insurance Broker on 16/05/1445H (corresponding to 30/11/2023G), in Diamond Insurance Broker's capacity as an insurance brokerage company licensed by SAMA and the Company's capacity as the owner of Treza platform for use by Diamond Insurance Broker to facilitate the contracting and registration of insurance companies in the Treza product. A key feature of Treza is the provision of electronic linkage services between the customers of Diamond Insurance Broker and insurance companies in line with the relevant laws, thus enabling customers of Diamond Insurance Broker to view offers and purchase and renew insurance policies. Moreover, insurance companies registered in Treza product will be able to use the electronic archiving and marketing features of insurance products. Under the terms of the agreement, the Company will provide technical and technological support in order for the Treza platform to be offered to customers. The Company commits to providing the Treza platform for a period of six (6) months to allow Diamond Insurance Broker to market and conclude agreements with customers. Fees are calculated upon the issuance of insurance policies. The Company reserves the right to suspend the service if Diamond Insurance Broker is unable to acquire customers within six (6) months.

The agreement is valid for three (3) years commencing from 17/05/1445H (corresponding to 01/12/2023G) and is automatically renewable under the same terms unless one of the parties notifies the other of its desire not to renew within a period of no less than one hundred and eighty (180) days prior to the expiry date of the agreement.

The Company shall also perform the following duties under this agreement:

- Create the necessary electronic linkage to provide insurance offers from insurance companies by displaying and exporting Comprehensive Motor Insurance policies for leasing financing to Diamond Insurance Broker for comparison prior to Diamond Insurance Broker's purchase thereof.
- Operate the Treza product in line with the availability, continuity and security terms attached to the agreement under the Service Level Agreement Annex.
- Provide technical support services to Diamond Insurance Broker employees entitled to the product, in line with the provisions contained in the Service Level Agreement Annex.
- Continuously develop and update the Treza product, in order to ensure compliance with and adherence to the regulatory requirements.
- Provide support to Diamond Insurance Broker as needed, in accordance with the provisions contained in the Service Level Agreement Annex concluded between the two parties.
- Ensure the Treza product is compliant with the relevant laws and controls.
- As part of its due diligence, the Company shall take the necessary steps to manage data and information security.
- Adhere to all laws, rules and regulations under the agreement, statements of work, all other agreements related to the agreement and any other documents that govern the relationship between the two parties.
- Inform Diamond Insurance Broker of any control weakness or negative developments in its financial performance.

Table (12.7): Roles and Responsibilities of Diamond Insurance Broker and the Company under the Technical Support Services Agreement with Diamond Insurance Broker

Responsibility	Responsible Party
Providing the system on an ongoing basis and ensuring its availability for use	The Company
Developing the platform in accordance with the instructions of Diamond Insurance Broker with respect to compliance with the applicable rules, regulations and circulars issued by SAMA	The Company
Technical linkage with insurance companies in accordance with the requirements of Diamond Insurance Broker	The Company
Providing technical information and linkage with the Treza product system	The Company
Notifying the Company of the necessity of developing the platform in accordance with the rules, regulations and circulars issued by SAMA	Diamond Insurance Broker
Signing agreements with insurance companies, banks and finance companies for the provision of services on the Treza product	Diamond Insurance Broker
Approving terms, conditions and service level agreements to regulate the services provided by insurance companies	Diamond Insurance Broker
Training the Company's officials and customers on the Treza product system	Diamond Insurance Broker
Setting terms and conditions and service level agreements that govern the level of service of insurance companies	Diamond Insurance Broker
Obtaining the necessary governmental approvals and licenses	Diamond Insurance Broker
Providing technical support and customer services	Diamond Insurance Broker
Notifying the Company of routine cybersecurity updates provided by SAMA	Diamond Insurance Broker
Routine review of authorities and accounts activated on the Treza platform in line with the policies of Diamond Insurance Broker	Diamond Insurance Broker

Source: The Company

Diamond Insurance Broker pays specific fees for each comprehensive insurance policy using the Treza product, according to the number of customers. Either party may amend the fees pursuant to the written approval of both parties. The fees are subject to periodic review within one year from the effective date of the agreement.

Diamond Insurance Broker shall be responsible for the fees for all support services in connection with the issuance of insurance policies, including, for example, the fees of Elm Company, Najm Company and a postal service provider. The Company shall not be responsible for any fees resulting from the cancellation of the insurance policies of Diamond Insurance Broker's customers.

The Company shall submit a monthly statement of account to Diamond Insurance Broker, showing the total benefits payable to the Company during the first week of the following month. Diamond Insurance Broker shall pay the amounts due to the Company on a monthly basis, and the number of policies shall be reviewed quarterly. Any additional dues owed to the Company by Diamond Insurance Broker shall be calculated accordingly.

Diamond Insurance Broker shall pay the full amounts due to the Company within a maximum period of ninety (90) days from the date of the monthly statement of account and issuance of the relevant invoice. Diamond Insurance Broker may raise any inquiries regarding invoices issued by the Company within forty-five (45) days of receipt.

Either party has the right to terminate the agreement in the event the other party commits a material breach of any terms of the agreement by providing one hundred and eighty (180) days' prior written notice of termination to the breaching party.

Either party may also terminate the agreement with immediate effect in the following cases:

- Suspension or threatened suspension of payment of amounts due to the Company, or the inability of either party to pay amounts owed as they fall due or such party's declaration of its inability to pay.
- If either party becomes insolvent or bankrupt, is declared insolvent or bankrupt, enters into liquidation, insolvency or bankruptcy proceedings, or if an administrator is appointed for such party, or it waives for the benefit of its creditors in part or in full.

Both parties agree that the following terms shall apply if the agreement includes the use, storage or processing of data by the Company:

- The Company shall implement data security procedures that ensure confidentiality, credibility, liability and the availability of Diamond Insurance Broker's information. The level of these controls shall not fall below the information security standards approved by Diamond Insurance Broker or shall be consistent with internationally recognized controls.
- The Company shall adopt security practices and procedures and shall have comprehensive data security programs, policies and procedures that include security, administrative, technical, operational and tangible procedures consistent with protected information assets.
- The Company shall conduct a regular review and audit through an independent and certified external auditor. A review of security practices, procedures and measures shall be conducted at least once (1) annually by an external auditor, or when the Company implements a major upgrade to its operations and technical infrastructure.
- In the event of an information security breach, the Company shall provide evidence to the security and regulatory authorities as needed, along with an explanation of the security control procedures that have been implemented in line with the information security program and policies.
- The Company shall have a business continuity plan and a disaster recovery plan, which shall be tested annually.
- Diamond Insurance Broker's data shall be used for the aforementioned purpose only, and shall be treated with complete confidentiality and not disclosed to any third party without the approval of Diamond Insurance Broker.
- Diamond Insurance Broker's data shall be returned to it in a usable form if the Company no longer requires such data, or destroyed in accordance with the procedures agreed upon between the Company and Diamond Insurance Broker.
- Diamond Insurance Broker reserves the right to review the business and/or services provided by the Company and the associated infrastructure thereof in order to evaluate the suitability of the security controls that have been implemented to protect Diamond Insurance Broker's data.
- Diamond Insurance Broker reserves the right to conduct a cybersecurity risk assessment to ensure that the necessary controls are available to address or reduce risks prior to the conclusion of any agreements. Diamond Insurance Broker also reserves the right to review cybersecurity risks after obtaining the approval of the National Cybersecurity Authority in special cases.
- The Company shall ensure that the agreed procedures in relation to data protection disaster response are implemented.
- The Company shall comply with additional requirements related to data protection, processing and storage that may be requested by Diamond Insurance Broker from time to time, or based on any regulations or directives that are issued.
- Data shall be hosted and stored within the Kingdom if the Company provides managed services or cloud computing services.
- Diamond Insurance Broker reserves the right to make additional copies of the policy data of its customers.

The technical support services agreement concluded with Diamond Insurance Broker for the Treza product is governed by the laws and regulations in force in the Kingdom. Both parties shall attempt to settle any disputes amicably within forty (40) days, failing which they shall submit the dispute to the relevant judicial authorities and courts having exclusive jurisdiction in the Kingdom.

c- Technical Support Services Agreement with Tameeni Company

The Company entered into a technical support services agreement with Tameeni Company on 11/02/1445H (corresponding to 27/08/2023G) (hereinafter referred to as the "**Technical Support Services Agreement**"), under which Tameeni Company will assigns certain technical support services to the Company. These services include: (a) Software development and technical design; (b) IT operations, including infrastructure and networks; (c) providing managed services and consultancy in relation to IT management and business support; and (d) operations systems of cybersecurity systems. The Company also undertakes to provide a specialized team to Tameeni Company for the provision of the aforementioned services.

The Technical Support Services Agreement is valid for one year from 16/02/1445H (corresponding to 01/09/2023G) and is automatically renewable unless terminated in accordance with its terms.

Tameeni Company shall pay monthly fees to the Company for the services that the Company provides. The fees owed by Tameeni Company shall be paid against the invoices issued by the Company. Tameeni Company shall pay any fees due to the Company within forty-five (45) days from the date on which it accepts the relevant services from the Company.

Either party has the right to terminate the Technical Support Services Agreement upon a written notice to the other party of at least six (6) months.

The technical support services agreement is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have the exclusive jurisdiction to resolve any disputes arising therefrom which cannot be settled amicably.

12.4.2 Non-Exclusive Electronic Aggregation Template Agreement

Tameeni Company adopted a standard template for electronic aggregation agreements with insurance companies, which stipulates Tameeni Company's obligations to market and display the insurance policies provided by the relevant insurance company on Tameeni Platform, in addition to providing after-sales services to customers.

The term of the template agreement is one (1) Gregorian year commencing from the date of its conclusion. Such term is automatically renewable unless either party notifies the other of its intention not to renew.

The commission rates that Tameeni Company is entitled to from the relevant insurance company vary depending on the type of insurance policy sold through the Tameeni platform.

The commission rates shown above are subject to periodic review. The parties have the right to agree to amend the commission rates in line with the relevant laws and regulations. The contracting insurance company must notify Tameeni Company before making any changes to its pricing policies which could affect the prices of the policies offered and marketed by Tameeni Company, provided that such changes shall not affect the quotes for policies in effect.

Insurance premiums are collected by a third party authorized by SAMA. The third party transfers the commission payable to the broker and the insurance premium amount payable to the insurance company within the statutory period specified by SAMA.

The insurance company bears administrative fees, such as the fees of Najm Company, Elm (Yakeen) and a postal service provider. It also bears the payment fees resulting from the issuance of insurance policies, unless the two parties agree otherwise.

The insurance company shall not conduct any transactions with the customer for the purpose of issuing insurance policies without the knowledge and approval of Tameeni Company. Moreover, the insurance company shall not communicate with customers to whom a quote was submitted directly through Tameeni Company, nor shall it conduct any transactions with such customers which deprive Tameeni Company of its right to commission, unless such communication is regarding insurance products not covered by the non-exclusive electronic aggregation agreement. Furthermore, the insurance company shall not make any changes to the quote or insurance policy during the pricing period in order to guarantee the customer's rights.

Tameeni Company shall ensure that policies are presented correctly and are not misleading. The policy shall include the limits of the insurance coverage, the terms and conditions of the policy, the excess amount and the premium amount to be paid by the customer. Tameeni Company shall also comply with the relevant regulations issued by SAMA. In addition, Tameeni Company shall make reasonable effort to verify the validity of the information provided by the customer electronically and shall set the necessary procedures for the verification of such information before it is sent to the insurance company. Tameeni Company is also responsible for verifying the validity of the information provided through the authenticating party available by linkage with the systems of trusted parties, such as Elm Company and Najm Company. Tameeni Company shall immediately report any errors or technical problems in the software systems and networks that it uses. If it fails to do so, it shall bear full responsibility for the usage thereof, as well as the resulting expenses and costs.

The insurance company is responsible for the accuracy of the information and documents it issues and the limits of coverage therein and it has no right to recourse against Tameeni Company with regard to the accuracy of information provided by the customer. Tameeni Company also shall not bear responsibility for any error or misinformation on the part of the customer with respect to their personal information or information related to the request to purchase an insurance policy. Neither party is deemed a guarantor or warrantor towards the other party or any third parties. Accordingly, each party disclaims any responsibility for the other party's mistakes and negligence, as well as the validity and accuracy of the information provided by the other party.

Subject to the terms of this non-exclusive electronic aggregation template agreement, either party has the right to terminate the agreement at any time without cause by providing written notice to the other party at least sixty (60) days prior to the date of termination.

The parties have the right to terminate the non-exclusive electronic aggregation agreement without notice if any governmental entity cancels or suspends the license granted to Tameeni Company to undertake electronic insurance aggregation activities, or in the event that any governmental entity cancels or suspends the license granted to the insurance company. Either party may terminate the agreement if the other party breaches any of the material obligations and fails to remedy such breach within fifteen (15) business days of receiving written notice of the breach. Moreover, either party may terminate the agreement upon notifying the other party in the event of fraud, deception, cheating, bankruptcy or liquidation of such party.

In case of termination of the non-exclusive electronic aggregation agreement, the insurance company's obligation to pay the insurance brokerage commission to Tameeni Company shall cease, except for commissions due before the termination date.

The insurance company shall compensate Tameeni Company and hold it harmless from and against all civil liabilities arising directly from the insurance company's errors, provided that Tameeni Company is not responsible for and was not involved in such errors. Tameeni Company shall bear any direct or indirect losses or damages resulting from misconduct, negligence or intentional omission on its part, including members of its management, its board of directors and employees. The agreements concluded are governed by the laws and regulations of SAMA, and the competent judicial authority in the Kingdom shall have jurisdiction over any disputes that cannot be resolved amicably.

In accordance with the transitional plan approved by the Company and Tameeni Company with respect to the transfer of the Tameeni electronic platform to Tameeni Company, Tameeni Company entered into nine (9) agreements with numerous insurance companies pursuant to the non-exclusive electronic aggregation template agreement, as follows:

Table (12.8): Agreements Concluded with Insurance Companies Pursuant to the Non-Exclusive Electronic Aggregation Template Agreement

No.	Parties	Effective Date
1	Tameeni Company; and Saudi Arabian Cooperative Insurance Company (SAICO)	15/06/1444H (corresponding to 10/01/2023G)
2	Tameeni Company; and Walaa Cooperative Insurance Company	03/12/1444H (corresponding to 21/06/2023G)
3	Tameeni Company; and Aljazira Takaful for Cooperative Insurance Company	29/11/1444H (corresponding to 18/06/2023G)
4	Tameeni Company; and Al Alamiya for Cooperative Insurance Company	18/11/1444H (corresponding to 07/06/2023G)
5	Tameeni Company; and Wataniya Insurance Company	24/05/1444H (corresponding to 18/12/2022G)
6	Tameeni Company; and Allianz Saudi Fransi Cooperative Insurance Company	23/12/1444H (corresponding to 11/07/2023G)
7	Tameeni Company; and Arabian Shield Cooperative Insurance Company	30/12/1444H (corresponding to 18/07/2023G)
8	Tameeni Company; and Gulf Insurance Group (GIG)	16/06/1444H (corresponding to 09/01/2023G)
9	Tameeni Company; and Tawuniya Company for Cooperative Insurance	01/02/1445H (corresponding to 17/08/2023G)

Source: The Company

It is also worth noting that an assignment letter was issued by IHC, according to which the contracts concluded with two insurance companies were assigned by IHC to Tameeni Company, after the approval of both such companies, provided that agreements will be concluded in accordance with the non-exclusive electronic aggregation agreement in due course, as follows:

Table (12.9): Agreements Assigned by IHC in favor of Tameeni Company Pursuant to a Letter of Assignment

No.	Parties	Effective Date
1	Tameeni Company; and Mediterranean & Gulf Cooperative Insurance and Reinsurance Group (MEDGULF)	13/12/1444H (corresponding to 01/07/2023G)
2	Tameeni Company; and Amana Cooperative Insurance	13/12/1444H (corresponding to 01/07/2023G)

Source: The Company

12.4.3 Treza Customer Agreements

The Company has entered into two customer agreements, under which the Company contracts with customers for use of the services offered by the Company through the Treza product. The following is a summary of the Treza customer agreements concluded by the Company:

a- General Services Agreement with the Saudi National Bank (SNB) for the Provision of an EPlatform and Technical Support

The Company entered into a general services agreement with SNB (formerly the National Commercial Bank (NCB)) on 12/03/1442H (corresponding to 01/11/2020G) (hereinafter referred to as the "**SNB Agreement**") for the provision of an electronic platform and technical support, pursuant to which SNB uses the Treza platform to facilitate contracting with and/or registration of insurance companies in accordance with its needs. The Treza product provides numerous features, including electronic linkage to a group of insurance companies, thus enabling SNB to view insurance companies' offers and purchase, renew and export insurance policies. The Treza product also provides electronic archiving and marketing features for insurance products. The Company provides technical and technological services in connection with the Treza product as required.

The technical objectives of the services provided under the SNB Agreement include providing the Treza product (a cloud service) via a secure website that aims at providing insurance offers for SNB vehicles under the Finance Lease Law, as well as purchasing, renewing and issuing insurance policies for those vehicles. To this end, the Company undertakes to provide the necessary technical and electronic support between SNB, insurance companies, SNB customers, governmental and semi-governmental regulatory bodies and any other entities specified by SNB on the Treza product, in order to obtain prices for and purchase insurance policies. SNB shall subsequently purchase the required insurance policies directly from the relevant insurance company.

Pursuant to the SNB Agreement, the Company shall:

- Operate the Treza product in accordance with the availability, continuity and security terms stipulated in the Service Level Agreement annexed to the SNB Agreement.
- Link the Treza product with the regulatory authorities to carry out inquiries required by the nature of work, including linkage with Elm Company to perform the necessary inquiries on SNB customers through Elm Company's Yakeen services.
- Provide technical support services to users of the Treza product who are SNB employees in accordance with the provisions of the Service Level Agreement annexed to the SNB Agreement.
- Continuously developing and updating Treza product to ensure its compliance with the legal and regulatory requirements.
- Ensure that the Treza product is compliant with all applicable laws and regulations.
- Identify and update the services required by SNB from the Company and all provisions related thereto.

rasan

The table below shows the roles and responsibilities of the Company and SNB under the SNB Agreement:

Table (12.10): Roles and Responsibilities of the Company and SNB under the SNB Agreement

Responsibility	Responsible Party
Providing the system on an ongoing basis and ensuring its availability for use	The Company
Developing the Treza product system in accordance with SNB instructions regarding compliance with the rules, provisions and regulations of SAMA	The Company
Technical linkage with insurance companies in accordance with SNB requirements	The Company
Developing training materials and delivering them to administrative employees of SNB throughout the term of the SNB Agreement	The Company
Providing technical support to SNB employees who use the Treza product	The Company
Notifying the Company of the necessity of developing the Treza product system in accordance with SAMA rules and regulations	SNB
Signing agreements with insurance companies and banks to ensure the provision of insurance commensurate with the requirements of SNB	SNB
Setting terms and conditions and service level agreements that govern the level of service of insurance companies	SNB
Training SNB officials on the Treza product system	SNB
Obtaining the necessary governmental approvals and licenses	SNB
Providing technical support and customer services	SNB

Source: The Company

Any amendments made to the services or responsibilities set forth above shall only be effective if agreed in writing by both parties.

The SNB Agreement is valid for a period of five (5) years from the date of its conclusion, until 09/05/1447H (corresponding to 31/10/2025G). The parties may renew the Agreement before the expiration of its term under new terms and conditions as negotiated and agreed between them.

SNB shall pay a fixed fee for each successful transaction through which an insurance policy is issued using the Treza product. SNB shall also pay a fixed fee for the inquiry service from the relevant government entity, noting that both parties to the SNB Agreement may amend the relevant fees pursuant to a written agreement. SNB reserves the right not to pay the fees or amounts owed to the Company if the Company fails to adhere to the terms contained in the SNB Agreement. The Company authorizes SNB to deduct any dues to SNB from the value of the amounts mentioned above without informing the Company.

The Company shall submit a monthly statement of account to SNB showing the total entitlements owed to the Company and shall attach such statement to the claim invoice. The statement and invoice shall be delivered at the beginning of the first week of the following month. SNB shall address inquiries related to invoices to the Company within twenty (20) business days from the date of receipt. Otherwise, the invoice will be considered valid and final.

SNB shall have the exclusive right to terminate the Agreement or any part thereof by providing the Company with at least sixty (60) calendar days' written notice.

The SNB Agreement is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

b- Agreement with Al Rajhi Banking and Investment Corporation for the Provision of an E-Platform and Technical Support for the Finance Leased Vehicle Insurance Service for Individuals

The Company entered into an agreement with Al Rajhi Banking and Investment Corporation (hereinafter referred to as "**Al Rajhi Bank**") on 15/08/1442H (corresponding to 03/28/2021G) for the provision of an electronic platform and technical support for the finance leased vehicle insurance service for individuals (referred to hereinafter as the "**Al Rajhi Bank Agreement**"). Under the Agreement, Al Rajhi Bank shall use the Company's electronic Treza product exclusively to contract and register with insurance companies in accordance with its needs. Under the Al Rajhi Bank Agreement, the Company enables Al Rajhi Bank to connect electronically with a group of insurance companies in line with the relevant laws and controls, thus allowing Al Rajhi Bank to view insurance offers and purchase, renew and export them, as well as providing the advantage of electronic archiving and marketing of insurance products. Pursuant to the Al Rajhi Bank Agreement, the Company also provides technical services related to the Treza product as required.

Under the Al Rajhi Bank Agreement, the Company shall:

- Create the necessary electronic linkage to provide insurance offers from insurance companies by displaying and exporting Comprehensive Motor Insurance documents for lease financing to Al Rajhi Bank for comparison prior to Al Rajhi Bank's purchase thereof.
- Provide Al Rajhi Bank with sufficient qualified and skilled resources and services.
- Operate the Treza product in accordance with the availability, continuity and security terms stipulated in the Service Level Agreement annexed to the Al Rajhi Bank Agreement.
- Provide technical support services to users of the Treza product in accordance with the Service Level Agreement annexed to the Al Rajhi Bank Agreement.
- Continuously developing and updating Treza product to ensure its compliance with the legal and regulatory requirements.
- Ensure the Treza product is compliant with all the relevant laws and regulations.
- Provide full support to Al Rajhi Bank and cooperate with it to address complaints within a reasonable period, starting with Al Rajhi Bank's receipt of such complaints, in accordance with the provisions stipulated in the Service Level Agreement annexed to the Al Rajhi Bank Agreement.
- Take the necessary due diligence steps to manage data and information security and other matters directly related thereto or connected therewith.
- Comply with all laws and rules set out in the Al Rajhi Bank Agreement, procurement and customer data documents and all other relevant agreements.

Under the Al Rajhi Bank Agreement, Al Rajhi Bank shall:

- Perform its responsibilities within a reasonable timeframe and with high efficiency and skill. In the event of any unjustified delays, the Company may modify any schedule or delivery dates as necessary, provided that it coordinates with Al Rajhi Bank prior to such modification.
- Indemnify and hold the Company harmless from any claims, lawsuits or expenses of third parties related to any duly established infringement claim arising from the Company's reliance on any information provided by Al Rajhi Bank or on its behalf, or to the extent of the Company's access to or use of any programs or materials provided by Al Rajhi Bank regarding the Company's performance of its obligations under the Al Rajhi Bank Agreement.
- Pay the Company's dues as detailed in the Al Rajhi Bank Agreement.

The table below shows the roles and responsibilities of the Company and Al Rajhi Bank under the Al Rajhi Bank Agreement:

Table (12.11): Roles and Responsibilities of the Company and Al Rajhi Bank under the Al Rajhi Bank Agreement

Responsibility	Responsible Party
Providing the system on an ongoing basis and ensuring its availability for use	The Company
Developing the Treza product system in accordance with the instructions of Al Rajhi Bank with respect to compliance with the laws, provisions and regulations of SAMA	The Company
Technical linkage with insurance companies in accordance with the requirements of Al Rajhi Bank	The Company
Notifying the Company of the necessity of developing the Treza product in accordance with SAMA laws and regulations	Al Rajhi Bank
Signing agreements with insurance companies and banks to ensure the provision of insurance commensurate with the requirements of Al Rajhi Bank	Al Rajhi Bank
Setting terms and conditions and service level agreements that govern the level of service of insurance companies	Al Rajhi Bank
Training Al Rajhi Bank's officials and customers on the Treza product system	Al Rajhi Bank
Obtaining the necessary governmental approvals and licenses	Al Rajhi Bank
Providing technical support and customer services	Al Rajhi Bank

Source: The Company

The Al Rajhi Bank Agreement is valid from 19/08/1442H (corresponding to 01/04/2021G) until 09/09/1444H (corresponding to 31/02/2023G) and shall automatically renew for one year with the same provisions unless either party notifies the other of its intention not to renew at least sixty (60) days before the expiry of the Al Rajhi Bank Agreement.

Al Rajhi Bank shall pay fixed fees for the Company's services and for inquiry services from the relevant government entity for each successful transaction through which an insurance policy is issued using the Treza product. Such fees vary based on the total number of documents issued on behalf of Al Rajhi Bank.

Al Rajhi Bank shall have the exclusive right to terminate the Agreement or any part thereof by providing the Company with at least sixty (60) calendar days written notice.

The Al Rajhi Bank Agreement is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

12.4.4 Awal Mazad Platform Agreements

The Company adopted a standard template for concluding agreements to provide services on its Awal Mazad platform. Under the standard template, the Company has concluded three (3) agreements to sell vehicles through the Awal Mazad platform. The Company also concluded a support services agreement with Lamar Car Maintenance Center in connection with the Awal Mazad platform. The following is a summary of the agreements concluded by the Company in connection with the Awal Mazad platform:

a- Awal Mazad Platform Template Agreement

The Company adopted a standard template for the conclusion of agreements to manage and sell vehicles on behalf of their owners through the Awal Mazad platform. The services provided by the Company include displaying vehicles and facilitating the procedures for the sale of such vehicles in addition to towing, transporting and storing vehicles in its storage centers.

Pursuant to such agreement, the selling party pays fees for the services provided by the Company for each vehicle sold on the Awal Mazad platform. Such fees are variable and are based on a percentage of the profit from the sale. The selling party also pays additional fees for the return of a vehicle, depending on the type of vehicle and its location.

The Company deducts all applicable service fees, government fees and additional fees from the total value of the vehicle sold. The Company provides the selling party with details of any entitlements owed thereby or payable thereto in relation to each vehicle or any services provided. The Company issues an invoice to the selling party periodically, as stipulated in the relevant service agreement. The Company shall have the right to amend the government fees due or the fees payable to any other party in accordance with any changes approved by the relevant parties.

The term of the template agreement is one (1) Gregorian year commencing from the date of its conclusion. Such term is automatically renewable unless either party notifies the other of its intention not to renew.

The concluded agreements are governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have jurisdiction over any disputes arising therefrom.

The Company has entered into three (3) agreements pursuant to the Awal Mazad Platform Template Agreement. The following is a summary of each respective agreement:

b- Awal Mazad Platform Agreement with Al Rajhi Takaful Insurance

The Company entered into an Awal Mazad Platform Agreement with Al Rajhi Takaful Insurance on 08/07/1443H (corresponding to 09/02/2022G), whereby Al Rajhi Takaful Insurance sells its salvaged vehicles through the Company's Awal Mazad platform which specializes in managing and selling salvaged vehicles. The Company is responsible for transporting the salvaged vehicles and offering them for sale through the platform.

The rules governing the sale of salvaged vehicles under the Awal Mazad Agreement are summarized as follows:

- Al Rajhi Takaful Insurance ensures that there is a statement confirming that there are no violations on the vehicle being sold.
- The Company ensures that the car's license plates are present.
- The Company tows the vehicle to the storage center and notifies Al Rajhi Takaful Insurance of the same.
- Al Rajhi Takaful Insurance confirms its approval of the vehicle being sold and the start of the auction by attaching the letter of assignment to the vehicle being sold on the Awal Mazad platform.
- The Company prepares the vehicle being sold and photographs it to put it up for auction on the Awal Mazad platform.
- The Company collects the auction proceeds from the buyers of the vehicles which are sold.
- The Company provides Al Rajhi Takaful Insurance with proof of vehicle ownership transfer within thirty (30) business days from the date of receiving the value of the sold vehicle.

The Agreement is valid for one (1) Gregorian year from 01/07/1443H (corresponding to 02/02/2022G) and shall automatically renew for similar periods unless one of the parties informs the other of its intention not to renew.

Al Rajhi Takaful Insurance shall pay fixed fees to the Company in consideration for the sale of salvaged vehicles through the Awal Mazad platform. Such fees are variable and are based on a percentage of the profits achieved by Al Rajhi Takaful Insurance. Al Rajhi Takaful Insurance shall pay additional fees to the Company for returning vehicles inside and outside Riyadh. These fees vary based on the type of vehicle. Al Rajhi Takaful Insurance shall pay further fees for additional services requested by Al Rajhi Takaful Insurance from the Company, the value of which varies depending on the type of vehicle.

The Company shall deduct service fees, government fees and additional service fees owed to the Company from the value of the vehicles sold under the Awal Mazad Agreement. The Company also has the right to change the value of government fees or the fees of other parties if they are changed by the relevant authorities. Such changes shall take effect immediately upon being made by the relevant authorities.

The Company shall provide insurance coverage for its responsibilities and obligations under the Awal Mazad Platform Agreement concluded with Al Rajhi Takaful Insurance by obtaining a general liability insurance policy from a reputable insurance entity with a total coverage of five million Saudi Riyals (SAR 5,000,000).

The Awal Mazad Platform Agreement concluded with Al Rajhi Takaful Insurance is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes arising therefrom.

c- Awal Mazad Platform Agreement concluded with Al Alamiya for Cooperative Insurance Company

The Company entered into an Awal Mazad Platform Agreement with Al Alamiya for Cooperative Insurance Company on 25/07/1440H (corresponding to 04/01/2019G). Pursuant to such Agreement, the Company sells the salvaged vehicles of Al Alamiya for Cooperative Insurance Company (except for stolen or burnt vehicles), transports them from the locations specified by Al Alamiya for Cooperative Insurance Company and sells them through the Awal Mazad platform. The Company also provides logistics services for salvaged vehicles offered via the Awal Mazad platform. Moreover, the Company shall be fully responsible for the vehicles after receiving them from Al Alamiya for Cooperative Insurance Company until they are delivered to the buyer. The Company will also provide storage centers that ensure the protection of such vehicles until they are sold through the Awal Mazad platform.

The Agreement is valid for a period of three (3) months commencing from the date of its conclusion and shall automatically renew unless one of the parties notifies the other in writing of its intention not to renew sixty (60) days before the date of expiry of the Agreement term. Al Alamiya for Cooperative Insurance Company may terminate the agreement at any time without cause by providing prior written notice to the other party at least twenty (20) days before the date of termination.

The Company issues monthly invoices for its services to Al Alamiya for Cooperative Insurance Company. The Company also has the right to collect fees for its services from buyers of salvaged vehicles. Al Alamiya for Cooperative Insurance Company is not responsible for any fees related to transporting and storing vehicles. Additional services not specified in the Awal Mazad Platform Agreement are subject to a separate agreement.

The Company will maintain insurance coverage for its responsibilities and obligations under the Awal Mazad Platform Agreement concluded with Al Alamiya for Cooperative Insurance Company from a reputable insurance authority for the term of the Agreement. The Company shall also obtain a general liability insurance policy from a reputable insurance authority with a total coverage of ten million Saudi Riyals (SAR 10,000,000).

The Awal Mazad Platform Agreement concluded with Al Alamiya for Cooperative Insurance Company is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes arising therefrom.

d- Awal Mazad Platform Agreement with A Bank

The Company entered into an Awal Mazad Platform Agreement with a bank on 21/11/1442H (corresponding to 01/07/2021G). Pursuant to such Agreement, the Company provides the bank with professional and advisory services in connection with the sale of vehicles owned by the bank. The Company also develops, operates and maintains the Awal Mazad platform and displays these vehicles for auction after polishing and cleaning. The Company maintains a warehouse to store vehicles and bears the related risks after receiving such vehicles from the bank to sell.

The Agreement is valid for an indefinite period, from the date of its conclusion until its termination.

The bank shall pay an amount equal to a predetermined percentage of the total vehicle value within ten (10) days of concluding the sale agreement with the buyer. The Company shall then issue invoices for the price of the vehicle and any other fees as described in the Awal Mazad Platform Agreement concluded with the bank, payable within forty-five (45) days from the bank's receipt of the relevant invoice.

Either party may terminate the Awal Mazad Platform Agreement with the bank upon written notice in the event of: (i) a material breach and failure to remedy the same within thirty (30) days of notifying the relevant party of the breach; or (ii) immediately - if either party becomes insolvent or bankrupt. the bank may also terminate the Agreement immediately upon written notice in the event that (i) the Company is unable to perform its services; (ii) the Awal Mazad Platform Agreement with the bank is transferred to another party or ownership of the Company is transferred; (iii) the Company's failure to accept the Awal Mazad Platform Agreement with the bank or (iv) in case of a material breach by the Company in maintaining health and safety measures as stipulated in the Agreement.

The bank may also terminate Awal Mazad Platform Agreement with Riyad Bank at any time without cause upon a thirty (30)-day prior written notice.

The Awal Mazad Platform Agreement with the bank is governed by the rules and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes arising therefrom.

e- Awal Mazad Platform Service Provider Agreement with Lamar Car Maintenance Center

The Company entered into an Awal Mazad Platform Service Provider Agreement with Lamar Car Maintenance Center on 08/06/1444H (corresponding to 01/01/2023G). Pursuant to such Agreement, Lamar Car Maintenance Center shall provide support services for the operations of the Awal Mazad platform, including managing and operating vehicle warehouses, transporting and repairing vehicles, customer care services, marketing, advertising and selling vehicles at auction in exchange for a share of the net profits obtained from Awal Mazad platform sales.

The Agreement is valid for one (1) Gregorian year from the date of its conclusion and automatically renews for successive one-year terms unless one of the parties notifies the other in writing of its intention not to renew thirty (30) days before the end of the Agreement term. Either party may terminate the Agreement by providing the other party with written notice sixty (60) days prior to the date of termination.

The service provider is entitled to service fees upon providing the services and after collecting the fees and amounts from the customer and the buyer. The service fees include a fixed amount for vehicles owned by banks and finance companies located in Riyadh or not included in the scope of delivery services, and a fixed amount for vehicles owned by banks and finance companies located outside Riyadh, in addition to a fixed percentage of the selling price as a sales commission.

The Awal Mazad Platform Service Provider Agreement with Lamar Car Maintenance Center is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes arising therefrom.

12.4.5 Data Verification Agreements

The Company has concluded seven (7) agreements for the purpose of technical linkage and verification of customer data with a number of parties. The following is a summary of the technical linkage and data verification agreements concluded by the Company:

a- Technical Linkage and Electronic Services Agreement with Elm Company

The Company concluded a technical linkage and electronic services agreement with Elm Company on 12/07/1442H (corresponding to 24/02/2021G). Pursuant to such Agreement, Elm Company provides the Company with a service to verify information entered by customers and users of the Company's platforms through Elm Company's Yakeen platform. These services include verification of vehicle information and vehicle owner identities and addresses.

The agreement is valid for a period of one (1) Gregorian year from the date service development and linkage with the Company's systems is completed, i.e. on 17/07/1442H (corresponding to (01/03/2021G). The Agreement is automatically renewable for similar periods unless one party notifies the other of its intention not to renew thirty (30) days prior to the end of Agreement term.

The Company pays a fixed fee to Elm Company for the comprehensive verification service prior to issuing comprehensive insurance and a fixed fee for the national address verification service for Saudi citizens, residents and companies. The aforementioned fees shall be paid based on monthly invoices issued by Elm Company to the Company, payable within fifteen (15) days from the date of the invoice.

Either party may terminate the Agreement by providing written notice to the other party fourteen (14) days prior to the date of termination. Elm Company has also the right to terminate the Agreement upon the request of certain government entities.

The Technical Linkage and Electronic Services Agreement with Elm Company is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

b- Mobile Phone Ownership Verification Service Agreement with Elm Company

The Company concluded a mobile phone ownership verification service agreement with Elm Company on 14/10/1443H (corresponding to 15/05/2022G). Pursuant to such Agreement, Elm Company provides the service of verifying ownership of mobile phone numbers for customers and users of the Company's platforms, by verifying the available data with the National Information Center.

The Agreement is valid from the date of service development completion for a period of one year until the end of the subscription period, i.e. on 02/11/1443H (corresponding to 01/06/2022G) and is automatically renewable for similar periods unless one party notifies the other of its intent not to renew one month prior to the end of Agreement term.

The Company pays a fixed fee to Elm for verified mobile phone numbers, noting that verification services for unverified or negative mobile phone numbers (which include incorrect data) are free. The aforementioned fees shall be paid based on monthly invoices issued by Elm Company to the Company, payable within fifteen (15) days from the date of the invoice.

Elm Company may terminate the Agreement by providing written notice to the other party thirty (30) days prior to the date of termination.

The Mobile Phone Ownership Verification Service Agreement with Elm Company is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

c- Vehicle Data Verification Agreement with Elm Company

The Company concluded a vehicle data verification agreement with Elm Company on 13/03/1444H (corresponding to 10/09/2022G). Pursuant to such Agreement, Elm Company provides a vehicle data verification service through its "**Mojaz**" service, by linking Company data with the data of relevant government entities in order to provide the Company with a detailed report on the condition of the relevant vehicle.

The Agreement is valid for one (1) Gregorian year from its effective date and is automatically renewable for similar periods unless one party notifies the other of its intention not to renew thirty (30) days prior to the end of the Agreement term.

Elm Company is entitled to fixed quarterly payments in consideration for submitting detailed reports under the Vehicle Data Verification Agreement. Elm Company issues invoices to the Company for all due amounts (including any related fees or taxes). Such invoices are payable by the Company within thirty (30) business days of receipt.

Either party may terminate the agreement by providing written notice to the other party thirty (30) days prior to the date of termination.

The Vehicle Data Verification Agreement with Elm Company is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

d- Notification Service Agreement with Elm Company

The Company entered into a notification service agreement with Elm Company on 04/09/1443H (corresponding to 05/04/2022G). Pursuant to such agreement, Elm Company provides services, under which notifications or "**Absher**" alerts are sent to the phones of the Company's customers registered with the National Information Center. This service ensures that Company notifications are accurately sent to the relevant end users.

The Agreement is valid from the date of service development completion for a period of one year, until the end of the subscription period. The Agreement term is automatically renewable for similar periods unless one party notifies the other of its intention not to renew one month prior to the end of the Agreement term.

Elm Company is entitled to fixed quarterly payments in consideration for providing the services stipulated under the Notification Service Agreement. Elm Company issues invoices to the Company which are payable by the Company within ten (10) business days from the date of receipt.

Elm Company may terminate the Agreement by providing written notice to the other party thirty (30) days prior to the date of termination.

The Notification Service Agreement with Elm Company is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably.

rasan

e- Data Sharing Agreement with Takamol Business Solutions

The Company entered into a data sharing agreement with Takamol Business Solutions (referred to hereinafter as "**Takamol Company**") on 23/01/1444H (corresponding to 21/08/2022G) (hereinafter referred to as the "**Data Sharing Agreement**"). Pursuant to the Data Sharing Agreement, Takamol Company uses the unified establishment number of the Company's potential customers to verify their functional status.

The Data Sharing Agreement is valid for a period of three (3) years, effective from 08/02/1444H (corresponding to 04/09/2022G), and may not be renewed except by written agreement between the parties thereto.

Takamol Company is entitled to fixed monthly payments basis in consideration for providing the services stipulated under the Data Sharing Agreement, in addition to discounts upon establishment and electronic linkage. Takamol Company will issue invoices to the Company for all amounts due. Such invoices are payable by the Company pays within thirty (30) business days from the date of receipt. The Data Sharing Agreement is governed by the laws and regulations in force in the Kingdom. Any dispute arising therefrom shall be referred to the competent courts in the Kingdom if it cannot be resolved amicably by a representative of each party within thirty (30) days.

f- Data Provision Agreement with a Service Provider

The Company entered into a data provision agreement with one of the postal services provider on 05/06/1444H (corresponding to 29/12/2022G), where the postal service provider, provides data of potential customers of the Company.

The Agreement is valid for one (1) Gregorian year from its effective date and is automatically renewable for similar periods unless one party notifies the other of its intention not to renew thirty (30) days prior to the end of the Agreement term.

The postal services provider is entitled to fixed monthly payments in consideration for providing the services stipulated under the Data Provision Agreement. the postal services provider issues invoices to the Company for all amounts due, which are payable by the Company within thirty (30) business days from the date of receipt. The Data Provision Agreement is governed by the laws and regulations in force in the Kingdom. Any dispute arising therefrom shall be referred to the competent court in Riyadh if it cannot be settled by mutual agreement between the two parties and resolved amicably.

g- Technical Services Agreement with Najm Company

Tameeni Company entered into a technical services agreement with Najm Company on 08/06/1444H (corresponding to 01/01/2023G) (hereinafter referred to as the "**Technical Services Agreement**"), under which Tameeni Company is able to inquire through the national ID number, the resident ID number or the commercial register, together with the vehicle identification or customs number, regarding the eligibility of Tameeni Company clients with a no-claims history for a discount. Najm Company provides Tameeni Company with three different packages in terms of support times and the number of support requests Tameeni Company is entitled to make.

The Technical Services Agreement is valid for one year from 01/11/1444H (corresponding to 21/05/2023G) and is automatically renewable for a similar period.

Tameeni Company shall pay annual subscription fees, excluding VAT, to Najm Company for each package provided.

Either party has the right to terminate the Technical Services Agreement upon a written notice to the other party within a period of no less than thirty (30) days.

The Technical Services Agreement is governed by the laws and regulations in force in the Kingdom. The competent courts in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably within sixty (60) days.

12.4.6 Payment Portal and Payment Services Agreements

The Company has concluded six (6) agreements with a number of parties for the purpose of providing payment solutions to customers of the Tameeni platform. Below is a summary of the payment portal and payment services agreements concluded by the Company.

a- Customer Referral Agreement with a Bank for Payment Services

The Company entered into a customer referral agreement with a bank for payment services on 16/04/1442H (corresponding to 01/12/2020G). Pursuant to such Agreement, the Company refers Tameeni platform customers to the bank's payment service to complete payment, in exchange for fees paid by the bank to the Company.

The Agreement is valid from the date of its conclusion and shall remain in effect as long as Tameeni platform continues to use the bank's payment service, unless it is terminated by either party.

The relevant bank pays the Company a commission for any successful transaction made using the bank's payment service. The commission rate is a percentage of the full amount paid and varies depending on the type of card used.

Either party may terminate the Customer Referral Agreement at any time, upon sixty (60) days' notice to the other party prior to the date of termination.

This Agreement is governed by the laws and regulations in force in the Kingdom. Any dispute arising therefrom shall be referred to the competent judicial authority in the Kingdom if it cannot be settled amicably within sixty (60) days (for further information regarding the risks related to the customer referral agreement with a bank for payment services, please see Section 2.1.13 "**Risks related to online payments and payment processing by third-party providers**" of this Prospectus).

b- Electronic Payment Portal Services Agreement with SNB

The Company entered into an electronic payment portal services agreement with the SNB on 28/03/1444H (corresponding to 24/10/2022G) (hereinafter referred to as the "**Electronic Payment Portal Services Agreement**"). Pursuant to the Electronic Payment Portal Services Agreement, the Company refers Tameeni platform customers to complete payment via the SNB's payment system in consideration for fees paid by the Company to the SNB.

The Electronic Payment Portal Services Agreement is valid for two Gregorian years from the date of its conclusion and automatically renews on the same terms unless either party terminates it by providing the other party with a written notice of at least ninety (90) days.

The Company pays SNB a commission for any successful transaction made using SNB's payment portal through the Tameeni platform. The commission rate is a percentage of the full amount paid and varies according to the type of card used.

SNB may terminate the Electronic Payment Portal Services Agreement at any time, provided that the Company is notified no less than thirty (30) days before the date of termination.

The Electronic Payment Portal Services Agreement is governed by the regulations and laws of the Kingdom, and any disputes shall be referred to the competent judicial authority in the Kingdom.

c- Electronic Payment Portal Services Agreement with Azm Company

Tameeni Company entered into an electronic payment portal services agreement with Azm FinTech (hereinafter referred to as "**Azm Company**") on 16/11/1444H (corresponding to 05/06/2022G) (hereinafter referred to as "**Azm Company Services Agreement**"). Pursuant to the Azm Company Services Agreement, Azm Company manages the "**Edaat**" payments and collections portal so that Tameeni Company can use electronic payment services with all Tameeni platform customers. In addition, under the Azm Company Services Agreement, Azm Company grants Tameeni Company a non-exclusive, non-transferable license to use Azm Company's trademark for the purpose of managing the "**Edaat**" portal.

The Azm Company Services Agreement is valid for one year commencing from 01/12/1444H (corresponding to19/06/2023G) and is automatically renewable on the same terms unless either party terminates it by providing the other party with a written notice of at least thirty (30) days.

Tameeni Company pays a fixed amount to the Company for any successful transaction completed using Azm Company's payment portal. Azm Company shall record any fees applied to transactions executed on Tameeni Company's accounts within three (3) days from the date of transaction execution.

The Azm Company Services Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

d- Installment Payment Service Agreement with Tabby Saudi for Communication and Information Technology Company

The Company entered into an installment payment service agreement with Tabby Saudi for Communication and Information Technology Company (hereinafter referred to as "**Tabby Company**") on 11/05/1443H (corresponding to 15/12/2021G) (hereinafter referred to as the "**Installment Payment Service Agreement**"). Pursuant to the Installment Payment Service Agreement, Tabby Company provides installment payment services to Tameeni platform customers.

The Installment Payment Service Agreement is valid for one year from the date of its conclusion and is automatically renewable on the same terms unless one of the parties expresses its intention not to renew through a written notice submitted to the other party no less than thirty (30) days before the end of the Agreement term.

The Company pays fees to Tabby Company for its services according to the agreement of the two parties.

The Installment Payment Service Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

e- Tamara Company Services Agreement with Nakhla Information Systems Technology Company

Tameeni Company entered into a Tamara Company services agreement with Nakhla Information Systems Technology Company (hereinafter referred to as "**Tamara Company**") on 15/02/1445H (corresponding to 31/08/2023G) (hereinafter referred to as the "**Tamara Company Services Agreement**"). Pursuant to the Tamara Company Services Agreement, Tamara Company provides installment payment services to customers of Tameeni platform.

The Tamara Company Services Agreement is valid for one year from the date of its conclusion and is automatically renewable for an additional year.

Tameeni Company pays fees to Tamara Company for its services as agreed by both parties.

Either party may terminate the Tamara Company Services Agreement by providing the other party with written notice of at least sixty (60) days prior to the date of termination.

The Tamara Company Services Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

f- E-Payment Services Agreement with Hyperbee Company

Tameeni Company entered into an electronic payment services agreement with Hyperbee Information Systems Technology Company (hereinafter referred to as "**Hyperbee Company**") on 25/11/1444H (corresponding to 14/06/2023G) (hereinafter referred to as the "**Hyperbee Company Services Agreement**"). Pursuant to the Hyperbee Company Services Agreement, Hyperbee Company manages payments for Tameeni platform customers, whereby Tameeni platform customers enter their credit card details through a secure form provided by Hyperbee Company. In addition, Hyperbee Company provides payment authentication services to Tameeni platform customers.

The Hyperbee Company Services Agreement is valid for one year from 13/12/1444H (corresponding to 01/07/2023G) and is automatically renewable on the same terms unless one of the parties notifies the other of its intention not to renew sixty (60) days before the end of the Hyperbee Company Services Agreement term.

Tameeni Company pays Hyperbee Company fees for its services under the terms of their agreement within 28 days of the invoice date.

The Hyperbee Company Services Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

12.4.7 Software Licensing Agreement with Malath Insurance Company

The Company entered into a software licensing agreement with Malath Insurance Company on 04/11/1444H (corresponding to 24/05/2023G). Pursuant to the Agreement, the Company grants Malath Insurance Company a non-exclusive, non-transferable subscription to use the R2 Software, including its operational, functional and technical features, in any key materials, guides, brochures or other relevant materials provided to Malath Insurance Company for the purpose of assisting it in using the software. The intellectual property rights to the software and all related rights belong to the Company at all times. Malath Insurance Company is prohibited from reverse engineering the software, decompiling or disassembling the software or any part thereof or attempting to create or extract the source code.

The Company shall assist in training Malath Insurance Company's employees on using the software and downloading it, and shall assist Malath Insurance Company in downloading such software. The Company may, at the request of Malath Insurance Company, provide consulting services to Malath Insurance Company, after it has successfully downloaded the software, at its discretion and in exchange for payment of fees based on the Company's prices at the time.

The software license is valid for a period of four months commencing from the date of application by Malath Insurance Company, and is automatically renewable for a similar period. The Software Licensing Agreement is valid from 01/01/1445H (corresponding to 19/07/2023G) and remains in effect until the expiry date of all licenses and support services provided under the Software Licensing Agreement.

The Company shall issue and submit all invoices for the services provided, and Malath Insurance Company shall pay the invoices electronically within thirty (30) days from the date of receipt of undisputed invoices.

Malath Insurance Company may terminate the services provided by the Company at any time upon written notice to the Company, and the services shall be terminated within sixty (60) days from the date of notification.

The Software Licensing Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to non-binding mediation, failing which, they shall be referred to arbitration.

12.4.8 IT Agreements

The Company entered into three (3) agreements regarding the Company's information technology with a number of parties, whereby the parties provide IT services to the Company. Below is a summary of the IT agreements concluded by the Company.

a- Managed Security Operations Center Services Project Agreement with Information Security Solutions Company

The Company entered into a managed security operations center services project agreement with Information Security Solutions Company on 01/04/1444H (corresponding to 26/10/2022G) (hereinafter referred to as the "**Security Services Agreement**"). Pursuant to the Security Services Agreement, Information Security Solutions Company provides remotely managed security operations center services.

The Security Services Agreement is valid for a period of six (6) months commencing from the date of its conclusion and ending on 04/10/1444H (corresponding to 24/04/2023G).

The Company pays a predetermined amount for the services provided by the Information Security Solutions Company as agreed by the two parties.

The Security Services Agreement may be terminated by either party upon written notice to the other party at least thirty (30) days prior to the date of termination.

The Security Services Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

b- NourNet Connectivity Agreement concluded with NourNet Company

The Company entered into a NourNet Connectivity Agreement with NourNet Company on 05/01/1445H (corresponding to 23/07/2023G), pursuant to which NourNet Company provides the Company corporate business services, including internet service provider services, managed communication services, video communications, cloud communications, hosting services, security services and additional value-added services.

The NourNet Connectivity Agreement is valid for a period of twelve (12) months commencing from the date of service activation, and is automatically renewable on the same terms, unless one of the two parties notifies the other party of intention not to renew sixty (60) days prior to the end of the NourNet Connectivity Agreement term.

The Company pays NourNet Company monthly fees for the services provided by NourNet Company.

The NourNet Connectivity Agreement imposes certain limitations on NourNet Company's liability, whereby NourNet Company shall not be liable for any direct, incidental, exemplary, punitive, special or consequential damages arising from or in connection with the performance or non-performance of its obligations under the NourNet Connectivity Agreement. In addition, the maximum liability of NourNet Company is determined based on the annual fees paid by the Company.

The NourNet Connectivity Agreement is governed by the laws and regulations of the Kingdom, and any disputes arising therefrom shall be referred to the competent judicial authority in the Kingdom.

c- Sahara Net Services Agreement

The Company entered into the Sahara Net Services Agreement with Sahara Net on 16/05/1445H (corresponding to 30/11/2023G). Pursuant to the agreement, Sahara Net provides the Company with assembly services to the Company, including rack server installations, capacity, hosting and anti-distributed denial-of-service (anti-DDoS) protection.

The Sahara Net Services Agreement is valid for a period of one (1) year and is automatically renewable under the same terms, unless a separate agreement is concluded between the parties.

The Company shall pay a predetermined amount under the agreement for the services provided by Sahara.

Other than the discounts mentioned in the service level agreements, the Company expressly releases Sahara Net, its subsidiaries, directors, officers, employees, subcontractors and agents from any obligations, and shall compensate them for any damages, costs, expenses or losses resulting directly or indirectly from their provision of the services under the Sahara Net Services Agreement. The Company undertakes to compensate Sahara Net for any damages, fines, losses or expenses resulting from the Company's breach of any obligations, as well as for any fines imposed by regulatory authorities, telecommunications and IT regulators, or any other Governmental entity. The Company further agrees not to resell its services to any other users without the written approval of Sahara Net, and to bear liability for the actions of its users.

The Sahara Net Services Agreement is governed by the laws and regulations in force in the Kingdom. Any disputes shall be referred to the competent judicial authorities in the Kingdom.

12.4.9 Warshti Platform Linkage Agreements

The Company uses a standard template for the Warshti Platform Linkage Agreement and has concluded three (3) agreements with a number of parties, whereby the parties provide vehicle repair and maintenance services to customers through the Warshti platform. Below is a summary of the key provisions of the Warshti Platform Linkage Agreement.

The Warshti Platform Linkage Agreement is valid for one (1) Gregorian year commencing from the date of its conclusion and is automatically renewable for successive one-year terms under the same terms and conditions. If one of the parties intends not to renew the Agreement, it shall notify the other party thirty (30) business days prior to the end of the original term.

The contracting party under the Warshti Platform Linkage Agreement generally pays a commission to the Company for each transaction completed through the Warshti platform. The commission rate is a specified percentage of the transaction value.

Either party has the right to terminate the Warshti Platform Linkage Agreement for reasonable cause by providing the other party with a written notice of no less than sixty (60) days prior to the effective date of termination.

The Warshti Platform Linkage Agreement is governed by the laws and regulations applied in the Kingdom. The two parties shall attempt to settle disputes amicably within thirty (30) days, failing which the dispute shall be referred to the competent courts in the Kingdom.

The Company has concluded the Warshti Platform Linkage Agreement with the following parties:

- Shams Al Arabia Car Maintenance on 12/06/1444H (corresponding to 05/01/2023G).
- Suhaib Car Maintenance Establishment on 26/06/1444H (corresponding to 19/01/2023G).
- My Car Auto Maintenance Center on 15/06/1444H (corresponding to 08/01/2023G).

12.4.10 Marketing Agreement

The Company has entered into a marketing agreement through which the Company obtains marketing services and promotional offers. The following is a summary of the marketing agreement concluded by the Company:

a- Agreement with Naqla Audiovisual Media Production Company for the Organization of Media Campaigns and Production of Account Content

The Company entered into an agreement with Naqla Audiovisual Media Production Company on 02/04/1444H (corresponding to 27/10/2022G) for the organization of media campaigns and production of account content (hereinafter referred to as the "**Naqla Company Agreement**"). Pursuant to the Naqla Company Agreement, Naqla Audiovisual Media Production Company will develop a creative marketing trend and execute four (4) major media campaigns and eight (8) minor media campaigns with the aim of raising brand awareness for the Tameeni platform.

The Naqla Company Agreement is valid for a period of twelve (12) months commencing on 28/03/1444H (corresponding to 24/10/2022G).

The Company shall pay a fixed fee in twelve (12) monthly installments in consideration for the services and media campaigns executed by Naqla Audiovisual Media Production Company.

The Naqla Company Agreement is governed by the laws and regulations in force in the Kingdom. The competent courts in the city of Riyadh in the Kingdom shall have exclusive jurisdiction over any disputes that cannot be resolved amicably within sixty (60) days.

12.4.11 Financing Agreements

The Directors confirm that neither the Company nor any of its Subsidiaries have any financing agreements as of the date of this Prospectus.

12.5 Material Agreements with Related Parties

Transactions with Related Parties amounted to SAR 11.8 million, SAR 15.2 million, SAR 43.8 million and SAR 7.8 million for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. This section shows a summary of the material agreements with the Directors, which the Directors believe to be material with respect to the Company's business or which may affect investors' decisions to subscribe for the Offer Shares. The summary of the agreements and contracts referred to below does not include all of the terms and conditions and cannot be deemed a substitute for the terms and conditions contained in such agreements.

The Directors confirm that none of the agreements with Related Parties described in this section contain any preferential terms and that all such agreements have been concluded in accordance with the applicable laws and regulations and on an arm's length basis. Except as disclosed in this section of the Prospectus, the Directors declare that the Company is not bound by any transactions, agreements, business or real estate deals with a Related Party.

Moreover, the Directors confirm they will comply with Articles 27 and 71 of the Companies Law and Articles 42 and Article 44 of the CGRs issued by the CMA with respect to Related Party agreements.

12.5.1 Agreements and Transactions with IHC

The Company entered into a technical support services agreement with IHC related to the Treza product on 10/05/1445H (corresponding to 24/11/2023G) (for further information on this agreement, please refer to Section 12.4.1(a) "**Technical support services agreement with Insurance House Company (IHC) in connection with the Treza Product**" of this Prospectus). It is worth noting that the intellectual property rights and technical services licensing agreement and the technical support services agreement entered into with IHC in connection with the Tameeni platform with respect to the scope of Tameeni services, concluded on 06/05/1441H (corresponding to 01/01/2020G) and 16/08/1437H (corresponding to 24/05/2016G), respectively, were terminated on 13/12/1444H (corresponding to 01/07/2023G). The annex to the support services agreement with IHC in connection with the Treza product was terminated on 10/05/1445H (corresponding to 24/11/2023G).

The agreements and transactions concluded between the Company and IHC are considered Related Party agreements given that the Director Mohammed Muheideb Ali AlMuheideb has an interest in such transactions, since he indirectly owns 60% of IHC. Accordingly, the Company obtained the approval of the General Assembly for such transactions on 21/12/1444H (corresponding to 09/07/2023G), 27/01/1445H (corresponding to 14/08/2023G) and 21/05/1445H (corresponding to 05/12/2023G) pursuant to Articles 27 and 71 of the Companies Law.

It is worth noting that Samer Mohammed Raslan, one of the Company's Substantial Shareholders, owns 40% of IHC. Accordingly, agreements and transactions with IHC are deemed Related Party agreements and transactions according to the definition of Related Parties contained in the OSCOs.

12.5.2 Transactions with Arabian Company For Travelers Services

The Company's transactions with Arabian Company For Travelers Services in connection with travel costs for the Company's employees amounted to SAR 0.9 million and SAR 0.7 million for the financial year ended 31 December 2022G and the nine-month period ended 30 September 2023G, respectively.

Transactions with Arabian Company For Travelers Services are considered Related Party transactions given that the Director Mohammed Muheideb Ali AlMuheideb has an interest in such transactions, since he owns 100% of the capital of Arabian Company For Travelers Services. Accordingly, the Company obtained the approval of the General Assembly for such transactions on 21/12/1444H (corresponding to 09/07/2023G), 27/01/1445H (corresponding to 14/08/2023G) and 21/05/1445H (corresponding to 05/12/2023G) pursuant to Articles 27 and 71 of the Companies Law.

12.5.3 Transactions with Thiqah Business Services

The Company entered into an agreement with Thiqah Business Services for the provision of business services, amounting to SAR 2.7 million and SAR 3.6 million for the financial year ended 31 December 2022G and the nine-month period ended 30 September 2023G, respectively.

The agreement with Thiqah Business Services is considered a Related Party agreement given that the Director Ayman Abdullah Suleiman AlFallaj has an interest in such transactions, since he is the CEO of Thiqah Business Services. Accordingly, the Company obtained the approval of the General Assembly for such transactions on 27/01/1445H (corresponding to 14/08/2023G) and 21/05/1445H (corresponding to 05/12/2023G) pursuant to Articles 27 and 71 of the Companies Law.

12.5.4 Agreements and Transactions with Tameeni Company

The Company entered into a Technical Support Services Agreement with Tameeni Company on 11/02/1445H (corresponding to 27/08/2023G) (for further information regarding this Agreement, please refer to Section 12.4.1 "**Technical Support Services Agreements**" of this Prospectus). This Agreement is considered a Related Party transaction since it was concluded with a subsidiary in accordance with the definition of Related Parties contained in the OSCOs. However, such transaction does not require the authorization of the Company's General Assembly.

12.6 Real Estate

12.6.1 Real Estate Owned by the Company and the Material Subsidiaries

a- The Company

The Directors confirm that the Company does not own any real estate as of the date of this Prospectus.

b- Material Subsidiaries

The Directors confirm that the Material Subsidiaries do not own any real estate as of the date of this Prospectus.

12.6.2 Real Estate Owned by the Company and the Material Subsidiaries

a- The Company

The following table shows the details of the real estate leased by the Company:

Table (12.12): Real Estate Leased by the Company

#	Lessee	Lessor	Location	Description/ Purpose	Effective Date of the Lease	Annual Rent (SAR)	Lease Term
1	The Company	Tamdeen First for Real Estate Trading Company	Al Thoumamah Road, Riyadh	Units 1, 2, 3, 4 and 5, 2nd Floor, Plaza Complex, with a total area of 883.39 square meters for the commercial offices of the Company.	16/04/1443H (corresponding to 21/11/2021G)	695,671	5 years
2	The Company	Argan Homes Limited Company	Al Qamar, Riyadh	Units 1F-01 and 1F-03, 1st Floor, Plaza Complex, with a total area of 550 square meters for the administrative and commercial offices of Tameeni Company.	07/05/1444H (corresponding to 01/12/2022G)	357,500	3 years

Source: The Company

b- Material Subsidiaries

The following table shows the details of the real estate leased by the Material Subsidiaries:

Table (12.13): Real Estate Leased by the Material Subsidiaries

#	Lessee	Lessor	Location	Purpose	Effective Date of the Lease	Annual Rent (SAR)	Lease Term
Rasan - Dubai							
1	Rasan - Dubai	Senyar Real Estate One Person Company LLC	Three apartments in U Bora Tower, 11th Floor, Business Bay, Dubai, UAE	Commercial offices of Rasan - Dubai	17/04/1445H (corresponding to 01/11/2023G)	AED 727,905.78 (equivalent to approximately SAR 743,311) for the third year (plus service fees of AED 207,973.08 (equivalent to approximately SAR 212,374.57) and payable taxes)	3 years, ending on 20/05/1448H (corresponding to 31/10/2026G)
Rasan LLC - Egypt							
2	Rasan LLC – Egypt	Signature Trading and Supplies Company	An area of 500 square meters, Ground Floor, 334 Concord Building, Sector 3, City Center - 5th Settlement, New Cairo.	Administrative headquarters of Rasan LLC - Egypt	08/06/1444H (corresponding to 01/01/2023G)	USD 17,500 (equivalent to SAR 65,690.13) monthly, paid in advance on an annual basis.	2 years

Source: The Company

12.7 Intangible Assets

12.7.1 Trademarks

The Company has four (4) registered trademarks in the Kingdom, while Rasan - Dubai has six (6) registered trademarks. The Company has also submitted applications for the registration of four (4) trademarks, which are still under review by the Saudi Authority for Intellectual Property as of the date of this Prospectus. The Company and Subsidiaries rely on the Company's trademarks in their business and marketing of their services. If the Company is unable to protect its trademarks, or if it is required to take legal action to protect such trademarks, this would adversely and materially affect its ability to use them, which would in turn affect its business and the results of its operations (for further information on the relevant risks, please refer to Section 2.1.19 "**Risks related to the Group's reputation, brand and publicity**" of this Prospectus). The following table shows the key details of the trademarks registered by the Company and Rasan - Dubai, as well as the Company's trademarks under registration:

Table (12.14): Key Details of Registered Trademarks

#	Trademark	Country of Registration	Owner	Registration No.	Protection Start Date	Protection Expiration Date	Category
The Company							
1	تأميني Tameeni	KSA	The Company	1438000185	03/01/1438H (corresponding to 04/10/2016G)	02/01/1448H (corresponding to 17/06/2026G)	36
2	ورشتي	KSA	The Company	1441005301	17/02/1441H (corresponding to 16/10/2019G)	17/02/1451H (corresponding to 29/06/2029G)	12
3	AwalMazad أول مزاد	KSA	The Company	1440026633	27/10/1440H (corresponding to 30/06/2019G)	27/10/1450H (corresponding to 12/03/2029G)	12
4	تريزا Treza	KSA	The Company	1442037275	05/12/1442H (corresponding to 15/07/2021G)	04/12/1452H (corresponding to 27/03/2031G)	36
Rasan – Dubai							
5	rasan	UAE	Rasan – Dubai	361933	06/03/1443H (corresponding to 13/10/2021G)	25/06/1453H (corresponding to 13/10/2031G)	36
6	تأميني Tameeni	UAE	Rasan – Dubai	353880	12/11/1442H (corresponding to 22/06/2021G)	02/03/1453H (corresponding to 22/06/2031G)	36
7	treza	UAE	Rasan – Dubai	360384	18/02/1443H (corresponding to 25/09/2021G)	08/06/1453H (corresponding to 25/09/2031G)	36
8	Tria	UAE	Rasan – Dubai	360385	18/02/1443H (corresponding to 25/09/2021G)	08/06/1453H (corresponding to 25/09/2031G)	36
9	ورشتي	UAE	Rasan – Dubai	360383	18/02/1443H (corresponding to 25/09/2021G)	08/06/1453H (corresponding to 25/09/2031G)	37
10	AwalMazad أول مزاد	UAE	Rasan – Dubai	360386	18/02/1443H (corresponding to 25/09/2021G)	08/06/1453H (corresponding to 25/09/2031G)	35

Source: The Company

Table (12.15): Key Details of Trademarks Under Registration

Trademarks Under Registration						
#	**Trademark**	**Country of Registration**	**Owner**	**Filing No.**	**Application Submission Date**	**Category**
1	rasan	KSA	The Company	417977	04/11/1444H (corresponding to 24/05/2023G)	36
2	تأميني Tameeni	KSA	The Company	417969	04/11/1444H (corresponding to 24/05/2023G)	36
3	awal mazad أول مزاد	KSA	The Company	417984	04/11/1444H (corresponding to 24/05/2023G)	35
4	ورشتي warshti	KSA	The Company	417981	04/11/1444H (corresponding to 24/05/2023G)	37

Source: The Company

12.7.2 Website Domains

The Group has five (5) registered domain names which it uses in its business. The following table shows the details of these domains.

Table (12.16): Key Details of the Main Domain Names used by the Company

#	Domain Name	Domain Name Expiration Date
1	https://www.rasan.co/	14/11/1446H (corresponding to 12/05/2025G)
2	https://www.tameeni.com/	28/03/1449H (corresponding to 30/08/2027G)
3	https://www.triainsurance.com/	26/03/1446H (corresponding to 29/09/2024G)
4	https://www.awalmazad.com/	29/09/1446H (corresponding to 29/03/2025G)
5	https://www.warshti.com/	24/05/1445H (corresponding to 08/12/2023G)

Source: The Company

12.8 Insurance

The Company and its Subsidiaries maintain insurance policies covering the various types of risks associated with their business. The following table shows the key details of the insurance policies of the Company and its Material Subsidiaries:

Table (12.17): Insurance Policies of the Company and its Material Subsidiaries

#	Type of Coverage	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/ Maximum Insurance Coverage
The Company						
1	Employee medical insurance	Bupa Arabia for Cooperative Insurance Company (Bupa)	The Company	4886490078	18/06/1445H (corresponding to 31/12/2023G)	SAR 1,000,000 per employee
Tameeni Company						
2	Professional indemnity insurance	Al Rajhi Takaful	Tameeni Company	P1222-API-DGEN-16487471	01/06/1445H (corresponding to 14/12/2023G)	SAR 60,000,000
Rasan - Dubai						
3	Group life insurance	Alliance Insurance	Rasan – Dubai	GIP – 20590	17/08/1445H (corresponding to 27/02/2024G)	-
4	Health business plan	Sukoon Insurance	Rasan – Dubai	11284	06/12/1445H (corresponding to 12/06/2024G)	-

Source: The Company

12.9 Litigation of the Company and Material Subsidiaries

12.9.1 The Company

The Directors confirm that there are no outstanding lawsuits or claims filed by or against the Company as of the date of this Prospectus.

12.9.2 Tameeni Company

The Directors confirm that there are no outstanding lawsuits or claims filed by or against Tameeni Company as of the date of this Prospectus.

12.9.3 Rasan – Dubai

The Directors confirm that there are no outstanding lawsuits or claims filed by or against Rasan - Dubai as of the date of this Prospectus.

12.9.4 Rasan LLC - Egypt

The Directors confirm that there are no outstanding lawsuits or claims filed by or against Rasan LLC - Egypt as of the date of this Prospectus.

12.10 Zakat and Tax Status of the Company and the Material Subsidiaries

The Group is subject to Zakat and tax liabilities in the Kingdom, in accordance with the regulations of ZATCA. The Group is also subject to multiple tax laws and regulations in the UAE and Egypt, wherein it owns subsidiaries that operate as business support centers. The Group has submitted Zakat and tax returns for all financial years up to 2022G and has paid its Zakat and tax dues within the required deadlines in accordance with the applicable regulations in each country. The Group also obtained a final Zakat certificate for the Zakat declaration submitted for all years until 2022G. The Group has not received final Zakat assessments from ZATCA, and the Group's Zakat status is still under consideration. Accordingly, there is a risk that ZATCA may review the returns of any of the previous five (5) years and request the payment of additional Zakat amounts from the Group, including the Company and its Subsidiaries, in the event that there are no Zakat assessments and ZATCA challenges the declarations submitted in accordance with the Executive Regulations for the Collection of Zakat issued pursuant to Ministerial Resolution No. 2216, dated 07/07/1440H (corresponding to 14/03/2019G). With respect to VAT, the Group settled tax differences amounting to SAR 0.8 million for the years 2018G to 2021G. However, it is worth noting that despite the review of these periods by ZATCA, there is a risk that ZATCA will revert to these previous years in addition to 2022G and demand the settlement of additional tax differences or the payment of fines if the Group is unable to justify any potential differences. In such case, the Company will bear any future claims, Zakat differences or tax claims in connection with previous years, both in relation to the Company and its Subsidiaries within the Kingdom.

Due to non-Saudi ownership of the Company's shares (as of July 2022G) and being subject to income tax, the Group is also subject to the Transfer Pricing Bylaws issued by ZATCA Board Resolution No. 6-1-19, dated 25/05/1440H (corresponding to 01/31/2019G). The Transfer Pricing Bylaws stipulate that transactions concluded between related persons or persons under common control must be priced on an arm's length basis and the relevant declarations must be submitted in accordance with the Transfer Pricing Bylaws. The Transfer Pricing Bylaws address cases in which the terms and conditions imposed between related persons in their commercial and financial transactions differ from those which would be made between independent persons, since, for income tax purposes, unrealized profits that could have been achieved by any of the related persons but, due to those terms and conditions, have not so accrued, are included within the profits of such person and taxed accordingly. The Group's transactions with its subsidiaries in Egypt and the UAE during 2022G were not subject to the arm's length principle, given that the Group's subsidiaries in Egypt and the UAE are business support centers for the Group. However, the Group is in the process of adopting transfer pricing agreements subject to the arm's length principle for transactions between it and its Subsidiaries in Egypt and the UAE, which may lead to these companies achieving taxable profits in the countries in which they are registered.

12.11 Description of Shareholder Rights

12.11.1 Voting Rights

Each Shareholder shall have one vote for each share held in the General Assemblies, and cumulative voting shall be used to elect the Board of Directors.

12.11.2 Rights to Dividends

Shareholders shall be entitled to their portion of the dividends in accordance with the General Assembly resolution issued in this regard. The resolution shall indicate the date of entitlement and the date of distribution. Entitlement to dividends shall be for the Shareholders registered in the Shareholders' Register at the end of the day specified for entitlement.

12.11.3 Buyback and Repurchase Rights

In accordance with Article 114 of the Companies Law, the Company may purchase, mortgage or sell its ordinary, preferred or redeemable shares in accordance with controls set by the competent authority. The shares purchased by the Company shall not voting rights in Shareholders' assemblies. The Company may purchase its shares for the purpose of allocating them to its employees as part of the employee share scheme in accordance with the controls issued by the competent authority.

12.11.4 Rights to Surplus Assets upon Liquidation or Dissolution

Pursuant to Article 255 of the Companies Law, the surplus shall be distributed to Shareholders in proportion to their shares in the capital, unless the Company's Bylaws stipulate otherwise.

12.11.5 Necessary Approvals for the Amendment of Voting Rights

The Company's Bylaws must be amended to amend the voting rights and mechanism of the Company's General Assemblies. The Extraordinary General Assembly shall be competent to amend the Bylaws in accordance with Article 85 of the Companies Law. A meeting of the Extraordinary General Assembly shall not be valid unless attended by Shareholders representing at least half of the capital. If this quorum is not met at the first meeting, a second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting mentioned the possibility of a second meeting. If the invitation to the first meeting does not refer to the possibility of a second meeting, an invitation shall be sent for a second meeting to be held in the manner prescribed in Article 30 of the Company's Bylaws. In all cases, the second meeting shall be valid if attended by a number of Shareholders representing at least a quarter of the Company's shares that have voting rights attached thereto.

rasan

13. Underwriting

The Selling Shareholders and the Company entered into an underwriting agreement with the Underwriters (Saudi Fransi Capital and Morgan Stanley Saudi Arabia) on 13/11/1445H (corresponding to 21/05/2024G) (referred to hereinafter as the "**Underwriting Agreement**"), under which the Underwriters have agreed to fully underwrite the Offering of twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, subject to certain terms and conditions contained in the Underwriting Agreement. The names and addresses of the Underwriters are as follows:

13.1 Names and Addresses of the Underwriters

Saudi Fransi Capital King Fahd Road Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.sfc.sa Email: rasan.ipo@fransicapital.com.sa	السعودي الفرنسي كابيتال Saudi Fransi Capital
Morgan Stanley Saudi Arabia King Saud Street Al Rashid Tower - Floor 10 P.O. Box 66633, Riyadh 11586 Kingdom of Saudi Arabia Tel: +966 11 2187000 Fax: +966 11 2187003 Website: www.morganstanley.com Email: lneqsy@morganstanley.com	Morgan Stanley

13.2 Summary of the Underwriting Agreement

Pursuant to the terms and conditions of the Underwriting Agreement:

a- The Selling Shareholders and the Company undertake to the Underwriters that, on the first business day following the completion of the allocation of the Offer Shares after the end of the Offering Period, they shall:

1- Sell and allocate the Offer Shares to Individual Subscribers or Participating Parties whose subscription applications have been accepted by the Receiving Agents, in accordance with the final allocation.

2- Sell and allocate to the Underwriters the Offer Shares that were not purchased by Individual Subscribers or Participating Parties during the Offering.

b- The Underwriters undertake to the Selling Shareholders and the Company that they will purchase any Offer Shares that have not been subscribed for by Individual Subscribers or Participating Parties, as set out below:

Table (13.1): Underwritten Shares

Underwriter	No. of Offer Shares to be Underwritten	Percentage of Offer Shares to be Underwritten
Saudi Fransi Capital	11,370,000	50%
Morgan Stanley Saudi Arabia	11,370,000	50%

Source: The Company

The Company undertakes to abide by all provisions of the Underwriting Agreement.

13.3 Underwriting Costs

The Selling Shareholders and the Company shall pay to the Underwriters the underwriting fees based on the total value of the Offering, in addition to the costs and expenses associated with the Offering.

14. Offering Expenses

The Selling Shareholders and the Company shall bear all expenses and costs associated with the Offering on a pro-rata basis, in accordance with the number of Offer Shares that will be sold or issued by each of them. These expenses are estimated at approximately forty million and four hundred thousand Saudi Riyals (SAR 40,400,000) exclusive of VAT, and include the fees of the Financial Advisors, Underwriters, Lead Manager, Bookrunners, Legal Advisors to the Company, Legal Advisors to the Underwriters, Auditor, Market Consultant and Financial Due Diligence Advisor, in addition to the fees of the Receiving Agents, as well as marketing, printing, distribution, translation and other related expenses. The Offering Expenses will be paid pro rata from the Offering Proceeds, based on the number of New Shares and Sale Shares (as applicable) out of the total number of Offer Shares.

15. Company's Post-Listing Undertakings

After Listing, the Company undertakes to:

- Notify the CMA of the date on which the first General Assembly meeting will be held following Listing so a representative thereof may attend.
- Submit transactions and contracts in which any Director has a direct or indirect interest to the General Assembly for authorization (in accordance with the Companies Law, the CGRs and the Implementing Regulations of the Companies Law), provided that the interested Director refrains from participating in voting on the resolution issued in this regard by the Board and the General Assembly.
- Comply with all mandatory provisions of the CGRs immediately upon Listing.
- Fill out Form 8 related to compliance with the CGRs and provide the relevant justifications if it fails to meet any of the requirements set out in the CGRs.
- Comply with the provisions of the Listing Rules in relation to the Company's continuing obligations immediately upon Listing.

Accordingly, upon Listing, the Directors undertake to:

- Record all resolutions and deliberations in the form of written meeting minutes signed by the Board Chairman and Secretary.
- Disclose the details of any Related Party transactions in accordance with the requirements of the Companies Law and the CGRs, and to notify the Board of their direct or indirect personal interests in the business and contracts executed on behalf of the Company, provided that this is recorded in the minutes of the Board of Directors meeting.
- Call for an Extraordinary General Assembly meeting to update the Company's Bylaws immediately after listing, which shall include updating the Company's Bylaws to align with the Companies Law, the CGRs issued by the CMA and other relevant laws and regulations within the specified statutory period.

16. Waivers

The Company obtained an exemption from the CMA in relation to the requirements of Paragraph 4 of Article 41 of the OSCOs, which require the preparation of the issuer's financial statements for at least the previous three financial years in accordance with the accounting standards adopted by SOCPA when submitting an application to the CMA to register and offer securities. The Group's financial statements for the financial year ended 31 December 2020G were prepared in accordance with IFRS-KSA for SMEs. Whereas, the Group's financial statements for the financial year ended 31 December 2021G, and the following years, were prepared in accordance with IFRS-KSA. It is also worth noting that the financial statements for the financial year ended 31 December 2021G, prepared in accordance with IFRS-KSA, include comparative data for the financial year ended 31 December 2020G (for further information regarding the Group's financial statements, please refer to Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus).

17. Subscription Terms and Conditions

The Company has submitted an application to the CMA for the registration and offer of securities and an application to the Exchange for the listing of the shares in accordance with the OSCOs and the Listing Rules. All subscribers must read the subscription terms and conditions carefully before completing the Subscription Application Form. Signing the Subscription Application Form and submitting it to any of the Receiving Agents or Bookrunners is deemed as acceptance of and approval of the subscription terms and conditions.

17.1 Subscription to the Offer Shares

The Offering consists of twenty-two million, seven hundred and forty thousand (22,740,000) ordinary shares, with a fully paid nominal value of one Saudi Riyal (SAR 1) per share, at an Offer Price of thirty seven Saudi Riyals (SAR 37). The Offer Shares represent 30% of the Company's post-Offering capital. The total value of the Offering is eight hundred and forty one million, three hundred and eighty thousand Saudi Riyals (SAR 841,380,000). The Offering to Individual Subscribers and the subsequent Listing of the Company's shares is contingent upon the successful subscription of the Participating Parties for all Offer Shares. The Offering shall be canceled if the Offering is not covered during such period. The CMA also has the right to suspend the Offering if, after its approval of this Prospectus and before registration and admission of the Shares to listing on the Exchange, a material change occurs that could adversely and materially affect the Company's operations.

The Offering shall be limited to two tranches of investors as follows:

Tranche (A): Participating Parties: This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further details, please refer to Section 1 "Definitions and Abbreviations" of this Prospectus). The number of Offer Shares to be initially allocated to Participating Parties is twenty-two million, seven hundred and forty thousand (22,740,000) shares, representing 100% of the total number of Offer Shares. In the event that Individual Subscribers (as defined in Tranche (B) below) subscribe for all of the Offer Shares allocated thereto, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of twenty million, four hundred and sixty-six thousand (20,466,000) Offer Shares, representing 90% of the Offer Shares. The Financial Advisors, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, in addition to any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with any of the Receiving Agents. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of two million, two hundred and seventy-four thousand (2,274,000) Offer Shares, representing 10% of the Offer Shares, shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all the Shares allocated thereto, the Financial Advisors, in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares for which they subscribed.

17.2 Offering Period:

Two (2) days commencing from Wednesday 21/11/1445H (corresponding to 29/05/2024G) and ending on until the end of Thursday 22/11/1445H (corresponding to 30/05/2024G).

rasan

17.3 Subscription Method and Terms for Each Category of Subscribers

17.3.1 Book Building for Participating Parties

a- The Financial Advisors, in coordination with the Company, will determine the price range for the purposes of Book Building using the discretionary allocation mechanism. The price range will be made available to all Participating Parties. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Financial Advisors, in coordination with the Company.

b- Participating Parties must submit applications to participate in the book-building by filling out Bid Forms that will be made available by the Bookrunner. Participating Parties may change or cancel their applications at any time during the Book Building period by submitting a modified bid form or an appended Bid Form (as applicable). This must be completed before determination of the Offer Price, which will take place before the start of the Offering Period. Participating Parries may not subscribe for less than one hundred thousand (100,000) Offer Shares or more than three million, seven hundred eighty-nine thousand, nine hundred and ninety-nine (3,789,999) Offer Shares. With respect to public funds only, the number of Offer Shares subscribed for must not exceed the maximum limit per participating public fund, which is determined in accordance with the Book Building Instructions. The number of Offer Shares requested must be allocatable. The Bookrunner will notify the Participating Parties of the Offer Price and the number of Offer Shares initially allocated thereto. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms.

c- Following completion of the Book Building process for Participating Parties, the Financial Advisors will announce the percentage of coverage by Participating Parties.

d- The Financial Advisors and the Company will have the authority to determine the Offer Price based on the forces of supply and demand, provided that it does not exceed the price specified in the Underwriting Agreement and the Offer Price is in accordance with the tick size applied by the Exchange.

17.3.2 Subscription by Individual Subscribers

Each Individual Subscriber must subscribe for a minimum of ten (10) Offer Shares and a maximum of one hundred thousand (100,000) Offer Shares. No change or withdrawal of the Subscription Application Forms shall be permitted upon submission thereof.

Subscription Application Forms will be available during the Offering Period from the Receiving Agents. Subscription Application Forms must be completed in accordance with the instructions mentioned below. Individual Subscribers can also subscribe through the internet, telephone banking or ATMs of the Receiving Agents that provide any or all such services to their customers, provided that:

a- The Individual Subscriber has a bank account at one of the Receiving Agents which offers such services.

b- No changes have been made to the Subscriber's personal information since their subscription in a recent offering.

c- Individual Subscribers who are not Saudi or GCC nationals must have an account at a Capital Market Institutions which offers such services.

Submission of a signed Subscription Application Form to any of the Receiving Agents constitutes a binding agreement between the Company and the relevant Individual Subscriber submitting the application.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the following Receiving Agents (copies of the Prospectus are also available on the websites of the CMA (www.cma.org.sa), the Financial Advisors, Saudi Fransi Capital (www.sfc.sa) and Morgan Stanley Saudi Arabia (www.morganstanleysaudiarabia.com) and the Company (www.rasan.co)):

Banque Saudi Fransi King Saud Road P.O. Box 56006, Riyadh 11554 Kingdom of Saudi Arabia Phone: +966 920000579 Fax: +966 11 402 7261 Website: www.alfransi.com.sa Email: Fransiplusadmin@alfransi.com.sa	
Alrajhi Bank King Fahad Road - Al Muruj District Riyadh 11411 Kingdom of Saudi Arabia Tel: +966 (11) 828 2515 Fax: +966 (11) 279 8190 Website: www.alrajhibank.com.sa E-mail: contactcenter1@alrajhibank.com.sa	

The Receiving Agents will commence receiving Subscription Application Forms at some of their branches in the Kingdom or via the internet, telephone banking or ATMs of the Receiving Agents that offer any or all such services, commencing from Wednesday 21/11/1445H (corresponding to 29/05/2024G), until Thursday 22/11/1445H (corresponding to 30/05/2024G). Upon signature and submission of a Subscription Application Form, the Receiving Agents will stamp it and provide the relevant Individual Subscriber with a copy thereof. If the information provided in the Subscription Application Form is incomplete or incorrect, or not stamped by the Receiving Agents, the Subscription Application shall be considered void and the Individual Subscriber may not claim any compensation for any damage resulting from such cancellation.

Each Individual Subscriber is required to specify the number of shares applied for in the Subscription Application Form, and the total subscription amount shall be the number of Offer Shares applied for by the Offer Price of thirty seven Saudi Riyals (SAR 37) per share.

Subscriptions by Individual Subscribers for less than ten (10) shares or for fractional shares will not be accepted. Increments are to be made in multiples of this figure. The maximum number of Offer Shares that may be applied for is one hundred thousand (100,000) shares.

Subscription Application Forms shall be submitted during the Offering Period and accompanied, where applicable, by the following documents (the Receiving Agents shall verify all copies against the originals before returning the originals to the relevant Individual Subscriber):

a- Original and copy of the national civil identification card or resident identification card (Individual Subscribers, including citizens of GCC countries and foreign residents).
b- Original and copy of the family register (when subscribing on behalf of family members).
c- Original and copy of the power of attorney (when subscribing on behalf of others).
d- Original and copy of a certificate of certificate of guardianship (when subscribing on behalf of orphans).
e- Original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi woman).
f- Original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman).
g- Original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman).

If a Subscription Application Form is submitted on behalf of an Individual Subscriber (applies to parents and children only), the agent shall write his name and attach an original and copy of a valid power of attorney. The power of attorney must be issued by a notary public for Individual Subscribers residing in the Kingdom and must be attested by the Saudi embassy or consulate in the concerned state for Individual Subscribers residing outside the Kingdom. The responsible employee at the Receiving Agents shall verify the copies against the originals and shall return the originals to the Individual Subscriber.

It is sufficient to fill out one Subscription Application Form for each primary Individual Subscriber applying for himself/herself and family members appearing on his/her family identification card if the family members are applying for the same number of Offer Shares as the primary Individual Subscriber. In such case:

a- All Offer Shares allocated to the primary Individual Subscriber and dependent Subscribers shall be registered in the name of the primary Individual Subscriber.

b- The primary Individual Subscriber shall receive any refund of amounts not allocated and paid by themselves or by dependent Subscribers.

c- The primary Individual Subscriber shall receive all dividends distributed for the Offer Shares allocated to themselves and dependent Subscribers (in the event that the shares are not sold or transferred).

Separate Subscription Application Forms must be used if:

a- The Offer Shares to be allocated are to be registered in a name other than the name of the primary Individual Subscriber.

b- Dependent Subscribers intend to apply for a different number of Offer Shares than the primary Individual Subscriber.

c- A wife intends to subscribe in her name and wishes for the allocated Offer Shares to be added to her account (she must complete a separate Subscription Application Form from the one completed by the relevant primary Individual Subscriber). In such case, applications made by husbands on behalf of their spouses will be canceled and the wives' independent application will be processed by the Receiving Agents.

A Saudi female divorcee or widow who has minor children from a marriage to a non-Saudi husband may subscribe in their names for her own benefit provided she submits proof of motherhood. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a primary Subscriber subscribes for themselves and family members appearing on their family identification card, and then a member of that family submits a separate subscription application, the application of such family member who submitted a separate application from the application of the primary Subscriber will be canceled.

During the Offering Period, only valid residency permits will be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates will not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as primary Individual Subscribers. The maximum age for non-Saudi dependents to be included with their mother is eighteen (18) years. Any documents issued by a foreign government must be legalized through a Saudi embassy or consulate in the relevant country.

Each Individual Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in the Subscription Application Form for an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of thirty seven Saudi Riyals (SAR 37) per share. Each Individual Subscriber shall be deemed to have acquired the number of the Offer Shares allocated thereto upon:

a- Delivery by the Subscriber of the Subscription Application Form to any Receiving Agents.

b- Payment in full by the Individual Subscriber to the Receiving Agents of the total value of the Offer Shares subscribed for.

The total value of the Offer Shares subscribed for must be paid in full to the Receiving Agents by depositing the related value into the Individual Subscriber's account with any of the Receiving Agents where the Subscription Application Form was submitted.

If a submitted Subscription Application Form is not in compliance with the terms and conditions of the subscription, the Company shall have the right to reject such application, in full or in part. The Individual Subscriber shall accept any number of shares allocated thereto, unless the allocated shares exceed the number of Offer Shares applied for by the applicant.

17.4 Allocation of Shares and Refund of Excess Subscription Monies

The Bookrunners, Lead Manager and the Receiving Agents shall open and manage an escrow account for the purpose of depositing and storing the subscription amounts collected from Participating Parties and Receiving Agents (on behalf of Individual Subscribers). Receiving Agents shall deposit all amounts received from Individual Subscribers into the aforementioned trust account.

The Lead Manager or Receiving Agents (as applicable) will notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers in full, without any commissions or deductions, and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. Announcement of the final allocation and refund of excess subscription monies (if any) will be made no later than Thursday 29/11/1445H (corresponding to 06/06/2024G). Subscribers should communicate with the Lead Manager or branch of the Receiving Agent (as applicable) where they submitted their Subscription Application Form for further information.

17.4.1 Allocation of Offer Shares to Participating Parties

The initial allocation will be made as the Financial Advisors deem appropriate in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors. Final allocation of the Offer Shares to Participating Parties shall be made through the Financial Advisors upon completion of the subscription period for Individual Subscribers. The number of Offer Shares to be initially allocated to Participating Parties is twenty-two million, seven hundred and forty thousand (22,740,000) shares, representing 100% of the total number of Offer Shares, including nine million, ninety six thousand (9,096,000) shares representing 40% of the total number of Offer Shares which shall be provisionally allocated to public funds. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Financial Advisors shall have the right, in coordination with the Company, to reduce the number of shares allocated to Participating Parties to a minimum of twenty million, four hundred and sixty-six thousand (20,466,000) shares, representing 90% of the total Offer Shares.

17.4.2 Allocation of Offer Shares to Individual Subscribers

A maximum of two million, two hundred and seventy-four thousand (2,274,000) ordinary shares, representing 10% of the total Offer Shares, will be allocated to Individual Subscribers. The minimum allocation per Individual Subscriber is ten (10) shares, while the maximum allocation per Individual Subscriber is one hundred thousand (100,000) shares. The balance of Offer Shares (if any) will be allocated pro-rata, based on the ratio of the number of Offer Shares requested by each Individual Subscriber to the total number of Offer Shares applied for. In the event the number of Individual Subscribers exceeds two hundred and twenty-seven thousand, four hundred (227,400) Subscribers, the Company will not guarantee the minimum allocation. In such case, the allocation will be determined at the discretion of the Company and the Financial Advisors. Excess subscription monies, if any, will be refunded to Individual Subscribers in full, without any deductions or fees by the Receiving Agents.

17.5 Circumstances Where Listing May be Suspended or Canceled

17.5.1 Power to Suspend or Cancel Listing

a- The CMA may suspend the trading of shares or cancel their listing at any time it deems fit in any of the following circumstances:

1- The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.

2- The Company fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange Rules.

3- The Company fails to pay any fees due to the CMA or the Exchange or any penalties due to the CMA on time.

4- The CMA deems that the Company, its business, the level of its operations or its assets are no longer suitable to warrant the continued listing of the shares on the Exchange.

5- When a reverse takeover announcement does not contain sufficient information regarding the proposed transaction. In the event that the Company has provided sufficient information regarding the target and the CMA is convinced, after the Company's announcement, that sufficient public information will be available on the proposed reverse acquisition, the CMA may decide not to suspend trading at this stage.

6- When information about the proposed reverse takeover is leaked and the Company is unable to accurately assess its financial position and the Exchange cannot be informed accordingly.

7- When an initiation application for the Company's financial reorganization is registered with the court if its accumulated losses are 50% or more of its capital in accordance with the Bankruptcy Law.

8- When an application to commence a liquidation proceeding or administrative liquidation of the Company is registered with the court in accordance with the Bankruptcy Law.

9- Upon the issuance of a final court ruling terminating a financial reorganization procedure and initiating an administrative liquidation procedure of the Company under the Bankruptcy Law.

10- Upon the issuance of a final court ruling initiating a liquidation procedure or administrative liquidation procedure of the Company before the Court under the Bankruptcy Law.

b- The Exchange shall suspend the trading of the Company's securities in any of the following cases:

1- When the Company fails to comply with the deadlines set for disclosing its periodic financial information in accordance with the requirements of OSCOs until the disclosure thereof.

2- When the Auditor's report on the financial statements of the Group contains an opposing opinion or an abstention from expressing an opinion, until the opposing opinion or abstention is removed.

3- If the liquidity requirements specified in Chapters 2 and 8 of the Listing Rules are not met post-Listing within the deadline set by the Exchange for the Company to rectify its position, unless the CMA agrees otherwise.

4- When a resolution is issued by the Company's Extraordinary General Assembly to reduce its capital, for the two trading days following the issuance of such resolution.

c- The Exchange shall lift the suspension referred to in sub-paragraphs 1 and 2 above after the lapse of one trading session following the resolution of the matter that caused the suspension. In the event that over-the-counter trading of the Company's shares is permitted, the Exchange shall lift the suspension within a period not exceeding five (5) trading sessions following the resolution of the matter that caused the suspension.

d- The Exchange may at any time propose that the CMA suspend the trading of any listed security or cancel its listing where, in its opinion, any of the circumstances mentioned in Paragraph (a) above is likely to occur.

e- A company whose securities are subject to a trading suspension must continue to abide by the Capital Market Law, its Implementing Regulations and the Exchange Rules.

f- In the event that the listing suspension continues for six (6) months with no appropriate procedure taken by the Company to correct such suspension, the CMA may cancel the Company's listing.

g- Upon the Company's completion of a reverse acquisition, the listing of its shares shall be canceled. If the Company wishes to re-list its shares, it must submit a new application for listing in accordance with the Listing Rules and the requirements stipulated in the OSCOs.

h- This Paragraph shall not prejudice the suspension of trading or cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations and Exchange Rules.

17.5.2 Voluntary Cancellation of Listing

a- A Company whose securities have been listed on the Exchange may not cancel the listing of its securities without the prior approval of the CMA. To obtain the CMA approval, the Company must submit a cancellation request to the CMA, along with a simultaneous notice to the Exchange. The request shall include the following information:

1- The specific reasons for the cancellation request.

2- A copy of the disclosure referred to in Paragraph (d) below.

3- A copy of the relevant documentation and a copy of each related document sent to Shareholders if the cancellation is to take place as a result of a takeover or other corporate action taken by the Company.

4- The names and contact details of the Financial Advisor and Legal Advisor appointed in accordance with the OSCOs.

b- The CMA may, at its discretion, accept or reject the cancellation request.

c- The Company must obtain the approval of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.

d- Where cancellation is made at the Company's request, the Company must disclose such to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation, and how it affects the Company's activities.

17.5.3 Temporary Trading Suspension

a- The Company may request the Exchange to temporarily suspend trading of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations or Exchange Rules, where the Company cannot maintain the confidentiality of such information until the end of the trading period. The Exchange shall suspend the trading of the securities of the Company immediately upon receiving such request.

b- When trading is temporarily suspended at the Company's request, the Company shall disclose to the public, as soon as possible, the reason for the suspension, its anticipated period and the nature of the event resulting in the suspension and how it affects the Company's activities.

c- The CMA may impose a temporary trading suspension without a request from the Company when the CMA has information or there are circumstances that affect the Company's activities which the CMA deems likely to interrupt the operation of the Exchange activity or jeopardize the protection of investors. A company whose securities are subject to temporary trading suspension must continue to abide by the Capital Market Law, its Implementing Regulations and Exchange Rules.

d- The temporary trading suspension will be lifted following the elapse of the period referred to in Paragraph (b) above, unless the CMA or the Exchange decide otherwise.

e- The Exchange may propose that the CMA exercise its authority under Paragraph (c) above if it finds that there is information or circumstances that may affect the Company's activities and that are likely to interrupt the operation of the Exchange or the protection of investors.

17.5.4 Lifting of Suspension

A suspension of trading imposed in accordance with Paragraph (a) of Section 17.5.1 "**Power to Suspend or Cancel Listing**" of this Prospectus may be lifted based on the following:

a- Adequately addressing the conditions that led to the suspension and the lack of a need to continue the suspension for the protection of investors.

b- The lifting of suspension being unlikely to have any impact on the normal activity of the Exchange.

c- The Company's compliance with any other terms that the CMA may require.

In the event that the listing suspension continues for six (6) months with no appropriate procedure taken by the Company to correct such suspension, the CMA may cancel the Company's listing.

17.6 Resolutions and Approval for the Offering

The resolutions and approvals pursuant to which the Offer Shares will be offered are as follows:

a- The Company's Board of Directors' resolution recommending to the General Assembly approval of the Offering dated 27/01/1445H (corresponding to 14/08/2023G).

b- The General Assembly resolution approving the Offering and increase in the Company's capital issued on 27/01/1445H (corresponding to 14/08/2023G) and completion of the relevant procedures at the Ministry of Commerce after finalization of the subscription and allocation.

c- The CMA's approval of the Offering dated 15/09/1445H (corresponding to 25/03/2024G).

d- The conditional approval issued by the Saudi Exchange to list the shares dated 23/04/1445H (corresponding to 07/11/2023G).

17.7 Lock-up Period

The Substantial Shareholders listed on page (xiii) of this Prospectus are prohibited from disposing of their shares for a period of six (6) months from the date on which trading of the Company's shares commences on the Exchange. Following the Lock-up Period, they may dispose of their shares without the prior approval of the CMA.

17.8 Subscription Undertakings

By completing and submitting the Subscription Application Form, each Subscriber:

a- agrees to subscribe for the Company's shares in the number of such shares specified in the Subscription Application Form submitted thereby;

b- declares that they have carefully read this Prospectus and understood all its contents;

c- agrees to the Company's Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form and subscribes to the shares accordingly;

d- declares that neither they nor any of their family members included in the Subscription Application Form have previously subscribed for the Company's shares and the Company has the right to reject all duplicate applications;

e- accepts the number of the Offer Shares allocated thereto (up to the maximum of the amount subscribed for) according to the Subscription Application; and

f- undertakes not to cancel or amend the Subscription Application Form after submission thereof to the Lead Manager or Receiving Agents.

The allocation of Offer Shares and refund of excess subscription monies shall be made as detailed in Section 17.4 "**Allocation of Shares and Refund of Excess Subscription Monies**" of this Prospectus.

17.9 Share Register and Trading Arrangements

The Depository Center maintains a register of Shareholders containing their names, nationalities, addresses, professions, they shares they own, and the amounts paid for such shares.

17.10 Saudi Exchange (Tadawul)

In 1990G, full electronic trading of shares in the Kingdom was introduced. The Tadawul system was founded in 2001G as a substitute to the Electronic Securities Information System. Trading in shares occurs on the "**Tadawul**" system through a fully integrated trading system that covers the entire trading process from execution of the trade through settlement thereof. Trading on each business day of the week in one period, between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. Outside these times, orders may be entered, amended and canceled between 9:30 a.m. and 10:00 a.m. These times may be changed during the month of Ramadan and are announced by Tadawul. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website and Tadawul Information Link, which supplies trading data in real time to information providers such as Reuters. Transactions are settled on a T + 2 basis, i.e., share ownership transfer takes place two business days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information of importance to investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the market to ensure fair trading and an orderly market.

17.11 Securities Depository Center Company (Edaa)

The Securities Depository Center Company (Edaa) was established in 2016G as a closed joint-stock company wholly owned by the Saudi Tadawul Group (Tadawul) with a capital of four hundred million Saudi Riyals (SAR 400,000,000), divided into forty million (40,000,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share, based on the CMA Board's approval of the Saudi Stock Exchange (Tadawul) Board of Director's request to convert the Securities Depository Center into an independent joint-stock company in accordance with the Capital Market Law. The activities of the Securities Depository Center include depositing, registering ownership, transferring, settling and clearing securities, as well as registering any ownership restrictions on deposited securities. The Securities Depository Center also deposits and manages the registers of securities issuers and organizes general assemblies of issuers, including remote voting services for assemblies and the submission of reports, notices and information, in addition to providing other related services in accordance with the Capital Market Law and its Implementing Regulations.

17.12 Trading of the Company's shares

Trading of the Company's shares is expected to commence after the final allocation of the shares and the announcement of the commencement date of trading by the Exchange. Following Listing, Saudi nationals, non-Saudi nationals holding valid residency permits in the Kingdom, GCC citizens and Saudi and Saudi and GCC companies, banks and investment funds will be permitted to trade in the Offer Shares once they are traded on the Exchange. QFIs will be permitted to trade in the Company's shares in accordance with the Rules for Foreign Investment in Securities. Foreign investors who are non-GCC nationals residing outside the Kingdom and non-GCC institutions incorporated outside the Kingdom will also have the right to invest indirectly to acquire the economic benefits of the shares by entering into swap agreements with a Capital Market Institution to acquire, hold and trade in shares listed on the Exchange on behalf of non-GCC foreign investors. Under such swap agreements, the Capital Market Institutions will be registered as the legal owners of such shares.

The Offer Shares can only be traded after they have been allocated and credited to Subscribers' accounts at Tadawul, the Company has been registered and its shares have been listed on the Exchange. Pre-trading in shares is strictly prohibited and Subscribers engaging in pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

17.13 Miscellaneous

The Subscription Application and all related terms, conditions and undertakings shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

These instructions, the terms and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been released in Arabic and English. The Arabic version is the only one approved by the CMA. In the event of a discrepancy between the Arabic and English texts, the Arabic text of this Prospectus shall prevail.

The distribution of this Prospectus and the sale of the Offer Shares in any country other than the Kingdom of Saudi Arabia are expressly prohibited, except for QFIs and foreign investors through the conclusion of swap agreements, subject to the applicable laws and directives. This Offering will be made to certain QFIs and foreign investors outside the United States of America by way of swap agreement in accordance with Regulation S issued under the US Securities Act. The Offer Shares have not been, and will not be, registered under the US Securities Act or under any other law of the United States of America. This Offering does not constitute an invitation to sell shares or a solicitation to buy them in any country where this Offering is unlawful. Recipients of this Prospectus are required to inform themselves of any regulatory restrictions relevant to the Offering and the sale of the Offer Shares and to observe all such restrictions.

Subject to the requirements of the OSCOs, the Company must submit a supplementary prospectus to the CMA if, at any time after the publication of this Prospectus and before the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in material matters contained in this Prospectus or any document required under the OSCOs or Listing Rules; or (b) any significant issues have arisen that should have been included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing risks and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

18. Documents Available for Inspection

The following documents will be available for inspection at the Company's headquarters located in 3413 Al Thoumamah Road, 8135 Qurtuba District, Riyadh – 13248, the Kingdom, between 9:00 a.m. and 17:00 p.m. from Sunday 26/10/1445H (corresponding to 05/05/2024G) until Thursday 22/11/1445H (corresponding to 30/05/2024G) for a period of not less than twenty (20) days prior to the end of the Offering Period:

a- The CMA's approval of the Offering dated 15/09/1445H (corresponding to 25/03/2024G).

b- The conditional approval issued by the Saudi Exchange to list the shares dated 23/04/1445H (corresponding to 07/11/2023G).

c- The Company's Board of Directors' resolution recommending to the General Assembly approval of the Offering dated 27/01/1445H (corresponding to 14/08/2023G).

d- The Company's General Assembly resolution approving the Offering and increase in the Company's capital issued on 27/01/1445H (corresponding to 14/08/2023G).

e- The Company's Bylaws, together with any amendments thereto.

f- The Company's articles of association, together with any amendments thereto.

g- The Company's Commercial Registration Certificate issued by the Ministry of Commerce.

h- The audited consolidated financial statements for the financial years ended 31 December 2020G, 2021G, 2022G and 2023G.

i- The interim financial statements for the nine-month period ended 30 September 2023G.

j- Trading update document for the financial year ended 31 December 2023G.

k- A document explaining the methodologies used in determining the price range for the book building.

l- A document summarizing forecasts and forward-looking statements in relation to the expected financial performance of the Company in the future.

m- The Market Study Report prepared by the Market Consultant.

n- All other reports, letters and documents, estimates of value and statements prepared by any expert, including any part thereof included or referred to in this Prospectus.

o- The contracts and agreements disclosed in Section 12.4 "**Material Agreements**" and Section 12.5 "**Material Agreements with Related Parties**" of this Prospectus.

p- Letters of consent from each of:

   1- The Financial Advisor, Lead Manager, Bookrunner and Underwriter (Saudi Fransi Capital) for the inclusion of its name and logo in this Prospectus.

   2- The Financial Advisor, Bookrunner and Underwriter (Morgan Stanley Saudi Arabia) for the inclusion of its name and logo in this Prospectus.

   3- The Legal Advisor to the Company (The Law Firm of Latham & Watkins) for the inclusion of its name, logo and statement in this Prospectus.

   4- The Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters (White & Case for Advocacy and Legal Consulting) for the inclusion of its name and logo in this Prospectus.

   5- The Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters in connection with the Offering outside the Kingdom of Saudi Arabia (White & Case LLP) for the inclusion of its name and logo in this Prospectus.

   6- The Financial Due Diligence Advisor (PricewaterhouseCoopers Chartered Accountants) for the inclusion of its name, logo and statements in this Prospectus.

   7- The Auditor (Ernst & Young Professional Services Company (Professional LLC)) for the inclusion of its name, logo, and audit reports for the financial years ended 31 December 2020G, 2021G and 2022G in this Prospectus.

   8- The Market Consultant (PricewaterhouseCoopers Chartered Accountants) for the inclusion of its name, logo and statements within this Prospectus.

19. Financial Statements and Auditor's Report

This section contains the Group's audited consolidated financial statements for the financial year ended 31 December 2020G and the accompanying notes thereto, which were prepared in accordance with IFRS-KSA for SMEs, the Group's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the accompanying notes thereto, which were prepared in accordance with IFRS-KSA and audited by the Auditor, and the Group's unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2023G and the accompanying notes thereto, which were prepared in accordance with IAS 34 Interim Financial Reporting as endorsed in the Kingdom. The Auditor applied limited review procedures to the Company's unaudited condensed consolidated interim financial statements for the nine-month period ended 30 September 2023G in accordance with International Standard on Review Engagements (ISRE) 2410 (Review of Interim Financial Information by the Independent Auditor of the Establishment) as endorsed in the Kingdom. Accordingly, the review report dated 01/05/1445H (corresponding to 15/11/2023G), as included elsewhere in this Prospectus, states that they have not conducted an audit and do not express an audit opinion on the interim financial information. Accordingly, the degree of reliance on their report on this information shall be limited based on the limited nature of the applied review procedures.

Rasan Information Technology Company
and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
31 December 2021

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Rasan Information Technology Company (the "Company") and its subsidiaries (collectively, with the Company referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

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

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company) (continued)

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

- Identify and assess the risks of material misstatement of the 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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, 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company) (continued)

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

We communicate with the Board of Directors 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)

Riyadh: 17 Dhu Al-Hijjah 1444H
(5 July 2023)

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	***31 December 2021 SR***	*31 December 2020 SR (Note 30)*	*1 January 2020 SR (Note 30)*
ASSETS				
CURRENT ASSETS				
Bank balances and cash	5	**35,278,462**	2,413,651	3,361,436
Trade receivables, prepayments and other current assets	6	**13,464,536**	5,227,632	1,384,053
Amount due from a related party	7	**9,674,570**	-	232,117
TOTAL CURRENT ASSETS		**58,417,568**	7,641,283	4,977,606
NON-CURRENT ASSETS				
Property and equipment	8	**4,627,610**	2,343,260	1,505,453
Intangible assets	9	**19,360,843**	13,559,649	13,197,302
Right-of-use assets	10	**4,094,537**	604,338	704,796
TOTAL NON-CURRENT ASSETS		**28,082,990**	16,507,247	15,407,551
TOTAL ASSETS		**86,500,558**	24,148,530	20,385,157
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Trade and other payables	11	**15,453,634**	6,246,481	4,657,425
Amounts due to related parties	7	**-**	32,174,230	31,658,474
Lease liability – current	10	**1,732,664**	283,706	422,287
Loan payable to a related party – current	12	**3,241,474**	-	-
Zakat payable	13	**1,492,462**	310,023	113,985
TOTAL CURRENT LIABILITIES		**21,920,234**	39,014,440	36,852,171
NON-CURRENT LIABILITIES				
Employees' defined benefits liabilities	14	**2,702,722**	2,406,770	1,414,708
Loan payable to a related party - non current	12	**19,252,754**	-	-
Lease liability - non current	10	**2,330,470**	230,017	180,833
TOTAL NON-CURRENT LIABILITIES		**24,285,946**	2,636,787	1,595,541
TOTAL LIABILITIES		**46,206,180**	41,651,227	38,447,712
PARTNERS' EQUITY (DEFICIT)				
Capital	15	**25,500,000**	3,000,000	3,000,000
Statutory reserve	16	**5,447,986**	915,811	-
Retained earnings (accumulated losses)		**9,343,271**	(21,404,440)	(21,060,574)
Currency translation reserve		**3,121**	(14,068)	(1,981)
TOTAL PARTNERS' EQUITY (DEFICIT)		**40,294,378**	(17,502,697)	(18,062,555)
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		**86,500,558**	24,148,530	20,385,157

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	***2021*** ***SR***	*2020* *SR* *(Note 30)*
Revenue from contract with customers	18	**86,898,916**	43,368,799
Cost of sales	19	**(26,049,073)**	(21,101,650)
GROSS PROFIT		**60,849,843**	22,267,149
General and administrative expenses	20	**(21,279,265)**	(18,714,220)
Marketing expenses		**(6,526,401)**	(2,986,007)
OPERATING PROFIT		**33,044,177**	566,922
Finance cost	21	**(684,885)**	(83,416)
Other income	22	**4,426,532**	398,462
PROFIT BEFORE ZAKAT		**36,785,824**	881,968
Zakat	13	**(1,505,938)**	(310,023)
NET PROFIT FOR THE YEAR		**35,279,886**	571,945
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**17,189**	(12,087)
TOTAL COMPREHENSIVE INCOME		**35,297,075**	559,858
Earnings per share			
Earnings per share attributable to ordinary equity holders of the Company (basic and diluted)	17	**19.437**	571.945

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' EQUITY

For the year ended 31 December 2021

	Capital *SR*	*Statutory reserve* *SR*	*Retained earnings/ (accumulated losses)* *SR*	*Currency translation reserve* *SR*	*Total* *SR*
As at 31 December 2019, as previously reported under IFRS for SMEs	3,000,000	-	(20,089,890)	(1,981)	(17,091,871)
Impact of first-time adoption of IFRS (note 30)	-	-	(970,684)	-	(970,684)
As at 1 January 2020, as restated	3,000,000	-	(21,060,574)	(1,981)	(18,062,555)
Net income for the year	-	-	571,945	-	571,945
Other comprehensive loss	-	-	-	(12,087)	(12,087)
Total comprehensive income for the year	-	-	571,945	(12,087)	559,858
Transfer to statutory reserve	-	915,811	(915,811)	-	-
Balance at 31 December 2020	3,000,000	915,811	(21,404,440)	(14,068)	(17,502,697)
Net income for the year	**-**	**-**	**35,279,886**	**-**	**35,279,886**
Other comprehensive income	**-**	**-**	-	**17,189**	**17,189**
Total comprehensive income for the year	-	-	**35,279,886**	**17,189**	**35,297,075**
Capital increase (note 15)	**22,500,000**	-	-	-	**22,500,000**
Transfer to statutory reserve (note 16)	-	**4,532,175**	**(4,532,175)**	-	-
Balance at 31 December 2021	**25,500,000**	**5,447,986**	**9,343,271**	**3,121**	**40,294,378**

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	*2021* *SR*	*2020* *SR* *(Note 30)*
OPERATING ACTIVITIES			
Profit before zakat		**36,785,824**	881,968
Adjustments to reconcile profit before zakat to net cash flows from operating activities:			
Depreciation of property and equipment	8	**865,081**	640,570
Amortisation of intangible assets	9	**4,657,294**	3,592,737
Write-off of intangible assets	9	**739,352**	18,575
Depreciation of right-of-use assets	10	**534,505**	391,611
Impairment of trade receivables	6	**1,462**	732
Provision for employees' defined benefits liabilities	14	**621,426**	1,018,533
Day one gain on fair valuation of loan payable to a related party	12	**(4,424,699)**	-
Finance costs on loan payable to a related party	12	**540,620**	-
Finance costs on lease liability	10	**75,684**	59,387
Operating cash flows before working capital changes		**40,396,549**	6,604,113
Working capital changes:			
Trade receivables, prepayments and other current assets		**(13,410,866)**	(3,844,311)
Amount due from a related party		**(9,674,570)**	232,116
Trade and other payables		**9,207,150**	1,589,054
Amounts due to related parties		**(624,003)**	515,756
Cash from operating activities		**25,894,260**	5,096,728
Zakat paid	13	**(323,499)**	(113,985)
Finance costs paid		**(75,684)**	(59,387)
Employees' defined benefits paid	14	**(325,474)**	(26,471)
Net cash from operating activities		**25,169,603**	4,896,885
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(3,150,508)**	(1,478,377)
Additions to intangible assets	9	**(11,197,840)**	(3,973,659)
Net cash used in investing activities		**(14,348,348)**	(5,452,036)
FINANCING ACTIVITIES			
Increase in capital	15	**22,500,000**	-
Lease liabilities paid		**(475,293)**	(380,550)
Net cash from / (used in) financing activities		**22,024,707**	(380,550)
NET INCREASE (DECREASE) IN BANK BALANCES AND CASH		**32,845,962**	(935,701)
Currency translation adjustments		**18,849**	(12,084)
Bank balances and cash at the beginning of the year		**2,413,651**	3,361,436
BANK BALANCES AND CASH AT THE END OF THE YEAR	5	**35,278,462**	2,413,651
Significant non-cash transactions:			
Conversion of amount due to a related party to loan payable to a related party	12	**26,378,307**	-
Addition to right-of-use assets and lease liability	10	**4,219,362**	291,153

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

1 ORGANIZATION AND ACTIVITIES

Rasan Information Technology Company (the "Company" or the "Parent Company") is a limited liability company registered in the Kingdom of Saudi Arabia (KSA) under commercial registration number 1010476663 issued on 5 Sha'ban 1437H (corresponding to 12 May 2016). The Company's head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia.

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design.

Currently, the Company is engaged in providing insurance aggregator, online auto auction and online leasing insurance services (refer note 18).

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the "Group") listed below:

Name of the entity	*Country of incorporation*	*Nature of business*	*Direct and indirect Ownership %*	
			2021	*2020*
Rasan Software House LLC	UAE	Computer systems and communication equipment software design.	**100%**	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	**100% ***	100% *
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle's auctions, towing and storage.	**100%**	100%

* 1% of the shareholding in Rasan LLC – Egypt, is held by Mr. Muaiyad Abdullah Suliman Alfallaj (partner in the Company) in the beneficial interest of the Company.

Rasan Software House LLC is a limited liability company registered under the United Arab Emirates ("UAE") Federal Law No. 2 of 2015 (UAE "Companies Law"), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the Company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE.

Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian "Companies Law"), Cairo, Arab Republic of Egypt ("Egypt") with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading - Egypt. During the year 2021, the ownership of Rasan LLC was transferred from Rasan Software House LLC to the Company.

Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24 Jumad Thani 1441H (corresponding to 18 February 2020).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared for inclusion in a prospectus in connection with an Initial Public Offering (IPO) in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

2 BASIS OF PREPARATION (continued)

2.1 Statement of compliance (continued)

The Group has issued its statutory financial statements for the year ended 31 December 2021, which were prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities ("IFRS for SMEs") that is endorsed in KSA and other standards and pronouncements that are endorsed by SOCPA (collectively referred to as "IFRS for SMEs as endorsed in KSA").

On 1 November 2022, the partners of the Company appointed financial advisors to go for IPO. As per recommendations of the Capital Market Authority (CMA), the Company was requested to prepare its financial statements for the year ended 31 December 2021 under IFRS as endorsed in KSA. These financial statements for the year ended 31 December 2021 are the first consolidated financial statements, the Company has prepared in accordance with IFRS as endorsed in KSA. Refer to Note 30 for information on the first-time adoption of the IFRS as endorsed in KSA by the Company.

Accounting convention

These consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefit liabilities, which are measured at the present value of the liability using projected unit credit methodology.

Functional and presentation currency

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries set out in Note 1 above and are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. 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. Specifically, the Group controls an investee if, and only if, the Group has:

a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
b) Exposure, or rights, to variable returns from its involvement with the investee
c) 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:

a) The contractual arrangement(s) with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) 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.

2 BASIS OF PREPARATION (continued)

2.2 Basis of consolidation (continued)

Profit or loss and each component of OCI are attributed to the equity holders of the parent 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 in 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 profit or loss. Any investment retained is recognised at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is the summary of significant accounting policies applied by the Group in preparing its consolidated financial statements:

Current versus non-current classification

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

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

Revenue from contract with customers

The Group provides aggregator services related to motor & health insurance and online auto auction. Revenue from contracts with customers is recognised 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 has generally concluded that it is the principal in its all revenue arrangements, because it typically controls the goods or services before transferring them to the customer, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements.

The Group uses the five-step model of revenue recognition as described in IFRS 15 Revenue from Contracts with Customers. In particular, the Group has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:

At the inception of each contract entered into with a customer, the Group identifies the various goods promised in the contract and assesses whether the same are 'distinct' and, hence, are separate performance obligations. Goods promised to be transferred to the customer are deemed to be distinct when the customer can benefit from the goods either on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the goods to the customer is separately identifiable from other promises in the contract.

Allocation of the transaction price:

The Group determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimated).

Recognition of revenue allocated to each performance obligation:

The Group recognizes its sale at the time of issuing the invoice and departure of goods from its factory, all the goods are in-transit insured.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contract with customers (continued)

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group adjust at the year end the amount of consideration to which the Group is entitled in exchange for transferring the promised services to a customer.

Other income

Other income is recognized in the consolidated statement of comprehensive income as and when earned.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Zakat and tax

Zakat

The Company and local subsidiaries are subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accrual basis and charged to the consolidated statement of profit or loss. The zakat charge is computed on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved.

Income Tax

The Group's foreign subsidiary are subject to income tax as per tax regulations issued by respective tax authorities.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax ("VAT"), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to "ZATCA" is included as part of receivables or payables in the consolidated statement of financial position.

Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

i) Transactions and balances (continued)
In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rate during the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

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 operation and translated at the spot rate of exchange at the reporting date.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of comprehensive income during the reporting period in which they are incurred.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follow:

	Useful life (in years)
Computers	4
Equipment	5
Furniture	6
Servers and network	5
Vehicles	5

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, as necessary.

Carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The excess of carrying value over the estimated recoverable amount is charged to the consolidated statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between net sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income when the asset is derecognized.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is charged to consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine

whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of the intangible asset is the purchase price together with any incidental expenses of acquisition and staff cost incurred on development of internally generated intangibles. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of intangible assets and the benefits can be measured reliably. All other expenditure is recognised in the consolidated statement of comprehensive income as an expense is incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the consolidated statement of profit or loss.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

The useful life of the intangible assets is 5 years. The amortisation charge for the year is calculated on a straight-line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

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, as follows:

- Building 2 to 5 Years

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.

The right-of-use assets are also subject to impairment.

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’s lease liabilities are disclosed in consolidated statement of financial position.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight line basis over the lease term.

Financial instruments – initial recognition and subsequent measurement

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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 flow that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

The Group'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 an 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 Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and amounts due from related parties.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest 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.

The Group does not have any financial assets at fair value through OCI.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets designated at fair value through OCI (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.

The Group does not have any such financial assets in current year and prior years.

Financial assets at fair value through profit or loss
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 profit or loss.

The Group does not have any such financial assets in current year and prior years.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Group 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; or 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 recognize the transferred asset to the extent of its continuing involvement. In that case,

The Group also recognizes 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.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables and bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade payables, amounts due to related parties and loan payable to related party.

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

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.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Derecognition
A financial liability is derecognized 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 recognized in the consolidated statement of profit or loss.

iii) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared at Group level, which is considered as a CGU. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employees' defined benefit liabilities
Employees' defined benefit liabilities
The Group primarily has end of service benefits which qualify employees' defined benefit obligation ("DBO").

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected in retained earnings as other reserves and will not be reclassified to consolidated statement of comprehensive income 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 Group presents the first two components of defined benefit costs in profit or loss in relevant line items and the last component in other comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' defined benefit liabilities (continued)

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

Earnings per share (EPS)
Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment), which is subject to risks and rewards that are different from those of other segments.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 or in the revision period and future periods if the changed estimates affect both current and future periods.

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

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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. Furthermore, 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 the going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

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.

Provision for expected credit losses of trade receivables
The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the provision for ECLs on the Group's trade receivables is disclosed in note 6.

Provision for expected credit losses of bank balances
Provision for expected credit losses for the bank balance is based on the international credit rating of the counterparty.

Useful lives and residual values of property and equipment and intangible assets
The Group's management determines the estimated useful lives and residual values of its property and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually, and the depreciation and amortisation method to make sure that the depreciation method and period are consistent with the expected pattern of the assets' economic benefits. Residual value is determined based on experience and observable data where available.

Defined benefit plans (employees' end of service benefits)
The cost of defined benefit plans and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and, mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand and supply in the employment market.

The mortality rate is based on publicly available local mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Further details about employees' end of service benefits are provided in note 14.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

Development costs of intangible assets

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue Recognition – Principal vs Agent

Revenue from contracts with customers is recognised 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 has assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent and has concluded that it is the principal in its revenue arrangements because it is the primary obligator in all revenue arrangements, has pricing latitude, typically controls the goods or services before transferring them to the customer and is exposed to credit risks.

Management has concluded that the Group acts as a principal for its all revenue arrangements, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements.

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 December 2021

5 BANK BALANCES AND CASH

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Bank balances	**35,247,133**	2,354,121	3,336,519
Cash in hand	**31,329**	59,530	24,917
	35,278,462	2,413,651	3,361,436

6 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Trade receivables	**10,280,101**	3,392,571	-
Less: Provision for expected credit losses	**(2,194)**	(732)	-
	10,277,907	3,391,839	-
Prepayments	**2,867,425**	880,374	1,188,969
Advances to suppliers	**169,875**	365,226	-
Security deposits	**119,892**	83,558	83,512
Contract asset	**-**	417,729	-
Others	**29,437**	88,906	111,572
	13,464,536	5,227,632	1,384,053

It is not the practice of the Group to obtain collateral over receivables and the vast majorities are, therefore, unsecured.

As of 31 December, movement in provision for expected credit losses is as follows:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
At the beginning of the year	**732**	-	-
Provided during the year	**1,462**	732	-
At the end of the year	**2,194**	732	-

As at 31 December, the ageing analysis of accounts receivable is, as follows:

31 December 2021	***Total SR***	***current SR***	***1–30 days SR***	***31–60 days SR***	***61–90 days SR***	***> 91 days SR***
Expected credit loss rate	**0.02%**	**-**	**0.03%**	**0.03%**	**0.03%**	**-**
Gross carrying amount	**10,280,101**	**3,284,236**	**835,453**	**46,012**	**6,114,400**	**-**
Expected credit loss	**2,194**	**-**	**266**	**14**	**1,914**	**-**

31 December 2020	*Total SR*	*current SR*	*1–30 days SR*	*31–60 days SR*	*61–90 days SR*	*> 91 days SR*
Expected credit loss rate	0.02%	-	9.35%	-	-	-
Gross carrying amount	3,392,571	3,384,750	7,821	-	-	-
Expected credit loss	732	-	732	-	-	-

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 December 2021

7 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent partners, directors, and key management personnel of the Group and entities controlled or significantly influenced by such parties. Following is the list of related parties of the Group:

Name of related parties	*Nature of relationship*
Insurance House Company ("IHC")	Related party to partners
Suliman Abdullah Suliman Alfallaj	Partner
Muaiyad Abdullah Suliman Alfallaj	Partner
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Related party to partners
Arabian Company for Traveller Services	Related party to partners

(a) Related party transactions during the year are as follows;

		Amount of transactions		
Related parties	***Nature of Transactions***	***31 December 2021 SR***	*31 December 2020 SR*	*1 January 2020 SR*
Insurance House Company	Revenue	**(75,866,175)**	(43,594,575)	(25,948,670)
	Collection against the revenue	**51,140,619**	32,365,893	26,586,405
	Expenses paid on behalf of the Group	**14,949,608**	11,847,504	9,210,415
	Refunds	**101,378**	(91,939)	(24,825)
Mr. Suliman Abdullah Suliman Alfallaj	Payments on behalf of Group	**(624,003)**	(11,127)	9,189
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Legal expense	**283,290**	-	-
Arabian Company for Traveller Services	Travel expenses	**8,100**	-	-
Mr. Muaiyad Abdullah Suliman Alfallaj	Expenses paid on behalf of Group	**-**	(232,116)	(1,784,149)
	Advance from the group	**-**	-	1,982,599

(b) Amount due from a related party:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Insurance House Company	**9,674,570**	-	-
Mr. Muaiyad Abdullah Sulaiman Alfallaj	**-**	-	232,117
	9,674,570	-	232,117

As the receivable is due from a related party, the credit risk is minimal and the probability of default is very low and hence no provision for expected credit losses is made as at 31 December 2021 and 1 January 2020.

(c) Amounts due to related parties:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Insurance House Company*	**-**	31,550,227	31,023,344
Mr. Suliman Abdullah Suliman Alfallaj	**-**	624,003	635,130
	-	32,174,230	31,658,474

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

* The amount due to Insurance House Company was converted into long-term loan payable in sixty equal monthly instalments commencing 15 September 2021 based on the agreement signed on 12 August 2021(note 12).

(d) Compensation of key management personnel:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Short term benefits	**3,675,708**	3,512,778	3,526,411
End of service benefits	**133,119**	128,024	93,270
	3,808,827	3,640,802	3,619,681

Pricing policies and terms of payments of transactions with related parties are approved by the management.

8 PROPERTY AND EQUIPMENT

2021	*Computers SR*	*Equipment SR*	*Furniture SR*	*Vehicles SR*	*Servers and network SR*	*Work in progress SR*	***Total SR***
Cost:							
At 1 January 2021	816,250	133,364	370,493	-	2,360,431	-	**3,680,538**
Additions during the year	380,367	31,642	328,878	154,179	245,000	2,010,442	**3,150,508**
Disposal during the year	-	-	(2,500)	-	-	-	**(2,500)**
At 31 December 2021	1,196,617	165,006	696,871	154,179	2,605,431	2,010,442	**6,828,546**
Depreciation:							
At 1 January 2021	307,925	53,589	157,815	-	817,949	-	**1,337,278**
Charge for the year	227,711	30,676	76,439	20,557	509,698	-	**865,081**
Disposal during the year	-	-	(1,423)	-	-	-	**(1,423)**
At 31 December 2021	535,636	84,265	232,831	20,557	1,327,647	-	**2,200,936**
Net carrying amount:							
At 31 December 2021	**660,981**	**80,741**	**464,040**	**133,622**	**1,277,784**	**2,010,442**	**4,627,610**

8 PROPERTY AND EQUIPMENT (continued)

2020	*Computers* *SR*	*Equipment* *SR*	*Furniture* *SR*	*Servers and network* *SR*	*Total* *SR*
Cost:					
At 1 January 2020	596,186	121,241	365,034	1,119,700	2,202,161
Additions during the year	220,064	12,123	5,459	1,240,731	1,478,377
At 31 December 2020	816,250	133,364	370,493	2,360,431	3,680,538
Depreciation:					
At 1 January 2020	127,780	28,094	95,899	444,935	696,708
Charge for the year	180,145	25,495	61,916	373,014	640,570
At 31 December 2020	307,925	53,589	157,815	817,949	1,337,278
Net carrying amount:					
At 31 December 2020	508,325	79,775	212,678	1,542,482	2,343,260

2019	*Computers* *SR*	*Equipment* *SR*	*Furniture* *SR*	*Servers and network* *SR*	*Total* *SR*
Cost:					
At 1 January 2019	174,841	51,697	221,173	1,051,047	1,498,758
Additions during the year	421,345	69,544	143,861	68,653	703,403
At 31 December 2019	596,186	121,241	365,034	1,119,700	2,202,161
Depreciation:					
At 1 January 2019	46,780	11,231	50,150	225,842	334,003
Charge for the year	81,000	16,863	45,749	219,093	362,705
At 31 December 2019	127,780	28,094	95,899	444,935	696,708
Net carrying amount:					
At 1 January 2020	468,406	93,147	269,135	674,765	1,505,453

9 INTANGIBLE ASSETS

2021	*Tameeni* SR	*Awal Mazad* SR	*Treza IHC Lease* SR	*Treza Direct Lease* SR	*Work in progress* SR	*Jomlah* SR	***Total* SR**
Cost:							
At 1 January 2021	15,937,995	2,399,477	519,229	574,855	1,144,574	523,047	**21,099,177**
Additions during the year	5,286,586	1,116,342	1,299,312	1,299,311	1,979,984	216,305	**11,197,840**
Write off during the year	-	-	-	-	-	(739,352)	**(739,352)**
At 31 December 2021	21,224,581	3,515,819	1,818,541	1,874,166	3,124,558	-	**31,557,665**
Amortization:							
At 1 January 2021	7,010,537	496,315	15,639	17,037	-	-	**7,539,528**
Charge for the year	3,613,489	584,277	224,201	235,327	-	-	**4,657,294**
At 31 December 2021	10,624,026	1,080,592	239,840	252,364	-	-	**12,196,822**
Net carrying amount:							
At 31 December 2021	**10,600,555**	**2,435,227**	**1,578,701**	**1,621,802**	**3,124,558**	**-**	**19,360,843**

2020	*Tameeni* SR	*Awal Mazad* SR	*Treza IHC Lease* SR	*Treza Direct Lease* SR	*Warshati* SR	*Jomlah* SR	*Total* SR
Cost:							
At 1 January 2020	15,947,995	1,196,098	-	-	-	-	17,144,093
Additions during the year	-	1,211,954	519,229	574,855	1,144,574	523,047	3,973,659
Write off during the year	(10,000)	(8,575)	-	-	-	-	(18,575)
At 31 December 2020	15,937,995	2,399,477	519,229	574,855	1,144,574	523,047	21,099,177
Amortization:							
At 1 January 2020	3,822,938	123,853	-	-	-	-	3,946,791
Charge for the year	3,187,599	372,462	15,639	17,037	-	-	3,592,737
At 31 December 2020	7,010,537	496,315	15,639	17,037	-	-	7,539,528
Net carrying amount:							
At 31 December 2020	8,927,458	1,903,162	503,590	557,818	1,144,574	523,047	13,559,649

9 INTANGIBLE ASSETS (continued)

2019	*Tameeni* *SR*	*Awal Mazad* *SR*	*Treza IHC Lease* *SR*	*Treza Direct Lease* *SR*	*Warshati* *SR*	*Jomlah* *SR*	*Total* *SR*
Cost:							
At 1 January 2019	9,306,563	683,818	-	-	-	-	9,990,381
Additions during the year	6,641,432	512,280	-	-	-	-	7,153,712
At 31 December 2019	15,947,995	1,196,098	-	-	-	-	17,144,093
Amortization:							
At 1 January 2019	1,321,620	-	-	-	-	-	1,321,620
Charge for the year	2,501,318	123,853	-	-	-	-	2,625,171
At 31 December 2019	3,822,938	123,853	-	-	-	-	3,946,791
Net carrying amount:							
At 31 December 2019	12,125,057	1,072,245	-	-	-	-	13,197,302

Amortization of intangible assets is charged to cost of sales.

9 INTANGIBLE ASSETS (continued)

Following is the description of the major intangible assets:

- **Tameeni Motors** - Tameeni is the online insurance aggregator in the Kingdom of Saudi Arabia. Tameeni has made it easier and quicker for customers compare quotations and to buy motor insurance anytime and anywhere. Tameeni is integrated with more than 20 insurance companies.
- **Tameeni SME Health –** Similar to Motors, Tameeni Health is also the online insurance aggregator in the Kingdom of Saudi Arabia, supported by Monsha'at. Tameeni SME Health platform provides small and medium enterprises with a wider choice and fully automated experience making their life easier in buying health insurance needs for their employees. Tameeni SME Health is integrated with more than 11 insurance companies. Platform also provides easy and simple experience to add or cancel members or even to cancel a policy. The platform offers immediate and systematic upload to Cooperative Health Insurance Council "CCHI".
- **Awal Mazad** - Awal Mazad is the online auto auction platform connecting banks and insurance companies with buyers. Empowered with experienced team and innovative technology, it provides one stop solution for individuals and car traders to buy vehicles from multiple sources such as banks and insurance companies.
- **Treza -** Treza is an online leasing insurance platform, that allows lessors to ensure their leased vehicles by providing them with instant quotes from all Insurance Companies. Treza currently helping 16+ banks/financial institutions in KSA to get quotations and issue policies in a seamless process. Through Treza, every lessor has their own customized Treza platform to fulfil their business needs. The seamless connection that Treza provides with the Insurance Companies eliminates any delay or hassle created by using traditional means for purchasing leasing insurance. It does not only end here, Treza offers auto renew the issued policies as per the defined tenure.
- **Jomlah** – During 2021, the management decided to discontinue the project and hence written off.

Below is the major software which are under development as at 31 December 2021 and presented under work in progress:

- **Warshati –** My workshop, it is a concept where customers will be able to generate multiple repair quotations from various registered workshops online. Customers will be able to compare and chose the right option for them through the platform. It is currently under development stage.

10 RIGHT-OF-USE ASSETS AND LEASES LIABILITY

The Group has lease contracts for offices. The Group 's obligations under its leases are unsecured.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Right of use assets 31 December 2021 SR	*Right of use assets 31 December 2020 SR*	*Right of use assets 1 January 2020 SR*
At the beginning of the year	**604,338**	704,796	-
Additions	**4,219,362**	291,153	704,796
Depreciation	**(534,505)**	(391,611)	-
Disposal of asset	**(194,658)**	-	-
At the end of the year	**4,094,537**	604,338	704,796

10 RIGHT-OF-USE ASSETS AND LEASES LIABILITY (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
At the beginning of the year	**513,723**	603,120	-
Accretion of interest	**75,684**	59,387	-
Additions	**4,219,362**	291,153	603,120
Disposal of asset	**(194,658)**	-	-
Payments	**(550,977)**	(439,937)	-
At the end of the year	**4,063,134**	513,723	603,120
Current	**1,732,664**	283,706	422,287
Non-current	**2,330,470**	230,017	180,833
	4,063,134	513,723	603,120

Below is the maturity analysis of undiscounted lease liabilities:

For the year ended 31 December 2021	**Total SR**	**Within 1 Year SR**	**1-3 years SR**
Lease payments - Gross	**4,552,456**	**1,941,328**	**2,611,128**
Finance costs	**(489,322)**	**(208,664)**	**(280,658)**
Net present value	**4,063,134**	**1,732,664**	**2,330,470**

For the year ended 31 December 2020	*Total SR*	*Within 1 Year SR*	*1-3 years SR*
Lease payments - Gross	573,110	316,503	256,607
Finance costs	(59,387)	(32,797)	(26,590)
Net present value	513,723	283,706	230,017

The following are the amounts recognized in consolidated statement of comprehensive income:

	31 December 2021 SR	*31 December 2020 SR*
Depreciation expense of right-of-use assets	**534,505**	391,611
Finance costs on lease liabilities	**75,684**	59,387
Loss on disposal	**49,568**	-
Consolidated statement of comprehensive income	**659,757**	450,998

The Group had total cash outflows for leases of SR 550,977 in 2021 (2020: SR 439,937). The Group also had non-cash additions to right-of-use assets and lease liabilities of SR 4,219,362 in 2021 (2020: SR 291,153).

11 TRADE AND OTHER PAYABLES

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Trade payables	**7,313,311**	378,450	1,415,581
Accruals and other payables	**6,413,621**	3,583,563	1,827,915
VAT Payable	**977,585**	1,356,575	25,148
Refundable deposits	**654,000**	626,000	380,000
Accrued salaries and benefits	**85,210**	89,255	58,701
Advances from customers	**7,820**	7,820	400,000
Withholding tax	**2,087**	204,818	550,080
	15,453,634	6,246,481	4,657,425

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

12 LOAN PAYABLE TO A RELATED PARTY

Amount due to a related party of SR 31,550,227 as at 31 December 2020 was converted into long-term loan payable in sixty equal monthly instalments commencing 15 September 2021 and maturing on 15 September 2026 based on the agreement signed on 12 August 2021. During the year, SR 5,171,920 was settled against lease receivables from the same related party - Insurance House Company. The loan does not carry any interest rate and hence its interest free. As required by IFRS 9, fair value of loan has been determined and Day one gain and subsequent unwinding impact is recorded in consolidated statement of comprehensive income.

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Loan payable to Insurance House Company (IHC)	**31,550,227**	-	-
Adjustment of lease receivable against IHC	**(5,171,920)**	-	-
Payable to IHC	**26,378,307**	-	-
Day one gain on fair valuation of loan (note 22)	**(4,424,699)**	-	-
Finance costs	**540,620**	-	-
Balance as at 31 December	**22,494,228**	-	-
Current	**3,241,474**	-	-
Non-current	**19,252,754**	-	-
	22,494,228	-	-

13 ZAKAT

Charge for the year
The zakat charge amounting to SR 1,505,938 (2020: SR 310,023) consists of current year's provision.

Movement during the year
The movement in the zakat provision for the year was as follows:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
At the beginning of the year	**310,023**	113,985	-
Provided during the year	**1,505,938**	310,023	113,985
Paid during the year	**(323,499)**	(113,985)	-
At the end of the year	**1,492,462**	310,023	113,985

The difference between the income as per consolidated statement of comprehensive income and the income subject to zakat is primarily due to the disallowance of certain items in the zakat calculation of zakatable income.

Status of assessments
The Group submit zakat return on standalone basis for the Company and its local subsidiary separately. Below is the status of assessment of the Company and its subsidiaries.

Rasan Information Technology Company
The Company has submitted its zakat return for the year ended 31 December 2021 and all prior years to Zakat, Tax and Custom Authority ("ZATCA"). Zakat returns up to the year ended 31 December 2020 are finalized by ZATCA. Zakat assessment for 2021 is yet to be reviewed by ZATCA.

Rasan Software House LLC
The company is not subject to income tax in United Arabia Emirates.

Awal Mozawadah LLC
The company has submitted its zakat return for the year ended 31 December 2020 and all prior years to ZATCA. Zakat assessment for all years is yet to be reviewed by ZATCA.

Rasan Egypt
The company has submitted its Tax returns for all prior years up to 31 December 2021 to Egyptian Tax Authority. Tax assessment for all years is yet to be reviewed by Egyptian Tax Authority.

14 EMPLOYEES' DEFINED BENEFIT LIABILITIES

a) Net benefit expense recognized in the consolidated statement of comprehensive income:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Current service cost	**621,426**	1,018,533	1,192,833
	621,426	1,018,533	1,192,833

b) Changes in the present value of the defined benefit obligation:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Employees' benefits at the beginning of the year	**2,406,770**	1,414,708	227,006
Current service cost	**621,426**	1,018,533	1,192,833
Benefits paid	**(325,474)**	(26,471)	(5,131)
Employees' benefits at the end of the year	**2,702,722**	2,406,770	1,414,708

Rasan Information Technology Company and its Subsidiaries
(A Limited Liability Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 December 2021

14 EMPLOYEES' DEFINED BENEFIT LIABILITIES (continued)

c) Significant assumptions

	31 December 2021 %	*31 December 2020 %*	*1 January 2020 %*
Discount rate	**3.15**	3.15	3.15
Future salary increases	**5.00**	5.00	5.00
Death in service	**100% SLIC (2016)**	100% SLIC (2016)	100% SLIC (2016)
Withdrawal before normal retirement life	**Age based**	Age based	Age based

A quantitative sensitivity analysis for salary change assumption on the defined benefit obligation as at 31 December:

2021		***Impact on employees' end-of-service benefits***	
Sensitivity level	***Change in assumption***	***Increase in assumption***	***Decrease in assumption***
Discount rate	1%	(388,118)	481,533
Future salary increases	1%	474,822	(383,554)

2020		*Impact on employees' end-of-service benefits*	
Sensitivity level	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
Discount rate	1%	(357,069)	443,010
Future salary increases	1%	436,836	(352,870)

15 CAPITAL

Capital at the end of year 2020 was SR 3,000,000. It was divided into 1,000 shares of SR 3,000 each.

In October 2021, the Company increased its capital to SR 25,500,000 through cash injection of SR 22,500,000. The legal formalities to increase the capital was completed during the year. Capital is divided into 2,550,000 shares of SR 10 each.

The partners of the Company are as follows:

	2021		*2020*	
	Number of shares	***Ownership %***	*Number of shares*	*Ownership %*
Muhaidib Ali Mohammed Almuhaidib	**553,302**	**21.70%**	370	37.00%
Impact funds for financial Technology company	**494,700**	**19.40%**	-	-
Theeb Bin Hdaiban Bin Ghalab Al Mutairi	**360,849**	**14.15%**	-	-
Mohammed Muhaideb Ali Almuhaideb	**168,396**	**6.60%**	130	13.00%
Assets custody development impact company for communications and IT	**144,340**	**5.66%**	-	-
Fahad Ahmad Mohammed Abu Hemaid	**125,094**	**4.90%**	-	-
Muaiyad Abdullah Suliman Alfallaj	**123,073**	**4.83%**	83	8.30%
Abdulrahman Abdullah Abdulrahman Ayban	**123,073**	**4.83%**	83	8.30%
Majed Abdullah Mohammed Al Bawari	**123,074**	**4.83%**	-	-
Sami Muhaidib Ali Al Muhaidib	**120,283**	**4.72%**	-	-
Ayman Abdullah Suliman Al Fallaj	**56,774**	**2.23%**	-	-
Suliman Abdullah Suliman Alfallaj	**56,774**	**2.23%**	251	25.10%
Thamer Abdullah Suliman Alfallaj	**56,774**	**2.23%**	83	8.30%
AbdulElah Mohammed Maneea Alghofaili	**43,494**	**1.70%**	-	-
	2,550,000	**100%**	1,000	100%

16 STATUTORY RESERVES

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company must transfer 10% of the profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution.

17 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2021 ***SR***	*2020* *SR*
Net income for the year	**35,279,886**	571,945
Weighted average number of shares for basic and diluted EPS	**1,815,116**	1,000
Earnings per share	**19.437**	571.945

18 REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

Below is the disaggregation of revenue by product:	***2021*** ***SR***	*2020* *SR*
Tameeni	**68,804,423**	41,721,372
Treza Leasing	**16,957,242**	321,164
Awal Mazad	**1,137,251**	1,326,263
Total revenue	**86,898,916**	43,368,799

Tameeni gross revenue before discounts amounts to SR 69,885,932 (2020: SR 41,974,564).

Timing of revenue recognition
All revenue is recognized at a point in time

Performance obligations
The performance obligation is satisfied upon providing services to the customers.

19 COST OF SALES

	2021 ***SR***	*2020* *SR*
Data validation and other direct cost	**13,880,430**	9,377,197
Amortization of intangible assets (note 9)	**4,657,294**	3,592,737
Bank charges	**3,812,615**	2,109,808
Employees' salaries and other benefits	**2,398,734**	5,093,836
Communication expenses	**1,300,000**	928,072
	26,049,073	21,101,650

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2021 *SR*	*2020* *SR*
Manpower cost and other employee benefits	**12,358,138**	11,215,017
IT licenses, subscriptions & maintenance cost	**1,933,776**	1,319,368
Professional & legal Fee	**974,573**	2,448,842
Depreciation of property and equipment (note 8)	**865,081**	640,570
Rental charges	**806,581**	201,617
Write-off of intangible assets related to discontinued project (note 9)	**739,352**	-
Employees' defined benefit liabilities (note 14)	**621,426**	1,018,533
Depreciation of right of use assets (note 10)	**534,505**	391,611
Utilities and communication	**316,447**	257,422
Withholding tax	**190,747**	240,603
Other expenses	**1,938,639**	980,637
	21,279,265	18,714,220

21 FINANCE COSTS

	2021 *SR*	*2020* *SR*
Finance costs on loan from a related party (unwinding impact) (note 12)	**540,620**	-
Finance costs on lease liabilities (note 10)	**75,684**	59,387
Bank charges	**68,581**	24,029
	684,885	83,416

22 OTHER INCOME

	2021 *SR*	*2020* *SR*
Day one gain on fair valuation of loan (note 12)	**4,424,699**	-
Others	**1,833**	398,462
	4,426,532	398,462

23 CONTINGENCIES AND COMMITMENTS

There are no major contingencies and commitments reported as at the date of consolidated statement of financial position.

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and bank balance that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) 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, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans. There were no changes in these circumstances from the previous year.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group 's exposure to the risk of changes in foreign exchange rates relates primarily to the Group 's operating activities (when purchase or expense is denominated in a foreign currency).

Foreign currency sensitivity

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As there is no any significant fluctuation between the United Arab Emirates Dirhams (AED) and Egyptian pound (EGP) the Group is not exposed to any significant currency risk.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Group is not exposed to the price risk because Group does not hedge in any commodity market nor it has any investments in equity instruments.

iii) Interest rate risk

Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Group's is not exposed to interest rate risk as there are no loans with floating interest rates.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables other current financial assets and related parties' balances) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 6. The Group does not hold collateral as security.

Credit risk from balances with banks and is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the senior management on an annual basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Trade receivables (continued)

As at 31 December 2021 and 31 December 2020, credit risk exposure on the Group's trade receivables is as follows:

				Past due and impaired		
	Total SR	***Current SR***	***1-30 days SR***	***31 – 60 Days SR***	***61 – 90 days SR***	***Greater than 90 days SR***
31 December 2021						
Expected credit loss rate	**0.02%**	**-**	**0.03%**	**0.03%**	**0.03%**	-
Carrying amount	**10,280,101**	**3,284,237**	**835,453**	**46,012**	**6,114,399**	**-**
Expected credit loss	**2,194**	**-**	**266**	**14**	**1,914**	**-**
31 December 2020						
Expected credit loss rate	0.02%	-	9.35%	-	-	-
Carrying amount	3,392,571	3,384,750	7,821	-	-	-
Expected credit loss	732	-	732	-	-	-

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will 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. The Group continuously monitors its risk of a shortage of funds.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from partners.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual discounted payments:

31 December 2021	***Total SR***	***Less than 1 month SR***	***1 – 3 months SR***	***3 – 6 months SR***	***6 months – 1 year SR***	***More than 1 year SR***
Loan from related parties	**26,378,307**	**-**	**-**	**612,288**	**3,155,022**	**22,610,997**
Trade and other payable	**7,313,311**	**7,313,311**	**-**	**-**	**-**	**-**
Lease liability	**4,552,469**	**356,797**	**178,719**	**528,348**	**710,651**	**2,777,954**
	38,244,087	**7,670,108**	**178,719**	**1,140,636**	**3,865,673**	**25,388,951**

31 December 2020	*Total SR*	*As on Demand*	*Less than 1 month SR*	*1 – 3 months SR*	*3 – 6 months SR*	*6 months – 1 year SR*	*More than 1 year SR*
Trade and other payable	378,450	-	378,450	-	-	-	-
Amounts due to related parties	32,174,230	32,174,230	-	-	-	-	-
Lease liability	1,360,970	-	38,141	114,425	131,020	278,634	798,750
	33,913,650	32,174,230	416,591	114,425	131,020	278,634	798,750

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 FINANCIAL ASSETS

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Financial assets at amortized cost:			
Trade receivables	**10,277,907**	3,391,839	-
Due from related parties	**9,674,570**	-	232,117
Other current financial assets	**1,580,959**	1,835,793	1,384,053
	21,533,436	5,227,632	1,616,170
Bank balances and cash	**35,278,462**	2,413,651	3,361,436
Total financial assets	**56,811,898**	7,641,283	4,977,606

25.2 FINANCIAL LIABILITIES

	Effective Interest rate	***Maturity***	***31 December 2021 SR***	*31 December 2020 SR*	*1 January 2020 SR*
Current liabilities					
Trade payables and other payables	Interest free	Less than 1 year	**7,313,311**	378,450	1,415,581
Lease liabilities	6.50% -10.50%	Less than 1 year	**1,732,664**	283,706	422,287
Loan from related parties	7%	Less than 1 year	**3,241,474**	-	-
Due to related parties	Interest free	Less than 1 year	-	32,174,230	31,658,474
			12,287,449	32,836,386	33,496,342
Non-current liabilities					
Lease liabilities	6.50% -10.50%		**2,330,470**	230,017	180,833
Loan from related parties	7%		**19,252,754**	-	-
			21,583,224	230,017	180,833

25.3 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2021 SR	***Cash flows SR***	***New lease SR***	***Others SR***	***31 December 2021 SR***
Lease liabilities	**513,723**	**(550,977)**	**4,219,362**	**(118,974)**	**4,063,134**
Total liabilities from financing activities	**513,723**	**(550,977)**	**4,219,36٢**	**(118,97٤)**	**4,063,134**

	1 January 2020 SR	*Cash flows SR*	*New lease SR*	*Others SR*	*31 December 2020 SR*
Lease liabilities	603,120	(439,937)	291,153	59,387	513,723
Total liabilities from financing activities	603,120	(439,937)	291,153	59,387	513,723

26 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, statutory reserve, and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to partners, return capital to partners or issue new shares or sell assets to reduce debt.

The Group's is not subject to any external imposed capital requirements and following is the elements of capital that are managed by the Group:

	31 December 2021 SR	*31 December 2020 SR*	*1 January 2020 SR*
Trade and other payables	**15,453,634**	6,246,481	4,657,425
Amounts due to related parties	**-**	32,174,230	31,658,474
Loan payable to a related party	**22,494,228**	-	-
Zakat payable	**1,492,462**	310,023	113,985
Lease liability	**4,063,134**	513,723	603,120
Employees' defined benefits liabilities	**2,702,722**	2,406,770	1,414,708
Less: Bank balances and cash	**(35,278,462)**	(2,413,651)	(3,361,436)
	10,927,718	39,237,576	35,086,276
Equity	**40,294,378**	(17,502,697)	(18,062,555)
Capital and net debt	**51,222,096**	21,734,879	17,023,721
Gearing ratio	**21%**	181%	206%

27 SEGMENT INFORMATION

An operating segment is a component of an entity:

a. that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c. for which discrete financial information is available.

For management purposes, the Group is organised into the following primary operating segments:

	31 December 2021 SR	*31 December 2020 SR*
Tameeni - Motors	**63,313,855**	40,368,150
Tameeni - Health	**5,490,568**	1,353,222
Leasing	**16,957,242**	321,164
Awal Mazad	**1,137,251**	1,326,263
Total revenue	**86,898,916**	43,368,799
Total cost of revenues	**(26,049,073)**	(21,101,650)
Expenses	**(24,064,019)**	(21,385,181)
Segment profit before zakat	**36,785,824**	881,968

	Tameeni - Motors SR	***Leasing SR***	***Awal Mazad SR***	***Unallocated SR***	***Total SR***
At 31 December 2021					
Total assets	**29,249,804**	**4,348,423**	**2,645,102**	**50,257,229**	**86,500,558**
Total liabilities	**-**	**-**	**-**	**46,206,180**	**46,206,180**
At 31 December 2020					
Total assets	12,276,537	1,061,407	1,946,747	8,863,839	24,148,530
Total liabilities	-	-	-	41,651,227	41,651,227

Details of the above segments are disclosed in note 9 to the financial statements.

The Group only operates in the Kingdom of Saudi Arabia where majority of operating assets are held. Therefore, no geographical segment information are presented.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, accounts receivable and amounts due from related parties.

Financial liabilities consist of trade and other payables, loan payable to related party and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

During the year ended 31 December 2021 and 31 December 2020, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

29 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a) Standards issued and effective during the year
The standards and interpretations that were effective in 2021 do not have significant impact on the Group's consolidated financial statements. Below is the list of the amended standards and interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The management believes that the standard will not have significant impact on the consolidated financial statements.

Amendments to IAS 16: Property, Plant and Equipment – proceeds before intended use
In May 2020, the IASB issued property, plant and equipment – proceeds before intended use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items and the cost of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The management believes that the standard will not have significant impact on the financial statements

29 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

Amendments to IFRS 9: Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendments to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

Amendments to IFRS 3: Reference to the Conceptual framework
In May 2020, the IASB issued Amendments to IFRS 3 Business combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the framework for the preparation and presentation of financial statements, issued in 1989, with a reference to the conceptual framework for financial reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent asset that would not be affected by replacing the reference to the framework for the preparation and presentation of financial statements. The amendments are effective for annual reporting periods beginning on or after I January 2022 and apply prospectively.

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

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

29 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a Contract
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "direct related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group expects that the amendments will not have significant impact on the financial statements.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

30 FIRST-TIME ADOPTION OF IFRS AS ENDORSED IN KSA

As fully described in note 2, the Group has issued its statutory consolidated financial statements for the year ended 31 December 2021 under IFRS for SMEs as endorsed in KSA and that on 1 November 2022, the partners of the Company appointed financial advisors to go for IPO. As per recommendations of the Capital Market Authority (CMA), the Group was requested to prepare its consolidated financial statements for the year ended 31 December 2021 under IFRS as endorsed in KSA. These consolidated financial statements for the year ended 31 December 2021 are the first consolidated financial statements, the Group has prepared in accordance with IFRS as endorsed in KSA. Accordingly, the Group has prepared consolidated financial statements that comply with IFRS as endorsed in KSA applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the basis of preparation. In preparing the consolidated financial statements, the Group's opening statement of consolidated financial position was prepared as at 1 January 2020, the Group's date of transition to IFRS as endorsed in KSA. This note explains the principal adjustments made by the Group in restating its consolidated financial statements from IFRS for SMEs as endorsed in KSA to full IFRS as endorsed in KSA, including the statement of financial position as at 1 January 2020.

Exemptions Applied
IFRS "First time adoption of International Financial Reporting Standards" as endorsed in KSA allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS as endorsed in KSA. The Group has not availed any exemption available at the first-time adoption.

Significant adjustments in transition from IFRS for SMEs as endorsed in KSA to IFRS as endorsed in KSA are as follows:

30 FIRST-TIME ADOPTION OF IFRS AS ENDORSED IN KSA (continued)

30.1 Impact of adoption of IFRS on the consolidated statement of financial position as at 1 January 2020 (date of transition to IFRS as endorsed in KSA)

	Note	*Amounts previously reported under IFRS for SMEs as endorsed in KSA* *SR*	*Remeasurements* *SR*	*Balance as per IFRS as endorsed in KSA 1 January 2020* *SR*
ASSETS				
CURRENT ASSETS				
Cash and bank balances		3,361,436	-	3,361,436
Trade receivables, prepayments and other assets	30.5 (a)	1,485,730	(101,677)	1,384,053
Amount due from a related party		232,117	-	232,117
TOTAL CURRENT ASSETS		5,079,283	(101,677)	4,977,606
NON-CURRENT ASSETS				
Property and equipment		1,505,453	-	1,505,453
Intangible assets		13,197,302	-	13,197,302
Right-of-use assets	30.5 (b)	-	704,796	704,796
TOTAL NON-CURRENT ASSETS		14,702,755	704,796	15,407,551
TOTAL ASSETS		19,782,038	603,119	20,385,157
LIABILITIES AND PARTNERS' DEFICIT				
CURRENT LIABILITIES				
Trade and other payables		4,657,425	-	4,657,425
Amounts due to related parties		31,658,474	-	31,658,474
Zakat payable		113,985	-	113,985
Lease liability – current	30.5 (b)	-	422,287	422,287
TOTAL CURRENT LIABILITIES		36,429,884	422,287	36,852,171
NON-CURRENT LIABILITIES				
Employees' defined benefits liabilities	30.5 (c)	444,024	970,684	1,414,708
Lease liability – non-current portion	30.5 (b)	-	180,833	180,833
TOTAL NON-CURRENT LIABILITIES		444,024	1,151,517	1,595,541
TOTAL LIABILITIES		36,873,909	1,573,803	38,447,712
PARTNERS' DEFICIT				
Capital		3,000,000	-	3,000,000
Accumulated losses	30.4	(20,089,890)	(970,684)	(21,060,574)
Currency translation reserve		(1,981)	-	(1,981)
TOTAL PARTNERS' DEFICIT		(17,091,871)	(970,684)	(18,062,555)
TOTAL LIABILITIES AND PARTNERS' DEFICIT		19,782,038	603,119	20,385,157

30 FIRST-TIME ADOPTION OF IFRS AS ENDORSED IN KSA (continued)

30.2 Impact of adoption of IFRS on the consolidated statement of financial position as at 31 December 2020

	Note	*Amounts previously reported under IFRS for SMEs as endorsed in KSA* *SR*	*Remeasurements* *SR*	*Balance as per IFRSs as endorsed in KSA 31 December 2020* *SR*
ASSETS				
CURRENT ASSETS				
Cash and bank balances	30.5 (a)	2,414,603	(952)	2,413,651
Trade receivables, prepayments and other assets	30.5 (a)	5,335,323	(107,691)	5,227,632
TOTAL CURRENT ASSETS		7,749,926	(108,643)	7,641,283
NON-CURRENT ASSETS				
Property and equipment		2,343,260	-	2,343,260
Intangible assets		13,559,649	-	13,559,649
Right-of-use assets	30.5 (b)	-	604,338	604,338
TOTAL NON-CURRENT ASSETS		15,902,909	604,338	16,507,247
TOTAL ASSETS		23,652,835	495,695	24,148,530
LIABILITIES AND PARTNERS' DEFICIT				
CURRENT LIABILITIES				
Trade and other payables	30.5 (e)	6,197,869	48,612	6,246,481
Amounts due to related parties		32,174,230	-	32,174,230
Zakat payable		310,023	-	310,023
Lease liability – current	30.5 (b)	-	283,706	283,706
TOTAL CURRENT LIABILITIES		38,682,122	332,318	39,014,440
NON-CURRENT LIABILITIES				
Employees' defined benefits liabilities	30.5 (c)	731,568	1,675,202	2,406,770
Lease liability - non current portion	30.5 (b)	-	230,017	230,017
TOTAL NON-CURRENT LIABILITIES		731,568	1,905,219	2,636,787
TOTAL LIABILITIES		39,413,690	2,237,537	41,651,227
PARTNERS' DEFICIT				
Capital		3,000,000	-	3,000,000
Statutory reserve	30.5 (e)	900,000	15,811	915,811
Accumulated losses	30.4	(19,654,960)	(1,749,480)	(21,404,440)
Currency translation reserve	30.5 (e)	(5,896)	(8,172)	(14,068)
TOTAL PARTNERS' DEFICIT		(15,760,856)	(1,741,841)	(17,502,697)
TOTAL LIABILITIES AND PARTNERS' DEFICIT		23,652,834	495,696	24,148,530

30 FIRST-TIME ADOPTION OF IFRS AS ENDORSED IN KSA (continued)

30.3 Impact of adoption of IFRS on consolidated statement of profit or loss for the year ended 31 December 2020

	Note	*Amounts previously reported under IFRS for SMEs as endorsed in KSA SR*	*Remeasurements / reclassifications SR*	*Balance as per IFRS as endorsed in KSA SR*
Revenue from contract with customers	30.5(d)	59,993,666	(16,624,867)	43,368,799
Direct cost	30.5(d)	(37,726,517)	16,624,867	(21,101,650)
GROSS PROFIT		22,267,149	-	22,267,149
General and administrative expenses	30.5 (a, b & c)	(18,074,829)	(639,391)	(18,714,220)
Marketing expenses		(2,986,007)	-	(2,986,007)
INCOME FROM OPERATIONS		1,206,313	(639,391)	566,922
Finance costs	30.5(b)	-	(83,416)	(83,416)
Other income		398,462	-	398,462
ROFIT BEFORE ZAKAT		1,604,775	(722,807)	881,968
Zakat		(310,023)	-	(310,023)
NET PROFIT FOR THE YEAR		1,294,752	(722,807)	571,945
Other comprehensive loss	30.5 (e)	(3,915)	(8,172)	(12,087)
TOTAL COMPREHENSIVE INCOME		1,290,837	(730,979)	559,858

30.4 Impact of adoption of IFRS on total partners' deficit

		31 December 2020 SR	*1 January 2020 SR*
Total partners' equity (deficit) reported under IFRS for SMEs as endorsed in KSA		**(21,060,574)**	(20,089,890)
Total comprehensive income reported before conversion		**1,294,752**	-
Allowance for expected credit losses – IFRS 9	**30.5(a)**	**(1,681)**	-
Restatement of employees' defined benefits liabilities – IAS 19	**30.5(c)**	**(704,491)**	(970,684)
Adoption of Lease – IFRS 16	**30.5(b)**	**(16,635)**	-
Total partners' equity (deficit) under IFRS as endorsed in KSA		**(20,488,629)**	(21,060,574)

Reconciliation of statement of cash flows for the year ended 31 December 2020
No major impact of the conversion from IFRS for SMEs as endorsed in KSA to IFRS as endorsed in KSA in the consolidated statement of cash flows.

30.5 Index to the notes to the Remeasurements

a) Allowance for expected credit losses
Under IFRS as endorsed in KSA, impairment of financial assets is based on an expected credit loss model where credit losses are recognized prior to a credit event occurring, as was the case under the incurred loss model. The new impairment model requires more timely and forward-looking information that will allow for a more accurate reflection of the credit risk inherent in the exposures.

30 FIRST-TIME ADOPTION OF IFRSs AS ENDORSED IN KSA (continued)

30.5 Index to the notes to the Remeasurements (continued)

b) IFRS 16 - Leases

Under IFRS as endorsed in KSA, the Group adopted the IFRS 16, Leases and accordingly recognized the Right of use assets and lease liabilities.

c) Actuarial valuation of employees' end-of-service benefits

Under IFRS as endorsed in KSA, employees' defined benefit liabilities are required to be calculated using actuarial valuations. Historically, the Group has calculated these obligations based on the local regulations in KSA at the reporting date without considering expected future service periods of employees, salary increments and discount rates.

d) IFRS 15 - Revenue from contracts with customers

Under IFRS as endorsed in KSA, the Group adopted the IFRS 15 - Revenue from contracts with customers, and accordingly assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. Management concluded that the Group acts as a principal for all revenue arrangements, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent under such arrangements.

e) Other adjustments

As a result of transition from IFRS from SME as endorsed in KSA to IFRS as endorsed in KSA, the amounts previously reported has been changed which result in change in statutory reserve and currency translation reserve.

31 EVENTS AFTER REPORTING PERIOD

Subsequent to the year ended 31 December 2021, the Company legal status has been changed from a limited liability company to closed joint stock company.

Other than above, no events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which requires adjustment to, or disclosure, in these consolidated financial statements.

32 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by Board of Directors on 27 June 2023 (corresponding to 9 Dhu Al-Hijjah 1444).

Rasan Information Technology Company
and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
31 December 2022

EY
Building a better working world

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company)

Opinion
We have audited the consolidated financial statements of Rasan Information Technology Company (the "Company") and its subsidiaries (collectively, with the Company referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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

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

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company) (continued)

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

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

- Identify and assess the risks of material misstatement of the 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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, 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company) (continued)

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

We communicate with the Board of Directors 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)

Riyadh: 18 Dhu Al-Hijjah 1444H
(6 July 2023)

CR.1010383821
Ernst & Young Professional Services
(Professional LLC)

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	*2022* *SR*	*2021* *SR*
ASSETS			
CURRENT ASSETS			
Bank balances and cash	5	**77,397,342**	35,278,462
Trade receivables, prepayments and other current assets	6	**15,054,470**	13,464,536
Amount due from a related party	7	**-**	9,674,570
TOTAL CURRENT ASSETS		**92,451,812**	58,417,568
NON-CURRENT ASSETS			
Property and equipment	8	**8,522,466**	4,627,610
Intangible assets	9	**28,923,621**	19,360,843
Right-of-use assets	10	**3,776,155**	4,094,537
TOTAL NON-CURRENT ASSETS		**41,222,242**	28,082,990
TOTAL ASSETS		**133,674,054**	86,500,558
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	11	**41,534,777**	15,453,634
Amounts due to related parties	7	**7,205,117**	-
Lease liability – current	10	**1,032,552**	1,732,664
Loan payable to a related party – current	12	**-**	3,241,474
Zakat payable	13	**3,323,091**	1,492,462
TOTAL CURRENT LIABILITIES		**53,095,537**	21,920,234
NON-CURRENT LIABILITIES			
Employees' defined benefits liabilities	14	**3,832,205**	2,702,722
Loan payable to related party – non current	12	**-**	19,252,754
Lease liability - non current	10	**2,275,471**	2,330,470
TOTAL NON-CURRENT LIABILITIES		**6,107,676**	24,285,946
TOTAL LIABILITIES		**59,203,213**	46,206,180
SHAREHOLDERS' EQUITY			
Share capital	15	**25,500,000**	25,500,000
Statutory reserve	16	**7,680,000**	5,447,986
Retained earnings		**41,520,693**	9,343,271
Currency translation reserve		**(229,852)**	3,121
TOTAL SHAREHOLDERS' EQUITY		**74,470,841**	40,294,378
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**133,674,054**	86,500,558

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

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	***2022 SR***	*2021 SR*
Revenue from contract with customers	18	**162,491,088**	86,898,916
Cost of revenue	19	**(60,595,752)**	(26,049,073)
GROSS PROFIT		**101,895,336**	60,849,843
General and administrative expenses	20	**(47,927,991)**	(21,279,265)
Marketing expenses		**(12,198,798)**	(6,526,401)
OPERATING PROFIT		**41,768,547**	33,044,177
Finance costs	21	**(1,595,497)**	(684,885)
Other (expenses) income, net	22	**(2,458,523)**	4,426,532
INCOME BEFORE ZAKAT		**37,714,527**	36,785,824
Zakat	13	**(3,305,091)**	(1,505,938)
NET INCOME FOR THE YEAR		**34,409,436**	35,279,886
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(232,973)**	17,189
TOTAL COMPREHENSIVE INCOME		**34,176,463**	35,297,075
Earnings per share			
Earnings per share attributable to ordinary equity holders of the Company (basic and diluted)	17	**13.494**	19.437

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

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2022

	Share capital SR	*Statutory reserve SR*	*Retained earnings/ (accumulated losses) SR*	*Currency translation reserve SR*	*Total SR*
As at 1 January 2021	3,000,000	915,811	(21,404,440)	(14,068)	(17,502,697)
Net income for the year	-	-	35,279,886	-	35,279,886
Other comprehensive income	-	-	-	17,189	17,189
Total comprehensive income for the year	-	-	35,279,886	17,189	35,297,075
Capital increase (note 15)	22,500,000	-	-	-	22,500,000
Transfer to statutory reserve (note 16)	-	4,532,175	(4,532,175)	-	-
Balance at 31 December 2021	25,500,000	5,447,986	9,343,271	3,121	40,294,378
Net income for the year	**-**	**-**	**34,409,436**	**-**	**34,409,436**
Other comprehensive losses	**-**	**-**		**(232,973)**	**(232,973)**
Total comprehensive income for the year	**-**	**-**	**34,409,436**	**(232,973)**	**34,176,463**
Transfer to statutory reserve (note 16)	**-**	**2,232,014**	**(2,232,014)**	**-**	**-**
Balance at 31 December 2022	**25,500,000**	**7,680,000**	**41,520,693**	**(229,852)**	**74,470,841**

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

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Note	*2022* *SR*	*2021* *SR*
OPERATING ACTIVITIES			
Profit before zakat		**37,714,527**	36,785,824
Adjustments to reconcile profit before zakat to net cash flows from operating activities:			
Depreciation of property and equipment	8	**1,401,619**	865,081
Amortization of intangible assets	9	**6,699,054**	4,657,294
Write-off of intangible assets	9	**-**	739,352
Depreciation of right-of-use assets	10	**1,311,088**	534,505
Impairment of trade receivables	6	**6,687**	1,462
Provision for employees' defined benefits liabilities	14	**1,325,940**	621,426
Day one gain on fair valuation of loan payable to a related party	12	-	(4,424,699)
Unwinding of the remaining day one gain on fair valuation of loan payable to a related party	12	**2,532,634**	-
Finance costs on loan payable to a related party	12	**1,351,445**	540,620
Finance costs on lease liability	10	**216,428**	75,684
Operating cash flows before working capital changes		**52,559,422**	40,396,549
Working capital changes:			
Trade receivables, prepayments and other current assets		**(1,596,621)**	(13,410,866)
Amount due from a related party		**9,674,570**	(9,674,570)
Trade and other payables		**26,081,143**	9,207,150
Amounts due to related parties		**(19,173,188)**	(624,003)
Cash from operating activities		**67,545,326**	25,894,260
Zakat paid	13	**(1,474,462)**	(323,499)
Interest paid		**(216,428)**	(75,684)
Employees' defined benefits paid	14	**(196,457)**	(325,474)
Net cash from operating activities		**65,657,979**	25,169,603
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(5,296,475)**	(3,150,508)
Additions to intangible assets	9	**(16,261,832)**	(11,197,840)
Net cash used in investing activities		**(21,558,307)**	(14,348,348)
FINANCING ACTIVITIES			
Increase in capital	15	**-**	22,500,000
Lease liability paid		**(1,747,817)**	(475,293)
Net cash (used in) / from financing activities		**(1,747,817)**	22,024,707
NET INCREASE IN BANK BALANCES AND CASH		**42,351,855**	32,845,962
Currency translation adjustments		**(232,975)**	18,849
Bank balances and cash at the beginning of the year		**35,278,462**	2,413,651
BANK BALANCES AND CASH AT THE END OF THE YEAR	5	**77,397,342**	35,278,462
Significant non-cash transactions:			
Conversion of amount due to a related party to loan payable to a related party	12	**(26,378,307)**	26,378,307
Addition to right-of-use assets and lease liability	10	**992,706**	4,219,362

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

1 ORGANIZATION AND ACTIVITIES

Rasan Information Technology Company (the "Company" or the "Parent Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010476663 issued on 5 Sha'ban 1437H (corresponding to 12 May 2016). The Company's head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia. During the year the Company's legal status has changed from a limited liability company to a closed joint stock company.

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design.

Currently, the Company is engaged in providing insurance aggregator, online auto auction and online leasing insurance services (refer note 18).

On 1 November 2022, the shareholders of the Company appointed financial advisors to go for IPO.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the "Group") listed below:

Name of the entity	*Country of incorporation*	*Nature of business*	*Direct and indirect ownership %*	
			2022	*2021*
Rasan Software House LLC	UAE	Computer systems & communication equipment software design.	**100%**	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	**100%***	100%*
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle's auctions, towing and storage.	**100%**	100%
Tamini Electronic Insurance Brokerage Company	KSA	Electronic insurance brokerage	**100%**	-

* 1% of the shareholding in Rasan LLC – Egypt, is held by Mr. Muaiyad Abdullah Suliman Alfallaj (shareholder in the Company) in the beneficial interest of the Company.

Rasan Software House LLC is a limited liability company registered under the United Arab Emirates ("UAE") Federal Law No. 2 of 2015 (UAE Companies Law), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE.

Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian Companies Law), Cairo, Arab Republic of Egypt ("Egypt") with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading - Egypt. During the year 2021, the ownership of Rasan LLC was transferred from Rasan Software House LLC to the Company.

Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24 Jumad Thani 1441H (corresponding to 18 February 2020).

Tamini Electronic Insurance Brokerage Company is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010838913 issued on 12 Rabi Al-Thani 1444H (corresponding to 6 November 2022).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2 BASIS OF PREPARATION (continued)

2.1 Statement of compliance

Accounting convention
These consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefit liabilities, which are measured at the present value of the liability using projected unit credit methodology.

Functional and presentation currency
These consolidated financial statements are presented in Saudi Arabian Riyals ("SR"), which is also the Company's functional currency.

2.2 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries set out in Note 1 above and are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. 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. Specifically, the Group controls an investee if, and only if, the Group has:

a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
b) Exposure, or rights, to variable returns from its involvement with the investee; and
c) 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:

a) The contractual arrangement(s) with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) 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 OCI are attributed to the equity holders of the parent 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 in 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 profit or loss. Any investment retained is recognised at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is the summary of significant accounting policies applied by the Group in preparing its consolidated financial statements:

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

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

The Group classifies all other assets as non-current.

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

The Group classifies all other liabilities as non-current.

Fair value measurement
The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)
The Group determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

Revenue from contract with customers
The Group provides aggregator services related to motor & health insurance and online auto auction. Revenue from contracts with customers is recognised 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 has generally concluded that it is the principal in its all revenue arrangements, because it typically controls the goods or services before transferring them to the customer, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements.

The Group uses the five-step model of revenue recognition as described in IFRS 15 Revenue from Contracts with Customers. In particular, the Group has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:
At the inception of each contract entered into with a customer, the Group identifies the various goods promised in the contract and assesses whether the same are 'distinct' and, hence, are separate performance obligations. Goods promised to be transferred to the customer are deemed to be distinct when the customer can benefit from the goods either on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the goods to the customer is separately identifiable from other promises in the contract.

Allocation of the transaction price:
The Group determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimated).

Recognition of revenue allocated to each performance obligation:
The Group recognizes its sale at the time of issuing the invoice and departure of goods from its factory, all the goods are in-transit insured.

Variable consideration
If the consideration promised in a contract includes a variable amount, the Group will adjust at the year end the amount of consideration to which the Group is entitled in exchange for transferring the promised services to a customer.

Other income
Other income is recognized in the consolidated statement of comprehensive income as and when earned.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Zakat and tax
Zakat
The Company and local subsidiary is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accrual basis and charged to the consolidated statement of profit or loss. The zakat charge is computed on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved.

Income Tax
The Group's foreign subsidiary are subject to income tax as per tax regulations issued by respective tax authorities.

Value added tax
Revenues, expenses and assets are recognized net of the amount of value added tax ("VAT"), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

Foreign currencies
The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rate during the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

ii) Group companies (continued)
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 operation and translated at the spot rate of exchange at the reporting date.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of comprehensive income during the reporting period in which they are incurred.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follow:

	Useful life (in years)
Computers	4
Equipment	5
Furniture and Fixtures	6
Vehicles	5
Servers and network	5

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, as necessary.

Carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The excess of carrying value over the estimated recoverable amount is charged to the consolidated statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between net sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is charged to the profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)
The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of the intangible asset is the purchase price together with any incidental expenses of acquisition and staff cost incurred on development of internally generated intangibles. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of intangible assets and the benefits can be measured reliably. All other expenditure is recognised in the consolidated statement of comprehensive income as an expense is incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the consolidated statement of profit or loss.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

The useful life of the intangible assets is 5 years. The amortisation charge for the year is calculated on a straight-line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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, as follows:

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

i) Right-of-use assets (continued)

- Building 2 to 5 years

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.

The right-of-use assets are also subject to impairment.

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's lease liabilities are disclosed in consolidated statement of financial position.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

Financial instruments
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
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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 flow that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Initial recognition and measurement (continued)
The Group'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 an 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and amounts due from related parties.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest 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.

The Group does not have any financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (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.

The Group does not have any such financial assets in current year and prior years.

Financial assets at fair value through profit or loss
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 profit or loss.

The Group does not have any such financial assets in current year and prior years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

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

- The rights to receive cash flows from the asset have expired; or
- The Group 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; or 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 recognize the transferred asset to the extent of its continuing involvement. In that case,

The Group also recognizes 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.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables and bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables.

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

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade payables, amounts due to related parties and loan payable to related party.

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

ii) Financial liabilities (continued)

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. Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

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.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Derecognition
A financial liability is derecognized 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 recognized in the consolidated statement of profit or loss.

iii) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be

identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared at Group level, which is considered as a CGU. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iii) Offsetting of financial instruments (continued)

Impairment of non-financial assets (continued)
For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employees' defined benefit liabilities
The Group primarily has end of service benefits which qualify employees' defined benefit obligation ("DBO").

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected in retained earnings as other reserves and will not be reclassified to consolidated statement of comprehensive income 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 Group presents the first two components of defined benefit costs in profit or loss in relevant line items and the last component in other comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' defined benefit liabilities (continued)

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

Earnings per share (EPS)
Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment), which is subject to risks and rewards that are different from those of other segments.

Dividend
The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 or in the revision period and future periods if the changed estimates affect both current and future periods.

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

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in

circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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. Furthermore, 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 the going concern basis.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

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.

Provision for expected credit losses of trade receivables
The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the provision for ECLs on the Group's trade receivables is disclosed in Note 6.

Provision for expected credit losses of bank balances
Provision for expected credit losses for the bank balance is based on the international credit rating of the counterparty.

Useful lives and residual values of property and equipment and intangible assets
The Group's management determines the estimated useful lives and residual values of its property and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually, and the depreciation and amortisation method to make sure that the depreciation method and period are consistent with the expected pattern of the assets' economic benefits. Residual value is determined based on experience and observable data where available.

Defined benefit plans (employees' end of service benefits)
The cost of defined benefit plans and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and, mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand and supply in the employment market.

The mortality rate is based on publicly available local mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Further details about employees' end of service benefits are provided in Note 14.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

Development costs of intangible assets
The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue Recognition – Principal vs Agent
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent and has concluded that it is the principal in its revenue arrangements because it is the primary obligator in all revenue arrangements, has pricing latitude, typically controls the goods or services before transferring them to the customer and is exposed to credit risks.

Management has concluded that the Group acts as a principal for its all revenue arrangements, except for revenue arrangements related to auto auction services for which the Group concluded it acts as an agent in such arrangements

5 BANK BALANCES AND CASH

	2022 ***SR***	*2021* *SR*
Bank balances	**77,367,680**	35,247,133
Cash in hand	**29,662**	31,329
	77,397,342	35,278,462

6 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	2022 ***SR***	*2021* *SR*
Trade receivables	**8,004,997**	10,280,101
Less: provision for expected credit losses	**(8,881)**	(2,194)
	7,996,116	10,277,907
Prepayments	**5,401,876**	2,867,425
Advances to suppliers	**942,430**	169,875
Security deposits	**270,457**	119,892
Others	**443,591**	29,437
	15,054,470	13,464,536

6 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (continued)

It is not the practice of the Group to obtain collateral over receivables and the vast majorities are, therefore, unsecured.

As at 31 December, movement in provision for expected credit losses is as follows:

	2022 SR	*2021 SR*
At the beginning of the year	**2,194**	732
Provided during the year	**6,687**	1,462
At the end of the year	**8,881**	2,194

As at 31 December, the ageing analysis of accounts receivable is, as follows:

31 December 2022	***Total SR***	***current SR***	***1–30 days SR***	***31–60 days SR***	***61–90 days SR***	***> 91 days SR***
Expected credit loss rate	**0.11%**	**-**	**0.03%**	**-**	**0.03%**	**0.34%**
Gross carrying amount	**8,004,997**	**2,684,880**	**785,819**	**-**	**2,191,945**	**2,342,353**
Expected credit loss	**8,881**	**-**	**236**	**-**	**658**	**7,987**

31 December 2021	*Total SR*	*current SR*	*1–30 days SR*	*31–60 days SR*	*61–90 days SR*	*> 91 days SR*
Expected credit loss rate	0.02%	-	0.03%	0.03%	0.03%	-
Gross carrying amount	10,280,101	3,284,236	835,453	46,012	6,114,400	-
Expected credit loss	2,194	-	266	14	1,914	-

7 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, and key management personnel of the Group and entities controlled or significantly influenced by such parties. Following is the list of related parties of the Group:

Name of related parties	*Nature of relationship*
Insurance House Company ("IHC")	Related party to shareholders
Mr. Suliman Abdullah Suliman Alfallaj	Shareholder
Mr. Muaiyad Abdullah Suliman Alfallaj	Shareholder
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Related party to shareholders
Thiqah Business Services (Watheq)	Related party to shareholders
Arabian Company for Traveller Services	Related party to shareholders

(a) Related party transactions during the year are as follows:

		Amount of transactions	
Related parties	***Nature of transactions***	***2022 SR***	*2021 SR*
Insurance House Company	Revenue	**(159,617,415)**	(75,866,175)
	Collection against the revenue	**107,799,748**	51,140,619
	Expenses paid on behalf of the Group	**39,263,393**	14,949,608
	Refunds	**1,832,146**	101,378
	Loan settlement (note 12)	**26,378,307**	-
Mr. Suliman Abdullah Suliman Alfallaj	Payments on behalf of Group	**-**	(624,003)
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Legal expense	**991,190**	283,290
Thiqah Business Services (Watheq)	Direct cost	**2,661,951**	-
Arabian Company for Traveller Services	Travel expenses	**899,631**	8,100

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Amount due from a related party:

	2022 SR	*2021 SR*
Insurance House Company	-	9,674,570
	-	9,674,570

(c) Amounts due to related parties:

	2022 SR	*2021 SR*
Insurance House Company	**5,981,608**	-
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	**841,677**	-
Thiqah Business Services (Watheq)	**381,832**	-
	7,205,117	-

(d) Compensation of key management personnel:

	2022 SR	*2021 SR*
Short term benefits	**4,407,014**	3,675,708
End of service benefits	**275,102**	133,119
	4,682,116	3,808,827

Pricing policies and terms of payments of transactions with related parties are approved by the management.

8 PROPERTY AND EQUIPMENT

31 December 2022

	Computers SR	*Equipment SR*	*Furniture and fixture SR*	*Vehicles SR*	*Servers and network SR*	*Work in progress SR*	***Total SR***
Cost:							
At 1 January 2022	1,196,617	165,006	696,871	154,179	2,605,431	2,010,442	**6,828,546**
Additions during the year	918,569	276,297	504,593	-	3,082,563	514,453	**5,296,475**
Transfer	-	-	2,010,442	-	-	(2,010,442)	-
At 31 December 2022	2,115,186	441,303	3,211,906	154,179	5,687,994	514,453	**12,125,021**
Depreciation:							
At 1 January 2022	535,636	84,265	232,831	20,557	1,327,647	-	**2,200,936**
Charge for the year	340,356	56,687	401,411	30,769	572,396	-	**1,401,619**
At 31 December 2022	875,992	140,952	634,242	51,326	1,900,043	-	**3,602,555**
Net carrying amount:							
At 31 December 2022	**1,239,194**	**300,351**	**2,577,664**	**102,853**	**3,787,951**	**514,453**	**8,522,466**

8 PROPERTY AND EQUIPMENT (continued)

31 December 2021

	Computers SR	*Equipment SR*	*Furniture and fixture SR*	*Vehicles SR*	*Servers and network SR*	*Work in progress SR*	*Total SR*
Cost:							
At 1 January 2021	816,250	133,364	370,493	-	2,360,431	-	3,680,538
Additions during the year	380,367	31,642	328,878	154,179	245,000	2,010,442	3,150,508
Disposal during the year	-	-	(2,500)	-	-	-	(2,500)
At 31 December 2021	1,196,617	165,006	696,871	154,179	2,605,431	2,010,442	6,828,546
Depreciation:							
At 1 January 2021	307,925	53,589	157,815	-	817,949	-	1,337,278
Charge for the year	227,711	30,676	76,439	20,557	509,698	-	865,081
Disposal during the year	-	-	(1,423)	-	-	-	(1,423)
At 31 December 2021	535,636	84,265	232,831	20,557	1,327,647	-	2,200,936
Net carrying amount:							
At 31 December 2021	660,981	80,741	464,040	133,622	1,277,784	2,010,442	4,627,610

9 INTANGIBLE ASSETS

	Tameeni *SR*	*Awal Mazad* *SR*	*Treza IHC lease* *SR*	*Treza direct lease* *SR*	*IT license & software* *SR*	*Work in progress* *SR*	***Total*** ***SR***
Cost:							
At 1 January 2022	21,224,581	3,515,819	1,818,541	1,874,166	-	3,124,558	**31,557,665**
Additions during the year	8,518,971	973,541	762,162	600,450	341,638	5,065,070	**16,261,832**
At 31 December 2022	29,743,552	4,489,360	2,580,703	2,474,616	341,638	8,189,628	**47,819,497**
Amortization:							
At 1 January 2022	10,624,026	1,080,592	239,840	252,364	-	-	**12,196,822**
Charge for the year	5,048,439	784,228	424,421	428,112	13,854	-	**6,699,054**
At 31 December 2022	15,672,465	1,864,820	664,261	680,476	13,854	-	**18,895,876**
Net carrying amount:							
At 31 December 2022	**14,071,087**	**2,624,540**	**1,916,442**	**1,794,140**	**327,784**	**8,189,628**	**28,923,621**

9 INTANGIBLE ASSETS (continued)

	Tameeni SR	*Awal Mazad SR*	*Treza IHC lease SR*	*Treza direct lease SR*	*Jomlah SR*	*Work in progress SR*	*Total SR*
Cost:							
At 1 January 2021	15,937,995	2,399,477	519,229	574,855	523,047	1,144,574	21,099,177
Additions during the year	5,286,586	1,116,342	1,299,312	1,299,311	216,305	1,979,984	11,197,840
Write off during the year	-	-	-	-	(739,352)	-	(739,352)
At 31 December 2021	21,224,581	3,515,819	1,818,541	1,874,166	-	3,124,558	31,557,665
Amortization:							
At 1 January 2021	7,010,537	496,315	15,639	17,037	-	-	7,539,528
Charge for the year	3,613,489	584,277	224,201	235,327	-	-	4,657,294
At 31 December 2021	10,624,026	1,080,592	239,840	252,364	-	-	12,196,822
Net carrying amount:							
At 31 December 2021	10,600,555	2,435,227	1,578,701	1,621,802	-	3,124,558	19,360,843

Amortization of intangible assets is charged to cost of sales.

9 INTANGIBLE ASSETS (continued)

Following is the description of the major intangible assets:

- **Tameeni Motors** - Tameeni is the online insurance aggregator in the Kingdom of Saudi Arabia. Tameeni has made it easier and quicker for customers compare quotations and to buy motor insurance anytime and anywhere. Tameeni is integrated with more than 20 insurance companies.

- **Tameeni SME Health –** Similar to Motors, Tameeni Health is also the online insurance aggregator in the Kingdom of Saudi Arabia, supported by Monsha'at (Small and Medium Enterprises General Authority). Tameeni SME Health platform provides small and medium enterprises with a wider choice and fully automated experience making their life easier in buying health insurance needs for their employees. Tameeni SME Health is integrated with more than 11 insurance companies. Platform also provides easy and simple experience to add or cancel members or even to cancel a policy. The platform offers immediate and systematic upload to Cooperative Health Insurance Council “CCHI”

- **Awal Mazad** - Awal Mazad is the online auto auction platform connecting banks and insurance companies with buyers. Empowered with experienced team and innovative technology, it provides one stop solution for individuals and car traders to buy vehicles from multiple sources such as banks and insurance companies.

- **Treza -** Treza is an online leasing insurance platform, that allows lessors to ensure their leased vehicles by providing them with instant quotes from all Insurance Companies. Treza currently helping 16+ banks/financial institutions in KSA to get quotations and issue policies in a seamless process. Through Treza, every lessor has their own customized Treza platform to fulfil their business needs. The seamless connection that Treza provides with the Insurance Companies eliminates any delay or hassle created by using traditional means for purchasing leasing insurance. It does not only end here, Treza offers auto renew the issued policies as per the defined tenure.

Below are some of the major software which are under development as at 31 December 2022 and presented under work in progress:

- **Warshati –** My workshop, it is a concept where customers will be able to generate multiple repair quotations from various registered workshops online. Customers will be able to compare and chose the right option for them through the platform.

- **Medical Malpractice -** Medical Malpractice insurance is required for all health practitioners in Saudi Arabia. They must provide evidence of this when registering with the Ministry of Health (MOH). The product is purchased through Medical Malpractice in one of two ways; either on a Group basis, where a health service provider will buy a policy on behalf of all practitioners employed by them; or an Individual basis, by practitioners themselves when applying for a license from the MOH where their employer does not provide this service.

- **Auto Loan –** It is a new online solution, which enables customers, showroom sales agents, and bank sales agents to submit auto leasing requests and receive the final approval for loan disbursal digitally, reduce the allocated time and resources, and provide a full-fledged system that can integrate with the existing banking system to submit requests and receive loan approvals. Also, customers will be able to buy cars online without physical presence.

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

The Group has lease contracts for offices. The Group's obligations under its leases are unsecured.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	2022 SR	*2021 SR*
At the beginning of the year	**4,094,537**	604,338
Additions	**992,706**	4,219,362
Depreciation	**(1,311,088)**	(534,505)
Derecognition	**-**	(194,658)
At the end of the year	**3,776,155**	4,094,537

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022 SR	*2021 SR*
At the beginning of the year	**4,063,134**	513,723
Accretion of interest	**216,428**	75,684
Additions	**992,706**	4,219,362
Derecognition	**-**	(194,658)
Payments	**(1,964,245)**	(550,977)
At the end of the year	**3,308,023**	4,063,134
Current	**1,032,552**	1,732,664
Non-current	**2,275,471**	2,330,470
	3,308,023	4,063,134

Below is the maturity analysis of undiscounted lease liabilities:

For the year ended 31 December 2022	***Total SR***	***Within 1 year SR***	***1-3 years SR***
Lease payments – Gross	**3,662,682**	**1,143,254**	**2,519,428**
Finance costs	**(354,659)**	**(110,702)**	**(243,957)**
Net present value	**3,308,023**	**1,032,552**	**2,275,471**

10 RIGHT-OF-USE ASSETS AND LEASES LIABILITY (continued)

For the year ended 31 December 2021	*Total* SR	*Within 1 year* SR	*1-3 years* SR
Lease payments – Gross	4,552,456	1,941,328	2,611,128
Finance costs	(489,322)	(208,664)	(280,658)
Net present value	4,063,134	1,732,664	2,330,470

The following are the amounts recognized in consolidated statement of comprehensive income:

	2022 ***SR***	*2021* *SR*
Depreciation expense of right-of-use assets	**1,311,088**	534,505
Finance costs on lease liabilities	**216,428**	75,684
Loss on disposal	**-**	49,568
Consolidated statement of comprehensive income	**1,527,516**	659,757

The Group had total cash outflows for leases of SR 1,964,245 in 2022 (2021: SR 550,977). The Group also had non-cash additions to right-of-use assets and lease liabilities of SR 992,706 in 2022 (2021: SR 4,219,362).

11 TRADE AND OTHER PAYABLES

	2022 ***SR***	*2021* *SR*
Accruals and other payables	**25,463,051**	6,413,621
Trade payables	**12,069,654**	7,313,311
VAT Payable	**2,247,812**	977,585
Refundable deposits	**1,583,000**	654,000
Accrued salaries and benefits	**168,927**	85,210
Others	**2,333**	9,907
	41,534,777	15,453,634

Trade payables are non-interest bearing and are normally settled on 30 - 60-day terms.

12 LOAN PAYABLE TO A RELATED PARTY

In 2021 an amount due to Insurance House Company (a related party) of SR 31,550,227 was converted into long-term non-bearing interest loan payable in sixty equal monthly instalments commencing 15 September 2021 and maturing on 15 September 2026 based on agreement signed on 12 August 2021.

As required by IFRS 9, the fair value of the loan was determined in 2021, and day 1 gain and subsequent unwinding impact was recorded in the year 2021. However, during 2022, full loan amount has been settled against receivables from the same related and as a result, the remaining portion of unwinding impact is recognized as reversal of day one gain in the consolidated statement of comprehensive income for the year ended 31 December 2022.

12 LOAN PAYABLE TO RELATED PARTY (continued)

	2022 *SR*	*2021* *SR*
Balance as at 1 January	**22,494,228**	-
Transfer of amount due to related party to loan payable to related party	**-**	26,378,307
Day one gain on fair valuation of loan payable to related party	**-**	(4,424,699)
Finance costs	**1,351,445**	540,620
Unwinding of the remaining day one gain on fair valuation of loan (note 21)	**2,532,634**	-
	26,378,307	22,494,228
Amount due from Insurance House Company – Receivable	**(26,378,307)**	-
Balance as at 31 December	**-**	22,494,228
Current	**-**	3,241,474
Non-current	**-**	19,252,754
	-	22,494,228

13 ZAKAT

Charge for the year
The zakat charge amounting to SR 3,305,091 (2021: SR 1,505,938) consists of current year's provision.

Movement during the year
The movement in the zakat provision for the year was as follows:

	2022 *SR*	*2021* *SR*
At the beginning of the year	**1,492,462**	310,023
Provided during the year	**3,305,091**	1,505,938
Paid during the year	**(1,474,462)**	(323,499)
At the end of the year	**3,323,091**	1,492,462

The difference between the income as per consolidated statement of comprehensive income and the income subject to zakat is primarily due to the disallowance of certain items in the zakat calculation of zakatable income.

Status of assessments
The Group submit zakat return on standalone basis for the Company and its local subsidiaries separately. Below is the status of assessment of the Company and its subsidiaries.

Rasan Information Technology Company
The Company has submitted its zakat return for all prior years up to 31 December 2021 to Zakat, Tax and Custom Authority ("ZATCA"). Zakat returns up to the year ended 31 December 2021 is finalized by ZATCA.

Rasan Software House LLC
The company is not subject to income tax in United Arabia Emirates.

Awal Mozawadah LLC
The company has submitted its zakat return for all prior years up to 31 December 2021 to ZATCA. Zakat assessment for all years is yet to be reviewed by ZATCA.

13 ZAKAT (continued)

Rasan Egypt
The company has submitted its Tax returns for all prior years up to 31 December 2021 to Egyptian Tax Authority. Tax assessment for all years is yet to be reviewed by Egyptian Tax Authority.

Tamini Electronic Insurance Brokerage Company
The Company is yet to submit its first zakat return.

14 EMPLOYEES' DEFINED BENEFIT LIABILITIES

a) Net benefit expense recognized in the consolidated statement of comprehensive income:

	2022 SR	*2021 SR*
Current service cost	**1,325,940**	621,426
	1,325,940	621,426

b) Changes in the present value of the defined benefit obligation:

	2022 SR	*2021 SR*
At the beginning of the year	**2,702,722**	2,406,770
Current service cost	**1,325,940**	621,426
Benefits paid	**(196,457)**	(325,474)
At the end of the year	**3,832,205**	2,702,722

c) Significant assumptions

	2022 %	*2021 %*
Discount rate	**3.15**	3.15
Future salary increases	**5.00**	5.00
Death in service	**100% SLIC (2016)**	100% SLIC (2016)
Withdrawal before normal retirement life	**Age based**	Age based

A quantitative sensitivity analysis for salary change assumption on the defined benefit obligation as at 31 December:

2022		***Impact on employees' end-of-service benefits***	
Sensitivity level	***Change in assumption***	***Increase in assumption***	***Decrease in assumption***
Discount rate	**1%**	**(522,727)**	**683,228**
Future salary increases	**1%**	**677,413**	**(529,346)**

2021		*Impact on employees' end-of-service benefits*	
Sensitivity level	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
Discount rate	1%	(388,118)	481,533
Future salary increases	1%	474,822	(383,554)

15 SHARE CAPITAL

Share capital is divided into 2,550,000 shares of SR 10 each (31 December 2021: 2,550,000 shares of SR 10 each). The shareholders of the Company are as follows:

	2022		*2021*	
	Number of shares	***Ownership %***	*Number of shares*	*Ownership %*
Assets custody development impact company for communications and IT	**475,602**	**18.65%**	144,340	5.66%
Theeb Bin Hdaiban Bin Ghalab Al Mutairi	**360,849**	**14.15%**	360,849	14.15%
Muhaidib Ali Mohammed Almuhaidib	**312,736**	**12.26%**	553,302	21.70%
Samer Mohamad Reslan	**240,566**	**9.43%**	-	-
Mohammed Muhaideb Ali Almuhaideb	**168,396**	**6.60%**	168,396	6.60%
Impact funds for financial Technology company	**163,438**	**6.41%**	494,700	19.40%
Fahad Ahmad Mohammed Abu Hemaid	**125,094**	**4.90%**	125,094	4.90%
Majed Abdullah Mohammed Al Bawari	**123,074**	**4.83%**	123,074	4.83%
Muaiyad Abdullah Suliman Alfallaj	**123,073**	**4.83%**	123,073	4.83%
Abdulrahman Abdullah Abdulrahman Ayban	**123,073**	**4.83%**	123,073	4.83%
Sami Muhaidib Ali Al Muhaidib	**120,283**	**4.72%**	120,283	4.72%
Ayman Abdullah Suliman Alfallaj	**56,774**	**2.23%**	56,774	2.23%
Suliman Abdullah Suliman Alfallaj	**56,774**	**2.23%**	56,774	2.23%
Thamer Abdullah Suliman Alfallaj	**56,774**	**2.23%**	56,774	2.23%
AbdulElah Mohammed Maneea Alghofaili	**43,494**	**1.70%**	43,494	1.70%
	2,550,000	**100.00%**	2,550,000	100.00%

16 STATUTORY RESERVE

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company must transfer 10% of the profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution.

17 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2022 SR	*2021 SR*
Net income for the year	**34,409,436**	35,279,886
Weighted average number of shares for basic and diluted EPS	**2,550,000**	1,815,116
Earnings per share	**13.494**	19.437

18 REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

Below is the disaggregation of revenue by product:

	2022 SR	*2021 SR*
Tameeni	**127,645,724**	68,804,423
Treza Leasing	**32,789,233**	16,957,242
Awal Mazad	**2,056,131**	1,137,251
Total revenue	**162,491,088**	86,898,916

18 REVENUE FROM CONTRACT WITH CUSTOMERS (continued)

Tameeni gross revenue before discounts amounts to SR 132,173,496 (2021: SR 69,885,932).

Timing of revenue recognition
All revenue is recognized at a point in time

Performance obligations
The performance obligation is satisfied upon providing services to the customers.

19 COST OF SALES

	2022 *SR*	*2021* *SR*
Data validation and other direct cost	**41,423,644**	13,880,430
Amortization of intangible assets (note 9)	**6,699,054**	4,657,294
Bank charges	**6,153,007**	3,812,615
Employees' salaries and other benefits	**4,185,525**	2,398,734
Communication expenses	**2,134,522**	1,300,000
	60,595,752	26,049,073

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2022 *SR*	*2021* *SR*
Manpower cost and other employee benefits	**28,092,678**	12,358,138
Professional and legal fees	**8,087,575**	974,573
IT Licenses, subscriptions and maintenance	**3,558,017**	1,933,776
Depreciation of property and equipment (note 8)	**1,401,619**	865,081
Employees' defined benefit liabilities (note 14)	**1,325,940**	621,426
Depreciation of right of use assets (note 10)	**1,311,088**	534,505
Utilities and communication	**658,544**	316,447
Rental charges	**298,723**	806,581
Withholding tax	**46,524**	190,747
Write-off of intangible assets related to discontinued project (note 9)	**-**	739,352
Others	**3,147,283**	1,938,639
	47,927,991	21,279,265

21 FINANCE COSTS

	2022 *SR*	*2021* *SR*
Finance costs on loan from a related party (unwinding impact) (note 12)	**1,351,445**	540,620
Finance costs on lease liabilities (note 10)	**216,428**	75,684
Bank charges	**27,624**	68,581
	1,595,497	684,885

22 OTHER (EXPENSES) INCOME, NET

	2022	*2021*
	SR	*SR*
Unwinding of the remaining day one gain on fair valuation of loan payable to a related party (note 12)	**(2,532,634)**	-
Day one gain on fair valuation of loan (note 12)	**-**	4,424,699
Other	**74,111**	1,833
	(2,458,523)	4,426,532

23 CONTINGENCIES AND COMMITMENTS

As at 31 December 2022 the Company has Letter of guarantee amounting to SR 100,000 (31 December 2021: Nil) There are no other contingencies and commitments reported as at the date of consolidated statement of financial position except as reported above.

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loan from related parties and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and bank balance that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) 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, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans. There were no changes in these circumstances from the previous year.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when purchase or expense is denominated in a foreign currency).

Foreign currency sensitivity

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As there is no any significant fluctuation between the United Arab Emirates Dirhams (AED) and Egyptian pound (EGP) the Group is not exposed to any significant currency risk.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Group is not exposed to the price risk because Group is not engaged in any commodity market nor it has any investments in equity instruments.

iii) Interest rate risk

Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Group is not exposed to interest rate risk as there are no loans with floating interest rates.

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) other current financial assets and related parties' balances) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 6. The Group does not hold collateral as security.

Credit risk from balances with banks and is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the senior management on an annual basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

As at 31 December 2022 and 31 December 2021, the credit risk exposure of Group trade receivables is as follows:

				Past due and impaired		
	Total SR	***Current SR***	***1-30 days SR***	***31 – 60 days SR***	***61 – 90 days SR***	***Greater than 90 days SR***
31 December 2022						
Expected credit losses rate	**0.11%**	**-**	**0.03%**	**-**	**0.03%**	**0.34%**
Carrying amount	**8,004,997**	**2,684,880**	**785,819**	**-**	**2,191,945**	**2,342,353**
Expected credit losses	**8,881**	**-**	**236**	**-**	**658**	**7,987**
31 December 2021						
Expected credit losses rate	0.02%	-	0.03%	0.03%	0.03%	-
Carrying amount	10,280,101	3,284,236	835,453	46,012	6,114,400	-
Expected credit losses	2,194	-	266	14	1,914	-

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will 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. The Group continuously monitors its risk of a shortage of funds.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from partners.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual discounted payments:

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 December 2022

24 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

31 December 2022	***Total SR***	***Less than 1 month SR***	***1 – 3 months SR***	***3 – 6 months SR***	***6 months – 1 year SR***	***More than 1 year SR***
Trade and other payable	**12,069,654**	**12,069,654**	**-**	**-**	**-**	**-**
Due to related parties	**7,205,117**	**7,205,117**	**-**	**-**	**-**	**-**
Lease liability	**3,308,023**	**-**	**264,847**	**251,429**	**516,276**	**2,275,471**
	22,582,794	**19,274,771**	**264,847**	**251,429**	**516,276**	**2,275,471**

31 December 2021	*Total SR*	*Less than 1 month SR*	*1 – 3 months SR*	*3 – 6 months SR*	*6 months – 1 year SR*	*More than 1 year SR*
Loan from related parties	26,378,307	-	-	612,288	3,155,022	22,610,997
Trade and other payable	7,313,311	7,313,311	-	-	-	-
Lease liability	4,552,469	356,797	178,719	528,348	710,651	2,777,954
	38,244,087	7,670,108	178,719	1,140,636	3,865,673	25,388,951

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 FINANCIAL ASSETS

	2022 SR	*2021 SR*
Financial assets at amortized cost:		
Trade receivables	**7,996,116**	10,277,907
Due from related parties	**-**	9,674,570
Other current financial assets	**7,058,354**	1,580,959
	15,054,470	21,533,436
Bank balances and cash	**77,397,342**	35,278,462
Total financial assets	**92,451,812**	56,811,898

25.2 FINANCIAL LIABILITIES

	Effective Interest rate	*Maturity*	***2022 SR***	*2021 SR*
Current liabilities				
Trade payables and other payables	Interest free	Less than 1 year	**12,069,654**	7,313,311
Lease liabilities	6.50% -10.50%	Less than 1 year	**1,032,552**	1,732,664
Loan from a related party	7%	Less than 1 year	**-**	3,241,474
Due to related parties	Interest free	Less than 1 year	**7,205,117**	-
			20,307,323	12,287,449
Non-current liabilities				
Lease liabilities	6.50% -10.50%		**2,275,471**	2,330,470
Loan from a related party	7%		**-**	19,252,754
			2,275,471	21,583,224

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.3 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2022 SR	***Cash flows SR***	***New lease SR***	***Others SR***	***31 December 2022 SR***
Lease liabilities	**4,063,134**	**(1,964,245)**	**992,706**	**216,428**	**3,308,023**
Total liabilities from financing activities	**4,063,134**	**(1,964,245)**	**992,706**	**216,428**	**3,308,023**

	1 January 2021 SR	*Cash flows SR*	*New lease SR*	*Others SR*	*31 December 2021 SR*
Lease liabilities	513,723	(550,977)	4,219,362	(118,974)	4,063,134
Total liabilities from financing activities	513,723	(550,977)	4,219,362	(118,974)	4,063,134

26 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, statutory reserve, and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

The Group is not subject to any external imposed capital requirements and following are the elements of capital that are managed by the Group:

	2022 SR	*2021 SR*
Trade and other payables	**41,534,777**	15,453,634
Due to related party	**7,205,117**	-
Loan payable to a related party	**-**	22,494,228
Zakat payable	**3,323,091**	1,492,462
Lease liability	**3,308,023**	4,063,134
Employees' defined benefits liabilities	**3,832,205**	2,702,722
Less: bank balances and cash	**(77,397,342)**	(35,278,462)
Net debt	**(18,194,129)**	10,927,718
Equity	**74,470,841**	40,294,378
Capital and net debt	**56,276,712**	51,222,096
Gearing ratio	**-32.33%**	21%

27 SEGMENT INFORMATION

An operating segment is a component of an entity:

a. that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c. for which discrete financial information is available.

For management purposes, the Group is organised into the following primary operating segments:

	2022 *SR*	*2021* *SR*
31 December 2022		
Tameeni - Motors	**99,686,181**	63,313,855
Tameeni - Health	**27,959,543**	5,490,568
Leasing	**32,789,233**	16,957,242
Awal Mazad	**2,056,131**	1,137,251
Total revenue	**162,491,088**	86,898,916
Cost of revenues	**(60,595,752)**	(26,049,073)
Expenses	**(64,180,809)**	(24,064,019)
Segment profit before zakat	**37,714,527**	36,785,824

	Tameeni - Motors SR	*Leasing SR*	*Awal Mazad SR*	*Unallocated SR*	*Total SR*
At 31 December 2022					
Total assets	**35,063,185**	**10,953,884**	**2,732,065**	**84,924,920**	**133,674,054**
Total liabilities	**-**	**-**	**-**	**59,203,213**	**59,203,213**
At 31 December 2021					
Total assets	29,249,804	4,348,423	2,645,102	50,257,229	86,500,558
Total liabilities	-	-	-	46,206,180	46,206,180

Details of the above segments are disclosed in note 9 to the consolidated financial statements.

The Group only operates in the Kingdom of Saudi Arabia where majority of operating assets are held. Therefore, no geographical segment information are presented.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, accounts receivable and amounts due from related parties.

Financial liabilities consist of trade and other payables, loan payable to related party and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

During the year ended 31 December 2022 and 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

29 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a) Standards issued and effective during the year

The standards and interpretations that were effective in 2022 do not have significant impact on the Group's consolidated financial statements. Below is the list of the amended standards and interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IAS 41 Agriculture – Taxation in fair value measurements
- Amendments to IAS 16: Property, Plant and Equipment – proceeds before intended use
- Amendments to IFRS 9: Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

b) Standards issued but not yet effective

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The management believes that the standard will not have significant impact on the consolidated financial statements.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

29 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

The Group is currently assessing the impact of the amendments.

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

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

30 EVENTS AFTER REPORTING PERIOD

The Group is currently operating as insurance aggregator where insurance policies are sold with involvement of insurance broker (IHC, a related party). Subsequent to the year end, the Group obtained E-brokerage license from the Saudi Central Bank (SAMA) and started operating without the involvement of IHC. Consequently, the Group will be recognizing the full commission income from policies sold which is currently being shared with IHC. Also, the complete cost will be incurred by the Group which is currently being partially borne by IHC. Had this new arrangement been in place in 2022, revenue and cost of sales would have been increased by approximately SR 34.4 million (2021: approximately SR 29.3 million).

Subsequent to the year end, the Board of Directors in their meeting held on 18 Dhu Al-Hijjah 1444H (corresponding to 6 July 2023) proposed to the shareholders of the Company to increase the share capital of the Company from SR 25.5 million to SR 70.5 million through transfer from statutory reserve and retained earnings as at 31 December 2022. The increase in capital is subject to the approval of shareholders in their upcoming assembly. The legal formalities required to enforce the increase the capital will commence upon such approval.

Other than above, no other events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which requires adjustment to, or disclosure, in these consolidated financial statements.

31 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by Board of Directors on 27 June 2023 (corresponding to 9 Dhu Al-Hijjah 1444).

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

Unaudited interim condensed consolidated financial statements

For the three-month and nine-month periods ended 30 September 2023

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

Unaudited interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2023

INDEX	***PAGE NO***
Independent auditor's review report	1
Unaudited Interim condensed consolidated statement of financial position	2
Unaudited Interim condensed consolidated statement of comprehensive income	3
Unaudited Interim condensed consolidated statement of changes in shareholders' equity	4
Unaudited Interim condensed consolidated statement of cash flows	5
Notes to the unaudited Interim condensed consolidated financial statements	6-14

DocuSign Envelope ID: 6C762631-3374-4663-BD32-2DC5F610280F

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2023

	Note	***30 September 2023 (Unaudited) SR***	*31 December 2022 (Audited) SR*
ASSETS			
CURRENT ASSETS			
Bank balances and cash		**103,478,232**	77,397,342
Trade receivables, prepayments, and other current assets	4	**34,747,573**	15,054,470
Amounts due from related parties	5-b	**69,738,151**	-
TOTAL CURRENT ASSETS		**207,963,956**	92,451,812
NON-CURRENT ASSETS			
Property and equipment	6	**12,585,432**	8,522,466
Intangible assets	7	**37,504,130**	28,923,621
Right-of-use assets		**3,432,537**	3,776,155
TOTAL NON-CURRENT ASSETS		**53,522,099**	41,222,242
TOTAL ASSETS		**261,486,055**	133,674,054
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	**138,193,350**	41,534,777
Amounts due to related parties	5-c	**1,306,410**	7,205,117
Lease liabilities		**1,749,820**	1,032,552
Zakat payable	9	**2,410,017**	3,323,091
TOTAL CURRENT LIABILITIES		**143,659,597**	53,095,537
NON-CURRENT LIABILITIES			
Employees' defined benefits liabilities		**5,348,007**	3,832,205
Lease liabilities		**1,498,323**	2,275,471
TOTAL NON-CURRENT LIABILITIES		**6,846,330**	6,107,676
TOTAL LIABILITIES		**150,505,927**	59,203,213
SHAREHOLDERS' EQUITY			
Share capital	10	**70,500,000**	25,500,000
Statutory reserve	10	**30,000**	7,680,000
Retained earnings		**40,172,617**	41,520,693
Currency translation reserve		**277,511**	(229,852)
TOTAL SHAREHOLDERS' EQUITY		**110,980,128**	74,470,841
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**261,486,055**	133,674,054

DocuSigned by:
012471660DCD42D...

Moayad Abdullah Alfallaj
Chief Executive Officer

Rajaa Radwan Khoder
Chief Financial Officer

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2023

	Note	***For the three-month period ended***		***For the nine-month period ended***	
		30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*	***30 September 2023 (Unaudited) SR***	*30 September 2022 (Unaudited) SR*
Revenue from contract with customers	11	**78,264,680**	41,806,768	**186,389,349**	106,313,636
Cost of revenue		**(31,355,672)**	(13,243,677)	**(77,033,699)**	(34,848,151)
GROSS PROFIT		**46,909,008**	28,563,091	**109,355,650**	71,465,485
General and administrative expenses		**(12,701,736)**	(10,004,387)	**(57,306,665)**	(26,486,936)
Marketing expenses		**(5,031,247)**	(1,817,877)	**(13,406,808)**	(6,123,383)
OPERATING PROFIT		**29,176,025**	16,740,827	**38,642,177**	38,855,166
Finance costs		**(85,157)**	(414,003)	**(231,753)**	(1,259,568)
Other income		**1,517**	-	**1,517**	74,111
INCOME BEFORE ZAKAT		**29,092,385**	16,326,824	**38,411,941**	37,669,709
Zakat	9	**(690,098)**	(826,272)	**(2,410,017)**	(2,478,818)
NET INCOME FOR THE PERIOD		**28,402,287**	15,500,552	**36,001,924**	35,190,891
Other comprehensive (loss) / income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**(1,188)**	14,395	**507,363**	(95,155)
TOTAL COMPREHENSIVE INCOME		**28,401,099**	15,514,947	**36,509,287**	35,095,736
Earnings per share					
Earnings per share attributable to ordinary equity holders of the Parent (basic and diluted)	12	**0.40**	0.22	**0.51**	0.50

DocuSigned by:
012471660DCD42D...
Moayad Abdullah AlFallaj
Chief Executive Officer

Rajaa Radwan Khoder
Chief Financial Officer

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the nine-month period ended 30 September 2023

	Share capital SR	*Proposed increase in share capital SR*	*Statutory reserve SR*	*Retained earnings SR*	*Currency translation reserve SR*	*Total SR*
Balance at 1 January 2022 (audited)	25,500,000	-	5,447,986	9,343,271	3,121	40,294,378
Net income for the period	-	-	-	35,190,891	-	35,190,891
Other comprehensive loss	-	-	-	-	(95,155)	(95,155)
Total comprehensive income	-	-	-	35,190,891	(95,155)	35,095,736
Balance at 30 September 2022 (unaudited)	25,500,000	-	5,447,986	44,534,162	(92,034)	75,390,114
Balance at 1 January 2023 (audited)	**25,500,000**	**-**	**7,680,000**	**41,520,693**	**(229,852)**	**74,470,841**
Net income for the period	**-**	**-**	**-**	**36,001,924**	**-**	**36,001,924**
Other comprehensive income				**-**	**507,363**	**507,363**
Total comprehensive income				**36,001,924**	**507,363**	**36,509,287**
Proposed increase in share capital (note 10)	**-**	**45,000,000**	**(7,650,000)**	**(37,350,000)**	**-**	**-**
Increase in share capital (note 10)	**45,000,000**	**(45,000,000)**	**-**	**-**	**-**	**-**
Balance at 30 September 2023 (unaudited)	**70,500,000**	**-**	**30,000**	**40,172,617**	**277,511**	**110,980,128**

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine-month period ended 30 September 2023

	Note	***For the nine-month period ended 30 September 2023 SR***	*For the nine-month period ended 30 September 2022 SR*
OPERATING ACTIVITIES			
Income before zakat		**38,411,941**	37,669,709
Adjustments to reconcile income before zakat to net cash flows from operating activities:			
Depreciation of property and equipment		**1,972,796**	953,708
Depreciation of right-of-use assets		**1,673,741**	900,418
Gain on disposal of right-of-use asset		**(5,531)**	-
Amortization of intangible assets		**5,971,694**	4,811,668
Provision for expected credit losses		**2,447,933**	-
Provision for employees' defined benefits liabilities		**1,733,011**	1,481,138
Finance costs on loan payable to a related party		**-**	1,070,669
Finance costs on lease liability		**186,759**	166,465
Operating cash flows before working capital changes		**52,392,344**	47,053,775
Working capital changes:			
Increase in trade receivables, prepayments and other current assets		**(21,861,141)**	(1,474,663)
Increase in amounts due from related parties		**(70,018,046)**	(21,160,472)
Increase in trade and other payables		**96,640,573**	8,975,741
Decrease in amounts due to related parties		**(5,898,707)**	-
Net cash from operating activities		**51,255,023**	33,394,381
Employees' defined benefits paid		**(217,210)**	(156,688)
Finance costs on lease paid		**(186,759)**	(166,465)
Zakat paid	9	**(3,305,091)**	(1,430,939)
Net cash from operating activities		**47,545,963**	31,640,289
INVESTING ACTIVITIES			
Purchase of property and equipment		**(6,173,245)**	(714,705)
Additions to intangible assets		**(14,552,202)**	(12,300,035)
Net cash used in investing activities		**(20,725,447)**	(13,014,740)
FINANCING ACTIVITY			
Lease liability paid		**(1,422,922)**	(1,056,593)
Net cash used in financing activity		**(1,422,922)**	(1,056,593)
INCREASE IN BANK BALANCES AND CASH		**25,397,594**	17,568,955
Currency translation adjustments		**683,296**	(75,166)
Bank balances and cash at the beginning of the period		**77,397,342**	35,278,462
BANK BALANCES AND CASH AT THE END OF THE PERIOD		**103,478,232**	52,772,251
Significant non-cash transactions:			
Addition to right-of-use assets and lease liability		**1,546,579**	-
Increase in share capital		**45,000,000**	-

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

1 ORGANIZATION AND ACTIVITIES

Rasan Information Technology (the "Company" or the "Parent Company") is a closed joint stock registered in the Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010476663 issued on 5 Sha'ban 1437H (corresponding to 12 May 2016). The Company's head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia. During 2022, the Company's legal status has changed from a limited liability company to a closed joint stock company. On 1 November 2022, the shareholders of the Company appointed financial advisor to go for an Initial Public Offering ("IPO").

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software's, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design. Currently, the Company is engaged in providing insurance aggregator, online auto auction and online leasing insurance services.

The interim condensed consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the "Group") listed below as at 30 September 2023 and 31 December 2022:

			Direct and indirect ownership %	
Entity	***Country of incorporation***	***Nature of business***	***30 September 2023***	*31 December 2022*
Rasan Software House LLC	UAE	Computer Systems & Communication Equipment Software Design.	**100%**	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	**100%***	100%*
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle's auctions, towing and storage.	**100%**	100%
Tamini Electronic Insurance Brokerage Company	KSA	Electronic insurance brokerage	**100%**	100%
Treza LLC	KSA	Design and program special software, Interface design & user experience and Application development	**100%**	-

* 1% of the shareholding in Rasan LLC – Egypt, is held by Mr. Muaiyad Abdullah Suliman Alfallaj (shareholder in the Company) in the beneficial interest of the Company.

Rasan Software House LLC is a limited liability company registered under the United Arab Emirates ("UAE") Federal Law No. 2 of 2015 (UAE Companies Law), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE.

Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian Companies Law), Cairo, Arab Republic of Egypt ("Egypt") with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading – Egypt. During the year 2021, the ownership of Rasan LLC was transferred from Rasan Software House LLC to the Company.

Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24 Jumad Thani 1441H (corresponding to 18 February 2020).

Tamini Electronic Insurance Brokerage Company is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010838913 issued on 12 Rabi Al-Thani 1444H (corresponding to 6 November 2022).

Treza LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010867990 issued on 21 Rajab 1444H (corresponding to 13 March 2023).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

2.2 Basis of preparation

(i) Accounting convention

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefit liabilities, which is measured at the present value of the liability using projected unit credit methodology.

(ii) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("SR"), which is also the Company's functional currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in KSA and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022. In addition, results for the interim period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's consolidated financial statements for the year ended 31 December 2022, except for adoption of new standards effective as of 1 January 2023.

New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any new standard, interpretation or amendments that have been issued but which are not yet effective. Standards, interpretations or amendments issued but not effective are not expected to have a significant impact on the interim condensed consolidated financial statements of the Group.

The following standard and amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

New Standard, interpretation, amendments issued but not yet effective

Standard, interpretation, amendments	***Description***	***Effective date***
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing changes to this amendment.	Deferred until accounting periods starting not earlier than 1 January 2024

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard, interpretation, amendments (continued)

Standard, interpretation, amendments	***Description***	***Effective date***
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
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	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	1 January 2024

Significant judgment, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those described in the latest annual consolidated financial statements.

Judgement in accounting for IPO costs

As disclosed in note 1 to these interim condensed consolidated financial statements, the Company is planning for an IPO and as such, the Company accrued IPO related costs and recorded as part of the general and administration expenses for the nine-month period ended 30 September 2023 amounting to SR 8.1 million. The Company's management has estimated total IPO cost amounting to SR 35 million. The management has estimated that SR 8.1 million of which will be related to a primary offering (listing new shares) and hence provision recorded in the interim condensed consolidated financial statements. The SR 8.1 million will be split between the share issuance and listing costs, the prior being charged to equity. As at 30 September 2023, management has not finalized the split and therefore the provision has been recorded in the profit and loss account. The remaining SR 26.9 million relates to secondary offering (sale of existing share by shareholders) and will be borne by shareholders as disclosed in note 5 to the interim condensed consolidated financial statements.

4 TRADE RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2023 (Unaudited) SR	*31 December 2022 (Audited) SR*
Trade receivables	**25,944,058**	8,004,997
Less: provision for expected credit losses	**(2,176,920)**	(8,881)
Trade receivables, net	**23,767,138**	7,996,116
Prepayments	**6,970,021**	5,401,876
Advances to suppliers	**3,475,211**	942,430
Security deposits	**224,204**	270,457
Others	**310,999**	443,591

34,747,573	15,054,470

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, and key management personnel of the Group and entities controlled or significantly influenced by such parties. Following is the list of related parties of the Group:

Name of related parties	*Nature of relationship*
Insurance House Company ("IHC")	Related party to shareholders
Suliman Abdullah Suliman Alfallaj	Shareholder
Abuhimed Alsheikh Alhagbani Law Firm ("AS&H")	Related party to shareholders
Thiqah Business Services ("Watheq")	Related party to shareholders
Arabian Company for Traveller Services	Related party to shareholders

(a) Related party transactions during the period are as follows:

		Amount of transactions (unaudited)			
		For the three-months period ended		***For the nine-months period ended***	
Related parties	***Nature of Transactions***	***30 September 2023 SR***	*30 September 2022 SR*	***30 September 2023 SR***	*30 September 2022 SR*
IHC	Revenue	**18,363,627**	41,759,982	**126,604,564**	102,658,541
	Settlement of receivables	**-**	17,859,895	**75,248,906**	60,354,047
	Expenses paid on behalf of the Group	**1,160,319**	6,709,056	**2,585,900**	21,146,166
Shareholders	Deferred IPO cost (Note 3)	**-**	-	**26,950,000**	-
AS&H	Legal consultancy expenses	**-**	-	**915,726**	147,370
Watheq	Direct cost	**1,726,824**	911,870	**3,638,372**	1,397,356
Arabian Company for Traveller Services	Travel expenses	**131,125**	189,775	**688,265**	624,076

(b) Amounts due from related parties:

	30 September 2023 (Unaudited) SR	*31 December 2022 (Audited) SR*
Shareholders (note 3)	**26,950,000**	-
IHC	**42,788,151**	-
	69,738,151	-

(c) Amounts due to related parties:

	30 September 2023 (Unaudited) SR	*31 December 2022 (Audited) SR*
Watheq	**1,002,432**	381,832
AS&H	**257,403**	841,677
Arabian Company for Traveller Services	**46,575**	-
IHC	**-**	5,981,608
	1,306,410	7,205,117

5 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(d) Compensation of key management personnel:

	For the three-month period ended		***For the nine-month period ended***	
	30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*	***30 September 2023 (Unaudited) SR***	*30 September 2022 (Unaudited) SR*
Short term benefits	**1,357,530**	1,075,860	**4,075,950**	3,031,980
End of service benefits	**95,027**	75,311	**285,316**	212,239
	1,452,557	1,151,171	**4,361,266**	3,244,219

Pricing policies and terms of payments of transactions with related parties are approved by the management.

6 PROPERTY AND EQUIPMENT

During nine-month period ended 30 September 2023, assets amounting to SR 6.2 million are capitalized in property and equipment. The major addition includes furniture amounting to SR 2.7 million, and servers & networks amounting to SR 2.6 million.

7 INTANGIBLE ASSETS

During the nine-month period ended 30 September 2023, SR 10.2 million of development costs were capitalized to the existing live applications while SR 4.4 million were capitalized as intangible assets for new application under development at period end.

8 TRADE AND OTHER PAYABLES

	30 September 2023 (Unaudited) SR	*31 December 2022 (Audited) SR*
Accruals and other payables	**102,792,828**	25,463,051
Trade payable	**28,124,211**	12,069,654
VAT payable	**4,291,116**	2,247,812
Refundable deposits	**1,762,782**	1,583,000
Accrued salaries and benefits	**1,083,810**	168,927
Others	**138,603**	2,333
	138,193,350	41,534,777

Accruals and other payable includes accruals related to IPO costs, ELM payable and payable to insurance companies.

9 ZAKAT

Movement during the period/year
The movement in the zakat provision for the nine-month period/year was as follows:

	30 September 2023 (Unaudited) SR	*31 December 2022 (Audited) SR*
At the beginning of the period/year	**3,323,091**	1,492,462
Provided during the period/year	**2,410,017**	3,305,091
Paid during the period/year	**(3,305,091)**	(1,474,462)
Zakat adjustment	**(18,000)**	-
At the end of the period/year	**2,410,017**	3,323,091

Movement during the period
The movement in the zakat provision for the three-month period was as follows:

	For the three-months period ended	
	30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*
At the beginning of the period	**1,719,919**	1,714,069
Provided during the period	**690,098**	826,272
At the end of the period	**2,410,017**	2,540,341

Status of assessments
The Group submit zakat return separately for Company (on standalone basis) and the local subsidiaries. Below is the status of assessment of the Company and its subsidiaries:

Rasan Information Technology Company
The Company has submitted its Zakat return for all prior years up to 31 December 2022 to Zakat, Tax and Custom Authority ("ZATCA"). Zakat assessments up to year ended 31 December 2021 is finalized by ZATCA.

Rasan Software House LLC
The company is not subject to income tax in United Arab Emirates.

Awal Mozawadah LLC
The company has submitted its Zakat return for all prior years up to 31 December 2021 to ZATCA. Zakat assessment for all years is yet to be reviewed by ZATCA.

Rasan Egypt
The company has submitted its Zakat returns for all prior years up to 31 December 2021 to Egyptian Tax Authority. Tax assessment is yet to be reviewed by Egyptian Tax Authority.

Tamini Electronic Insurance Brokerage Company
The company is yet to submit its first zakat return.

Treza LLC
The company was registered in March 2023 and as at the period ended 30 September 2023 has not filed Zakat return to ZATCA.

10 SHARE CAPITAL

Share capital is divided into 70,500,000 shares of SR 1 each (31 December 2022: 2,550,000 shares of SR 10 each). The Board of Directors in their meeting held on 18 Dhu Al-Hijjah 1444H (corresponding to 6 July 2023) proposed to the shareholders of the Company to increase the share capital of the Company from SR 25.5 million to SR 70.5 million through transfer from statutory reserve and retained earnings as at 31 December 2022. The increase in capital was approved by the shareholders in their assembly held on 21 Dhu Al-Hijjah 1444H (corresponding to 9 July 2023). The related legal formalities were completed during August 2023.

The shareholders of the Company as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023		*31 December 2022*	
	Number of shares	***Ownership %***	*Number of shares*	*Ownership %*
Assets custody development impact company for communications and IT	**13,148,250**	**18.65%**	475,602	18.65%
Theeb Bin Hdaiban Bin Ghalab Al Mutairi	**9,975,750**	**14.15%**	360,849	14.15%
Muhaidib Ali Mohammed Almuhaidib	**8,643,300**	**12.26%**	312,736	12.26%
Samer Mohamad Reslan	**6,648,150**	**9.43%**	240,566	9.43%
Mohammed Muhaideb Ali Almuhaideb	**4,653,000**	**6.60%**	168,396	6.60%
Impact funds for financial Technology company	**4,519,050**	**6.41%**	163,438	6.41%
Fahad Ahmad Mohammed Abu Hemaid	**3,454,500**	**4.91%**	125,094	4.91%
Majed Abdullah Mohammed Al Bawari	**3,405,150**	**4.83%**	123,074	4.83%
Muaiyad Abdullah Suliman Alfallaj	**3,405,150**	**4.83%**	123,073	4.83%
Abdulrahman Abdullah Abdulrahman Ayban	**3,405,150**	**4.83%**	123,073	4.83%
Sami Muhaidib Ali Al Muhaidib	**3,327,600**	**4.72%**	120,283	4.72%
Ayman Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
Suliman Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
Thamer Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
AbdulElah Mohammed Maneea Alghofaili	**1,198,500**	**1.71%**	43,494	1.71%
	70,500,000	**100%**	2,550,000	100%

11 REVENUE FROM CONTRACT WITH CUSTOMERS

Below is the disaggregation of revenue by product:

	For the three-month period ended		***For the nine-month period ended***	
	30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*	***30 September 2023 (Unaudited) SR***	*30 September 2022 (Unaudited) SR*
Tameeni	**63,802,030**	33,610,984	**144,300,114**	83,249,556
Treza Leasing	**13,402,585**	7,744,230	**38,959,079**	22,178,556
Awal Mazad	**660,065**	451,554	**2,730,156**	885,524
R Solutions	**400,000**	-	**400,000**	-
	78,264,680	41,806,768	**186,389,349**	106,313,636

All of the Company's operations are in the Kingdom of Saudi Arabia and all revenue is recognized at a point in time.

12 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For the three-months period ended		*For the nine-months period ended*	
	30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*	***30 September 2023 (Unaudited) SR***	*30 September 2022 (Unaudited) SR*
Net income for the period	**28,402,287**	15,500,552	**36,001,924**	35,190,891
Weighted average number of shares for basic and diluted EPS	**70,500,000**	70,500,000	**70,500,000**	70,500,000
Earnings per share	**0.40**	0.22	**0.51**	0.50

During the period ended 30 September 2023, new shares were issued to existing shareholders without additional consideration, therefore number of ordinary shares outstanding as at 30 September 2022 were also adjusted for the proportionate change in the number of ordinary shares outstanding as if the issue of shares had occurred as at 30 September 2022.

13 SEGMENT INFORMATION

An operating segment is a component of an entity:

a. that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c. for which discrete financial information is available.

For management purposes, the Group is organised into the following primary operating segments:

	For the three-month period ended		*For the nine-month period ended*	
	30 September 2023 (Unaudited) SR	*30 September 2022 (Unaudited) SR*	***30 September 2023 (Unaudited) SR***	*30 September 2022 (Unaudited) SR*
Tameeni - Motors	**54,855,834**	25,332,905	**113,554,231**	66,622,195
Tameeni - Health	**8,946,196**	8,278,079	**30,745,883**	16,627,361
Leasing	**13,402,585**	7,744,230	**38,959,079**	22,178,556
Awal Mazad	**660,065**	451,554	**2,730,156**	885,524
R Solutions	**400,000**	-	**400,000**	-
Total revenue	**78,264,680**	41,806,768	**186,389,349**	106,313,636
Cost of revenue	**(31,355,672)**	(13,243,677)	**(77,033,699)**	(34,848,151)
Expenses	**(17,816,623)**	(12,236,267)	**(70,943,709)**	(33,795,776)
Segment profit before zakat	**29,092,385**	16,326,824	**38,411,941**	37,669,709

13 SEGMENT INFORMATION (continue)

	Tameeni SR	***Leasing SR***	***Awal Mazad SR***	***R Solutions SR***	***Unallocated SR***	***Total SR***
At 30 September 2023 (unaudited)						
Total assets	**87,462,465**	**12,761,028**	**3,062,650**	**1,166,971**	**157,032,941**	**261,486,055**
Total liabilities	**-**	**-**	**-**	**-**	**150,505,927**	**150,505,927**
At 31 December 2022 (Audited)						
Total assets	35,063,185	10,953,884	2,732,065	-	84,924,920	133,674,054
Total liabilities	-	-	-	-	59,203,213	59,203,213

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value of financial instruments
Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, accounts receivable, other receivable and amounts due from related parties.

Financial liabilities consist of lease liabilities, trade and other payables and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy
During the period ended 30 September 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

15 CONTINGENCIES AND COMMITMENTS

As at 30 September 2023, the Group has no letter of guarantee (31 December 2022: SR 100,000).

16 EVENTS AFTER REPORTING PERIOD

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

17 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by Board of Directors on xx November 2023 (corresponding to Muharram 1445H).

Rasan Information Technology Company
and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2023

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company)

Opinion
We have audited the consolidated financial statements of Rasan Information Technology Company (the "Company") and its subsidiaries (collectively, with the Company referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "Code") 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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of 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, i.e., audit committee, are responsible for overseeing the Group's financial reporting process.

EY Building a better working world

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company)

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 the 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 judgment and maintain professional skepticism 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, 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Rasan Information Technology Company
(A Closed Joint Stock Company)

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)

Riyadh: 15 Shawwal 1445H

24 April 2024

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	*2023* *SR*	*2022* *SR*
ASSETS			
CURRENT ASSETS			
Bank balances and cash	5	**116,490,434**	77,397,342
Restricted cash	6	**34,317,325**	-
Trade receivables, prepayments and other assets	7	**37,177,187**	15,054,470
Amount due from related parties	8	**66,795,386**	-
TOTAL CURRENT ASSETS		**254,780,332**	92,451,812
NON-CURRENT ASSETS			
Property and equipment	9	**16,736,036**	8,522,466
Intangible assets	10	**40,576,208**	28,923,621
Right-of-use assets	11	**4,845,109**	3,776,155
Deferred tax asset	13	**250,000**	-
TOTAL NON-CURRENT ASSETS		**62,407,353**	41,222,242
TOTAL ASSETS		**317,187,685**	133,674,054
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	12	**177,191,083**	41,534,777
Amounts due to related parties	8	**2,580,077**	7,205,117
Lease liability – current	11	**1,539,486**	1,032,552
Zakat and income tax payable	13	**5,542,716**	3,323,091
TOTAL CURRENT LIABILITIES		**186,853,362**	53,095,537
NON-CURRENT LIABILITIES			
Employees' defined benefits liabilities	14	**6,982,412**	3,832,205
Lease liability – non current	11	**2,358,259**	2,275,471
TOTAL NON-CURRENT LIABILITIES		**9,340,671**	6,107,676
TOTAL LIABILITIES		**196,194,033**	59,203,213
SHAREHOLDERS' EQUITY			
Share capital	15	**70,500,000**	25,500,000
Statutory reserve	16	**4,254,385**	7,680,000
Retained earnings		**47,670,630**	41,520,693
Actuarial valuation reserve	14	**(1,702,394)**	-
Currency translation reserve		**271,031**	(229,852)
TOTAL SHAREHOLDERS' EQUITY		**120,993,652**	74,470,841
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**317,187,685**	133,674,054

DocuSigned by:
012471660DCD42D...

Chief Executive Officer
Moayad Abdullah AlFallaj

DocuSigned by:
Rajaa
0203C00EDEA0468...

Chief Financial Officer
Rajaa Radwan Khoder

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Note	*2023* *SR*	*2022* *SR*
Revenue from contract with customers	18	**256,234,155**	162,491,088
Cost of revenue	19	**(107,837,762)**	(60,595,752)
GROSS PROFIT		**148,396,393**	101,895,336
General and administrative expenses	20	**(79,636,517)**	(47,927,991)
Marketing expenses	21	**(18,227,721)**	(12,198,798)
OPERATING PROFIT		**50,532,155**	41,768,547
Finance costs	22	**(321,684)**	(1,595,497)
Other income/(expenses), net	23	**1,034,571**	(2,458,523)
INCOME BEFORE ZAKAT AND INCOME TAX		**51,245,042**	37,714,527
Zakat	13	**(3,770,720)**	(3,305,091)
Income tax	13	**(1,521,996)**	-
NET INCOME FOR THE YEAR		**45,952,326**	34,409,436
Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**500,883**	(232,973)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of employees' defined benefit liabilities	14	**(1,702,394)**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**44,750,815**	34,176,463
Earnings per share			
Earnings per share attributable to ordinary equity holders of the Company (basic and diluted)	17	**0.65**	0.49

DocuSigned by:
012471660DCD42D...

Chief Executive Officer
Moayad Abdullah AlFallaj

DocuSigned by:
Rajaa
0203C00EDEA0468...

Chief Financial Officer
Rajaa Radwan Khoder

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2023

		Statutory reserve SR			*Retained earnings SR*					
	Share capital SR	*Saudi shareholders SR*	*Non-Saudi shareholder SR*	*Total SR*	*Saudi shareholders SR*	*Non-Saudi shareholder SR*	*Total SR*	*Actuarial valuation reserve SR*	*Currency translation reserve SR*	*Total shareholders' equity SR*
As at 1 January 2022	25,500,000	5,447,986	-	5,447,986	9,343,271	-	9,343,271	-	3,121	40,294,378
Net income for the year	-	-	-	-	34,409,436	-	34,409,436	-	-	34,409,436
Other comprehensive losses	-	-	-	-	-		-	-	(232,973)	(232,973)
Total comprehensive income for the year	-	-	-	-	34,409,436	-	34,409,436	-	(232,973)	34,176,463
Transfer to statutory reserve (note 16)	-	2,232,014	-	2,232,014	(2,232,014)	-	(2,232,014)	-	-	-
Balance at 31 December 2022	25,500,000	7,680,000	-	7,680,000	41,520,693	-	41,520,693	-	(229,852)	74,470,841
Capital increase (note 15)	**45,000,000**	**(7,650,000)**	-	**(7,650,000)**	**(37,350,000)**	-	**(37,350,000)**	-	-	-
Net income for the year	-	-	-	-	**41,619,022**	**4,333,304**	**45,952,326**		-	**45,952,326**
Other comprehensive (losses)/ income	-	-	-	-	-	-	-	**(1,702,394)**	**500,883**	**(1,201,511)**
Total comprehensive income for the year	-	-	-	-	**41,619,022**	**4,333,304**	**45,952,326**	**(1,702,394)**	**500,883**	**44,750,815**
Income tax reimbursed by non-Saudi shareholder (note 8)	-	-	-	-	-	**1,771,996**	**1,771,996**	-	-	**1,771,996**
Transfer to statutory reserve (note 16)	-	**3,826,026**	**398,359**	**4,224,385**	**(3,826,026)**	**(398,359)**	**(4,224,385)**	-	-	-
Balance at 31 December 2023	**70,500,000**	**3,856,026**	**398,359**	**4,254,385**	**41,963,689**	**5,706,941**	**47,670,630**	**(1,702,394)**	**271,031**	**120,993,652**

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Note	*2023* *SR*	*2022* *SR*
OPERATING ACTIVITIES			
Income before zakat and income tax		**51,245,042**	37,714,527
Adjustments to reconcile income before zakat and income tax to net cash flows from operating activities:			
Depreciation of property and equipment	9	**2,895,096**	1,401,619
Amortization of intangible assets	10	**7,945,960**	6,699,054
Write-off of intangible assets	10	**235,403**	-
Depreciation of right-of-use assets	11	**2,260,581**	1,311,088
Loss on derecognition of leased asset		**5,531**	-
Interest received on call deposits	23	**(518,379)**	-
Government grant received	23	**(504,000)**	-
Provision for expected credit losses	7	**2,168,038**	6,687
Write-off of amount due from a related party	8	**8,461,961**	-
Provision for employees' defined benefits liabilities	14	**2,224,757**	1,325,940
Unwinding of the remaining day one gain on fair valuation of loan payable to a related party		-	2,532,632
Finance costs on loan payable to a related party		-	1,351,445
Finance costs on lease liability	11	**273,559**	216,428
Operating cash flows before working capital changes		**76,693,549**	52,559,420
Working capital changes:			
Trade receivables, prepayments and other current assets		**(24,290,755)**	(1,596,621)
Restricted cash	6	**(34,317,325)**	-
Amounts due from related parties		**(73,485,351)**	9,674,570
Trade and other payables		**135,638,533**	26,081,143
Amounts due to related parties		**(4,625,040)**	(19,173,188)
Cash from operating activities		**75,613,611**	67,545,324
Zakat paid	13	**(3,305,316)**	(1,474,462)
Finance costs paid		**(273,559)**	(216,428)
Government grant received	23	**504,000**	-
Employees' defined benefits paid	14	**(776,944)**	(196,457)
Net cash from operating activities		**71,761,792**	65,657,977
INVESTING ACTIVITIES			
Purchase of property and equipment	9	**(11,247,227)**	(5,296,475)
Interest received on call deposits	23	**518,379**	-
Additions to intangible assets	10	**(19,833,950)**	(16,261,832)
Net cash used in investing activities		**(30,562,798)**	(21,558,307)
FINANCING ACTIVITIES			
Lease liability paid		**(2,904,610)**	(1,747,817)
Net cash used in financing activities		**(2,904,610)**	(1,747,817)
INCREASE IN BANK BALANCES AND CASH		**38,294,384**	42,351,853
Currency translation adjustments		**798,708**	(232,973)
Bank balances and cash at the beginning of the year		**77,397,342**	35,278,462
BANK BALANCES AND CASH AT THE END OF THE YEAR	5	**116,490,434**	77,397,342
Significant non-cash transactions:			
Conversion of amount due to a related party to loan payable to a related party		-	(26,378,307)
Addition to right-of-use assets and lease liability	11	**3,507,066**	992,706

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

1 ORGANIZATION AND ACTIVITIES

Rasan Information Technology (the "Company" or the "Parent Company") is a closed joint stock registered in the Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010476663 dated 5 Sha'ban 1437H (corresponding to 12 May 2016). The Company's head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia. During the financial year 2022, the Company's legal status has changed from a limited liability company to a closed joint stock company. Further, on 1 November 2022, the shareholders of the Company appointed financial advisor to go for an Initial Public Offering ("IPO").

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software's, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design.

Currently, the Company is engaged in providing insurance aggregator, online auto auction and online leasing insurance services (refer note 18).

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the "Group") listed below:

Subsidiary	*Country of incorporation*	*Nature of business*	*Direct and indirect ownership %*	
			2023	*2022*
Rasan Software House LLC	UAE	Computer systems & communication equipment software design.	**100%**	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	**100%** (*)	100% (*)
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle's auctions, towing and storage.	**100%**	100%
Tameeni Electronic Insurance Brokerage Company	KSA	Electronic insurance brokerage.	**100%**	100%
Treza LLC	KSA	Design and program special software, interface design & user experience and application development.	**100%**	-

(*) 1% of the shareholding in Rasan LLC – Egypt, is held by Mr. Muaiyad Abdullah Suliman Alfallaj (shareholder in the Company) in the beneficial interest of the Company.

- Rasan Software House LLC is a limited liability company registered under the United Arab Emirates ("UAE") Federal Law No. 2 of 2015 (UAE Companies Law), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE.

- Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian Companies Law), Cairo, Arab Republic of Egypt ("Egypt") with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading – Egypt. The registered address of the company is ground floor, Concord, Building 334 90th South Street, 5th Settlement, New Cairo.

- Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24 Jumad Thani 1441H (corresponding to 18 February 2020). The registered address of the company is building No. 3413, Al Thumama Road, Qurtubah, Riyadh, Saudi Arabia, 13248.

1 ORGANIZATION AND ACTIVITIES (continued)

- Tamini Electronic Insurance Brokerage Company is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010838913 issued on 12 Rabi Al-Thani 1444H (corresponding to 6 November 2022). The registered address of the company is 1st Floor, Argan Building, Al Thumamah Road, Al Munisiayah Dist, Riyadh, Saudi Arabia, 13249.

- Treza LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010867990 issued on 21 Rajab 1444H (corresponding to 13 March 2023). The registered address of the company is 1st Floor, Argan Building, Al Thumamah Road, Al Munisiayah Dist, Riyadh, Saudi Arabia, 13249.

2 BASIS OF PREPARATION

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

Accounting convention
These consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefit liabilities, which are measured at the present value of the liability using projected unit credit methodology.

Functional and presentation currency
These consolidated financial statements are presented in Saudi Arabian Riyals ("SR"), which is also the Company's functional currency.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries set out in note 1 above and are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. 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. Specifically, the Group controls an investee if, and only if, the Group has:

a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
b) Exposure, or rights, to variable returns from its involvement with the investee; and
c) 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:

a) The contractual arrangement(s) with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) 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 OCI are attributed to the equity holders of the parent 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 in line with the Group's accounting policies.

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The following is the summary of material accounting policies applied by the Group in preparing its consolidated financial statements:

Current versus non-current classification

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

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

Revenue from contract with customers
The Group provides aggregator services related to motor & health insurance and online auto auction. Furthermore, the group provides an online leasing platform to banks (Treza leasing), and also involved in developing insurance analytics software R Solutions that allows it's customers to perform insurance analytics. Revenue from contracts with customers is recognized 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 has generally concluded that it is the principal in its leasing and R solutions revenue arrangements, because it typically controls the goods or services before transferring them to the customer, except for revenue arrangements related to auto auction (Awal Mazad) and for which the Group concluded it acts as an agent in such arrangements.

For Tameeni, the Group has obtained the insurance E-brokerage license on 1 May 2023 from the Saudi Central Bank (SAMA) and started selling insurance policies from 10 July 2023 directly to the customers, acting as an insurance aggregator. Previously the contracts to act as an insurance aggregator were between insurance companies and Insurance House Company (related party to the Group) which were transferred to the Group after obtaining its insurance E-brokerage license. As such, following the change the Group is acting as agent in the Tameeni revenue streams.

The Group uses the five-step model of revenue recognition as described in IFRS 15 Revenue from Contracts with Customers. In particular, the Group has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:
At the inception of each contract entered into with a customer, the Group identifies the various goods promised in the contract and assesses whether the same are 'distinct' and, hence, are separate performance obligations. Goods promised to be transferred to the customer are deemed to be distinct when the customer can benefit from the goods either on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the goods to the customer is separately identifiable from other promises in the contract.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contract with customers (continued)

Allocation of the transaction price:
The Group determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimated).

Recognition of revenue allocated to each performance obligation:
The Group recognizes its sale at the time of issuing the invoice.

Variable consideration
If the consideration promised in a contract includes a variable amount, the Group will adjust at the year end the amount of consideration to which the Group is entitled in exchange for transferring the promised services to a customer.

Other income
Other income is recognized in the consolidated statement of comprehensive income as and when earned.

Zakat and tax

Zakat
The Company and local subsidiary is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accrual basis and charged to the consolidated statement of profit or loss. The zakat charge is computed on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved.

Income tax
Non-Saudi based owners of the Group in KSA are subject to corporate income tax in KSA based on their share of the results, which is included as a current period expense in the statement of profit or loss and other comprehensive income. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant tax authorities. The tax rates and tax laws used to compute the amount of corporate income taxes due are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the Company's tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax is recognized in the statement of profit or loss and other comprehensive income. Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax assets which are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date.

Value added tax
Revenues, expenses and assets are recognized net of the amount of value added tax ("VAT"), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies
The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rate during the period. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

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 operation and translated at the spot rate of exchange at the reporting date.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of comprehensive income during the reporting period in which they are incurred.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follow:

	Useful life (in years)
Computers	4
Equipment	5
Furniture and Fixtures	6
Vehicles	5
Servers and network	5

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property and equipment (continued)

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, as necessary.

Carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The excess of carrying value over the estimated recoverable amount is charged to the consolidated statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between net sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Capital work in progress is stated at cost less impairment loss, if any and consists of expenditures incurred and advances made in the course of installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Intangible assets
Intangible assets are stated at cost less accumulated amortization and write off. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is charged to the profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of the intangible asset is the purchase price together with any incidental expenses of acquisition and staff cost incurred on development of internally generated intangibles. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of intangible assets and the benefits can be measured reliably. All other expenditure is recognized in the consolidated statement of comprehensive income as an expense is incurred.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of comprehensive income.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

Research and development costs (continued)

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization, accumulated impairment losses and write-off. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales and general and administrative expenses. During the period of development, the asset is tested for impairment annually.

The useful life of the intangible assets is 5 years. The amortization charge for the year is calculated on a straight-line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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 recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

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

- Building 2 to 5 years

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.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes 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 recognized 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

ii) Lease liabilities (continued)

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's lease liabilities are disclosed in consolidated statement of financial position.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognized as expense on a straight-line basis over the lease term.

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
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized 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 flow that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

The Group'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 amortized cost are held within a business model with an 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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

i) Financial assets (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and amounts due from related parties.

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

The Group does not have any financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (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 recognized 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.

The Group does not have any such financial assets in current year and prior years.

Financial assets at fair value through profit or loss
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 profit or loss.

The Group does not have any such financial assets in current year and prior years.

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

- The rights to receive cash flows from the asset have expired; or
- The Group 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; or 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 recognize the transferred asset to the extent of its continuing involvement. In that case,

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

i) Financial assets (continued)

The Group also recognizes 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.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables and bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables.

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

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade payables, accruals, amounts due to related parties and lease liabilities.

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

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. Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

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.

Financial liabilities at amortized cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortisation process.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

ii) Financial liabilities (continued)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

The Group has no loans and borrowings in the current and comparative financial year.

Derecognition
A financial liability is derecognized 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 recognized in the consolidated statement of profit or loss.

iii) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared at Group level, which is considered as a CGU. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Bank balances and cash

Bank balances and cash in the statement of financial position comprise cash at banks and cash in hand.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Restricted cash
The restricted cash comprises the proceeds of gross insurance premiums from the customers. These funds are held in an escrow bank account managed by a payment gateway provider. These are presented separately from bank balances and cash as the Group has contractual agreement with the insurance companies to keep the proceeds from gross premium in separate bank accounts.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employees' defined benefit liabilities
The Group primarily has end of service benefits which qualify employees' defined benefit obligation ("DBO").

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected in retained earnings as other reserves and will not be reclassified to consolidated statement of comprehensive income 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 Group presents the first two components of defined benefit costs in profit or loss in relevant line items and the last component in other comprehensive income.

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

Earnings per share (EPS)
Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment), which is subject to risks and rewards that are different from those of other segments.

Dividend
The Company recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 or in the revision period and future periods if the changed estimates affect both current and future periods.

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

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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. Furthermore, 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 the going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

Provision for expected credit losses of trade receivables
The Group uses minimal PD's and LGD's to calculate ECLs for trade receivables. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the provision for ECLs on the Group's trade receivables is disclosed in note 7.

Provision for expected credit losses of bank balances
Provision for expected credit losses for the bank balance is based on the international credit rating of the counterparty.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

Useful lives and residual values of property and equipment and intangible assets
The Group's management determines the estimated useful lives and residual values of its property and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually, and the depreciation and amortisation method to make sure that the depreciation method and period are consistent with the expected pattern of the assets' economic benefits. Residual value is determined based on experience and observable data where available.

Defined benefit plans (employees' end of service benefits)
The cost of defined benefit plans and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and, mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand and supply in the employment market.

The mortality rate is based on publicly available local mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employees' end of service benefits are provided in note 14.

Development costs of intangible assets
The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue Recognition – Principal vs. Agent
Revenue from contracts with customers is recognised 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 has assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent and has concluded that it is the principal in its revenue arrangements because it is the primary obligator in all revenue arrangements, has pricing latitude, typically controls the goods or services before transferring them to the customer and is exposed to credit risks. The Group has generally concluded that it is the principal in its leasing and R solutions revenue arrangements, because it typically controls the goods or services before transferring them to the customer, except for revenue arrangements related to auto auction (Awal Mazad) and for which the Group concluded it acts as an agent in such arrangements.

For Tameeni, the Group has obtained the insurance E-brokerage license on 1 May 2023 from the Saudi Central Bank (SAMA) and started selling insurance policies from 10 July 2023 directly to the customers, acting as an insurance aggregator. Previously the contracts to act as an insurance aggregator were between insurance companies and Insurance House Company (related party to the Company) which were transferred to the Group after obtaining its insurance E-brokerage license. As such, following the change the Group is acting as agent in the Tameeni revenue streams.

4 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS (continued)

Judgement in accounting for IPO costs
The Company has estimated total IPO cost amounting to SR 36.6 million out of which an amount of SR 8.4 million will be related to a primary offering (listing new shares).

The SR 8.4 million has been split between the share issuance and listing costs, the share issuance will be charged to equity upon listings. As at 31 December 2023, Company estimated SR 5.5 million (note 7) as share issuance cost and SR 2.9 million as listing expense. Therefore, SR 2.9 million has been recorded in the profit and loss account and SR 5.5 million has been recorded as deferred IPO cost, this will be charged to equity upon issuance of shares.

The remaining SR 28.2 million (note 8) relates to secondary offering (sale of existing share by shareholders) and will be borne by shareholders.

5 BANK BALANCES AND CASH

	2023 SR	*2022 SR*
Bank balances	**116,459,912**	77,367,680
Cash in hand	**30,522**	29,662
	116,490,434	77,397,342

6 RESTRICTED CASH

The restricted cash comprises the proceeds of gross insurance premiums received from the customers. These funds are held in an escrow bank account managed by a payment gateway provider. The funds are utilized to settle payments to insurance companies after deducting the Group's brokerage commission and recoverable costs. Recoverable costs refer to expenses incurred in facilitating customer transactions, which are later recuperated from the insurance companies.

7 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	2023 SR	*2022 SR*
Trade receivables	**19,830,301**	8,004,997
Less: provision for expected credit losses	**(2,176,919)**	(8,881)
	17,653,382	7,996,116
Prepayments	**6,037,760**	5,301,876
Deferred IPO listing cost (note 4)	**5,491,250**	-
VAT receivable - net	**5,413,954**	-
Bank guarantee	**1,500,000**	100,000
Advances to suppliers	**601,593**	942,430
Security deposits	**224,157**	270,457
Others	**255,091**	443,591
	37,177,187	15,054,470

It is not the practice of the Group to obtain collateral over receivables and the vast majorities are unsecured.

7 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (continued)

As at 31 December, movement in the provision for expected credit losses is as follows:

	2023 SR	*2022 SR*
At the beginning of the year	**8,881**	2,194
Provided during the year	**2,168,038**	6,687
At the end of the year	**2,176,919**	8,881

As at 31 December, the ageing analysis of accounts receivable is as follows:

31 December 2023	***Total SR***	***Current SR***	***1–30 days SR***	***31–60 days SR***	***61–90 days SR***	***> 91 days SR***
Expected credit losses rate	**11%**	**-**	**-**	**-**	**-**	**84%**
Gross carrying amount	**19,830,301**	**5,879,378**	**3,264,123**	**4,975,262**	**3,113,003**	**2,598,535**
Expected credit losses	**2,176,919**	**-**	**-**	**-**	**-**	**2,176,919**

31 December 2022	*Total SR*	*Current SR*	*1–30 days SR*	*31–60 days SR*	*61–90 days SR*	*> 91 days SR*
Expected credit losses rate	0.11%	-	0.03%	-	0.03%	0.34%
Gross carrying amount	8,004,997	2,684,880	785,819	-	2,191,945	2,342,353
Expected credit losses	8,881	-	236	-	658	7,987

8 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders (note 15), directors, and key management personnel of the Group and entities controlled or significantly influenced by such parties.

Following is the list of related parties of the Group:

Name of related parties	*Nature of relationship*
Suliman Abdullah Suliman Alfallaj	Saudi shareholder
Samer Mohamad Reslan	Non-Saudi Shareholder
Muaiyad Abdullah Suliman Alfallaj	Saudi shareholder
Insurance House Company (“IHC”)	Related party to shareholders
Abuhimed Alsheikh Alhagbani Law Firm (“AS&H”)	Related party to shareholders
Thiqah Business Services (“Watheq”)	Related party to shareholders
Arabian Company for Traveller Services	Related party to shareholders

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Related party transactions during the year are as follows:

Related party	*Nature of transaction*	*Amount of transaction* **2023 SR**	*2022 SR*
Insurance House Company (IHC)	Revenue	**145,363,384**	159,617,415
	Collection against the revenue	**91,645,937**	107,799,748
	Expenses paid by IHC on behalf of the Group	**2,198,033**	39,263,393
	Write off of amount due from IHC	**8,461,961**	-
	Refunds	**300,000**	1,832,146
	Loan settlement	**-**	26,378,307
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Legal expenses incurred by the Parent Company	**1,036,106**	991,190
Thiqah Business Services (Watheq)	Data validation cost incurred by the Parent Company	**4,603,821**	2,661,951
Arabian Company for Traveller Services	Travel expenses incurred by the Parent Company	**785,715**	899,631
Shareholders	IPO Recoverable cost (note 4)	**28,247,545**	-
Samer Mohamad Reslan	Income tax receivable (note 13.4)	**1,771,996**	-

(b) Amounts due from related parties:

	2023 SR	*2022 SR*
Insurance House Company	**36,775,845**	-
Shareholders (note 4)	**28,247,545**	-
Income tax receivable from a non-Saudi shareholder (note 13.4)	**1,771,996**	-
	66,795,386	-

(c) Amounts due to related parties:

	2023 SR	*2022 SR*
Insurance House Company	**-**	5,981,608
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	**377,783**	841,677
Thiqah Business Services (Watheq)	**2,202,294**	381,832
	2,580,077	7,205,117

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(d) Compensation of key management personnel:

	2023 SR	*2022 SR*
Short term benefits	**5,291,520**	4,407,014
End of service benefits	**370,406**	275,102
	5,661,926	4,682,116

Pricing policies and terms of payments of transactions with related parties are approved by the management.

9 PROPERTY AND EQUIPMENT

	Computers *SR*	*Equipment* *SR*	*Furniture and fixture* *SR*	*Vehicles* *SR*	*Servers and network* *SR*	*Work in progress* *SR*	*Total 2023* *SR*
Cost:							
At 1 January 2023	**2,115,186**	**441,303**	**3,211,906**	**154,179**	**5,687,994**	**514,453**	**12,125,021**
Additions during the year	**1,098,903**	**331,326**	**2,714,028**	**-**	**6,022,256**	**1,080,714**	**11,247,227**
Exchange rate difference	**(193,979)**	**(12,348)**	**(46,949)**	**(234)**	**(1,788)**	**-**	**(255,298)**
At 31 December 2023	**3,020,110**	**760,281**	**5,878,985**	**153,945**	**11,708,462**	**1,595,167**	**23,116,950**
Depreciation:							
At 1 January 2023	**875,992**	**140,952**	**634,242**	**51,326**	**1,900,043**	**-**	**3,602,555**
Charge for the year	**553,462**	**136,088**	**772,434**	**30,784**	**1,402,328**	**-**	**2,895,096**
Exchange rate difference	**(84,591)**	**(7,425)**	**(24,398)**	**(6)**	**(317)**	**-**	**(116,737)**
At 31 December 2023	**1,344,863**	**269,615**	**1,382,278**	**82,104**	**3,302,054**	**-**	**6,380,914**
Net carrying amount:							
At 31 December 2023	**1,675,247**	**490,666**	**4,496,707**	**71,841**	**8,406,408**	**1,595,167**	**16,736,036**

Work in progress relates to the network and servers upgrading to support the back-office system, this is expected to be completed in quarter 3 of 2024.

9 PROPERTY AND EQUIPMENT (continued)

	Computers SR	*Equipment SR*	*Furniture and fixture SR*	*Vehicles SR*	*Servers and network SR*	*Work in progress SR*	*Total 2022 SR*
Cost:							
At 1 January 2022	1,196,617	165,006	696,871	154,179	2,605,431	2,010,442	6,828,546
Additions during the year	918,569	276,297	504,593	-	3,082,563	514,453	5,296,475
Transfer	-	-	2,010,442	-	-	(2,010,442)	-
At 31 December 2022	2,115,186	441,303	3,211,906	154,179	5,687,994	514,453	12,125,021
Depreciation:							
At 1 January 2022	535,636	84,265	232,831	20,557	1,327,647	-	2,200,936
Charge for the year	340,356	56,687	401,411	30,769	572,396	-	1,401,619
At 31 December 2022	875,992	140,952	634,242	51,326	1,900,043	-	3,602,555
Net carrying amount:							
At 31 December 2022	1,239,194	300,351	2,577,664	102,853	3,787,951	514,453	8,522,466

The depreciation charge for the year was allocated as follows:

	2023 SR	*2022 SR*
Cost of revenue (note 19)	**170,388**	-
General and administrative expenses (note 20)	**2,724,708**	1,401,619
	2,895,096	1,401,619

10 INTANGIBLE ASSETS

	Tameeni SR	*Awal Mazad SR*	*Treza IHC lease SR*	*Treza direct lease SR*	*IT license & software SR*	*R Solutions SR*	*Warshati SR*	*Medical Malpractice SR*	*Work in progress SR*	*Total 2023 SR*
Cost:										
At 1 January 2023	**29,743,552**	**4,489,360**	**2,580,703**	**2,474,616**	**341,638**	**-**	**-**	**-**	**8,189,628**	**47,819,497**
Transfer	-	-	-	-	-	**270,981**	**3,570,430**	**899,563**	**(4,740,974)**	-
Write off	-	-	-	-	-	-	-	-	**(235,403)**	**(235,403)**
Additions during the year	**7,586,004**	**1,528,830**	**1,360,553**	**1,028,161**	**32,058**	**1,083,125**	**567,673**	**834,942**	**5,812,604**	**19,833,950**
At 31 December 2023	**37,329,556**	**6,018,190**	**3,941,256**	**3,502,777**	**373,696**	**1,354,106**	**4,138,103**	**1,734,505**	**9,025,855**	**67,418,044**
Amortization:										
At 1 January 2023	**15,672,465**	**1,864,820**	**664,261**	**680,476**	**13,854**	**-**	**-**	**-**	**-**	**18,895,876**
Charge for the year	**5,435,070**	**1,057,314**	**655,361**	**595,654**	**72,602**	**128,342**	**469**	**1,148**	**-**	**7,945,960**
At 31 December 2023	**21,107,535**	**2,922,134**	**1,319,622**	**1,276,130**	**86,456**	**128,342**	**469**	**1,148**	**-**	**26,841,836**
Net carrying amount:										
At 31 December 2023	**16,222,021**	**3,096,056**	**2,621,634**	**2,226,647**	**287,240**	**1,225,764**	**4,137,634**	**1,733,357**	**9,025,855**	**40,576,208**

10 INTANGIBLE ASSETS (continued)

	Tameeni SR	*Awal Mazad SR*	*Treza IHC lease SR*	*Treza direct lease SR*	*IT license & software SR*	*Work in progress SR*	*Total 2022 SR*
***Cost*:**							
At 1 January 2022	21,224,581	3,515,819	1,818,541	1,874,166	-	3,124,558	31,557,665
Additions during the year	8,518,971	973,541	762,162	600,450	341,638	5,065,070	16,261,832
At 31 December 2022	29,743,552	4,489,360	2,580,703	2,474,616	341,638	8,189,628	47,819,497
Amortization:							
At 1 January 2022	10,624,026	1,080,592	239,840	252,364	-	-	12,196,822
Charge for the year	5,048,439	784,228	424,421	428,112	13,854	-	6,699,054
At 31 December 2022	15,672,465	1,864,820	664,261	680,476	13,854	-	18,895,876
Net carrying amount:							
At 31 December 2022	14,071,087	2,624,540	1,916,442	1,794,140	327,784	8,189,628	28,923,621

The amortization charge for the year was allocated as follows:

	2023 SR	*2022 SR*
Cost of revenue (note 19)	**7,873,358**	6,699,054
General and administrative expenses (note 20)	**72,602**	-
	7,945,960	6,699,054

10 INTANGIBLE ASSETS (continued)

Following is the description of the major intangible assets:

- **Tameeni Motors** - Tameeni is the online insurance aggregator in the Kingdom of Saudi Arabia. Tameeni has made it easier and quicker for customers compare quotations and to buy motor insurance anytime and anywhere. Tameeni is integrated with more than 20 insurance companies.

- **Tameeni SME Health –** Similar to Motors, Tameeni Health is also the online insurance aggregator in the Kingdom of Saudi Arabia, supported by Monsha'at (Small and Medium Enterprises General Authority). Tameeni SME Health platform provides small and medium enterprises with a wider choice and fully automated experience making their life easier in buying health insurance needs for their employees. Tameeni SME Health is integrated with more than 11 insurance companies. Platform also provides easy and simple experience to add or cancel members or even to cancel a policy. The platform offers immediate and systematic upload to Cooperative Health Insurance Council “CCHI”

- **Awal Mazad** - Awal Mazad is the online auto auction platform connecting banks and insurance companies with buyers. Empowered with experienced team and innovative technology, it provides one stop solution for individuals and car traders to buy vehicles from multiple sources such as banks and insurance companies.

- **Treza -** Treza is an online leasing insurance platform, that allows lessors to ensure their leased vehicles by providing them with instant quotes from all Insurance Companies. Treza currently helping 16+ banks/financial institutions in KSA to get quotations and issue policies in a seamless process. Through Treza, every lessor has their own customized Treza platform to fulfil their business needs. The seamless connection that Treza provides with the Insurance Companies eliminates any delay or hassle created by using traditional means for purchasing leasing insurance. Treza also offers auto renew the issued policies as per the defined tenure.

- **R solutions –** The R solutions is designed for data analytics, portfolio performance monitoring and predictive modelling insurance software.

- **Warshati –** Warshati (also known as “my workshop”), it is a concept where customers will be able to generate multiple repair quotations from various registered workshops online. Customers will be able to compare and chose the right option for them through the platform.

- **Medical Malpractice –** This product supports medical malpractice insurance. Medical Malpractice insurance is mandatory for all healthcare professionals practicing in the Kingdom Saudi Arabia. Proof of coverage must be presented upon registration with the Ministry of Health (MOH). This insurance can be obtained through Medical Malpractice in two ways: either on a Group basis, wherein a healthcare facility procures a policy covering all employed practitioners; or on an Individual basis, wherein practitioners secure their own coverage when their employer does not offer this service.

Below are some of the major software which are under development as at 31 December 2023 and presented under work in progress:

- **Auto Loan –** It is a new online solution, which will enable customers, showroom sales agents, and bank sales agents to submit auto leasing requests and receive the final approval for loan disbursal digitally, reduce the allocated time and resources, and provide a full-fledged system that can integrate with the existing banking system to submit requests and receive loan approvals. Also, customers will be able to buy cars online without physical presence.

- **Corporate Health Insurance –** The corporate health insurance platform is being developed to streamline corporate health insurance administration processes. It aims to simplify tasks such as requesting quotations, creating contracts, signing agreements, reviewing quotations, and managing policies. This platform will facilitate efficient collaboration among users, brokers, and insurance providers, ultimately enhancing overall workflow efficiency.

10 INTANGIBLE ASSETS (continued)

- **Travel -** Travel insurance is an insurance product for covering unforeseen losses incurred while travelling, either internationally or domestically. Once developed the cloud aggregator platform will provide a comprehensive solution for travel insurance, seamlessly connecting insurers and offering a streamlined process from accepting customer input to policy issuance.
- **VAS -** VAS (Value Added Services) is marketplace administration system that defines a set products and services from different suppliers, and give any connected platform (such as Tameeni, Warshati, Awal Mazad etc.) the ability to sell these products and services as add-ons to their main offers. VAS will have all market administration features, including the ability to define products along with their primary information and set different prices for them. It will also be able to control the quantity of these products' inventories as well as their master data, which includes attributes, clients, and suppliers, and create various sales offer packages. VAS will handle all sales transactions from ordering and reserving goods through tracking the delivery to the consumers.
- **Claim -** Claims Solution/Platform is being designed for the benefit of the insurance companies, customers, and the workshops to improve the overall claim process experience. The platform will offer an automated efficient way to manage Motor claims throughout the life cycle.
- **Domestic Worker Insurance –** Domestic worker insurance platform once developed will provide worker insurance quotation comparison for the sponsoring employers.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

The Group has lease contracts for offices. The Group's obligations under its leases are unsecured.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	2023 SR	*2022 SR*
At the beginning of the year	**3,776,155**	4,094,537
Additions	**3,507,066**	992,706
Derecognition	**(18,648)**	-
Depreciation (note 20)	**(2,260,581)**	(1,311,088)
Exchange rate difference	**(158,883)**	-
At the end of the year	**4,845,109**	3,776,155

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 SR	*2022 SR*
At the beginning of the year	**3,308,023**	4,063,134
Accretion of interest	**273,559**	216,428
Additions	**3,507,066**	992,706
Derecognition	**(13,117)**	-
Payments	**(3,178,169)**	(1,964,245)
Exchange rate difference	**383**	-
At the end of the year	**3,897,745**	3,308,023
Current	**1,539,486**	1,032,552
Non-current	**2,358,259**	2,275,471
	3,897,745	3,308,023

11 RIGHT-OF-USE ASSETS AND LEASES LIABILITY (continued)

Below is the maturity analysis of discounted and undiscounted lease liabilities:

For the year ended 31 December 2023	***Total SR***	***Within 1 year SR***	***1-3 years SR***
Lease payments – Gross	**4,255,797**	**1,760,447**	**2,495,350**
Finance costs	**(358,052)**	**(220,961)**	**(137,091)**
Net present value	**3,897,745**	**1,539,486**	**2,358,259**

For the year ended 31 December 2022	*Total SR*	*Within 1 year SR*	*1-3 years SR*
Lease payments – Gross	3,662,682	1,143,254	2,519,428
Finance costs	(354,659)	(110,702)	(243,957)
Net present value	3,308,023	1,032,552	2,275,471

The following are the amounts recognized in consolidated statement of comprehensive income:

	2023 SR	*2022 SR*
Depreciation expense of right-of-use assets (note 20)	**2,260,581**	1,311,088
Finance costs on lease liabilities (note 22)	**273,559**	216,428
Loss on derecognition	**5,531**	-
Total amount recognized in the consolidated statement of comprehensive income	**2,539,671**	1,527,516

The Group had total cash outflows for leases of SR 3,178,169 in 2023 (2022: SR 1,964,245). The Group also had non-cash additions to right-of-use assets and lease liabilities of SR 3,507,066 in 2023 (2022: SR 992,706).

12 TRADE AND OTHER PAYABLES

	2023 SR	*2022 SR*
Trade payables	**67,439,258**	12,069,654
Accruals	**61,130,376**	25,463,051
Payables to insurance companies	**46,497,676**	-
Refundable deposits	**1,690,702**	1,583,000
Accrued salaries and benefits	**133,382**	168,927
VAT payable	-	2,247,812
Others	**299,689**	2,333
	177,191,083	41,534,777

Trade payables represent amounts payable to ELM, payment gateways and other suppliers, which are typically settled within 30 to 60 days and do not accrue interest.

13 ZAKAT AND INCOME TAX

13.1 Amounts recognized in statement of comprehensive income

	2023 *SR*	*2022* *SR*
Income before zakat and income tax	**51,245,042**	-
Income before zakat and income tax - attributable to Saudi shareholders @ 90.57%	**46,412,635**	-
Income before zakat and income tax - attributable to a non-Saudi shareholder @ 9.43% (note 13.4)	**4,832,407**	-

	2023 *SR*	*2022* *SR*
Zakat expense:		
Charge for the year	**3,770,720**	3,305,091
	3,770,720	3,305,091
Tax expense:		
Charge for the year (note 13.4)	**1,771,996**	-
Deferred tax benefit - Current year (note 13.3)	**(250,000)**	-
	1,521,996	-
Zakat and income tax expense	**5,292,716**	3,305,091

The principal elements of the zakat base attributable to Saudi shareholders are as follows:

	2023 *SR*	*2022* *SR*
Equity	**128,520,769**	75,932,052
Adjusted income chargeable to zakat- attributable to Saudi shareholders @ 90.57%	**80,699,198**	56,887,271
Provisions and other opening allowances	**(58,391,167)**	(615,683)
Zakat base	**150,828,800**	132,203,640
Zakat @ 2.5%	**3,770,720**	3,305,091

13.2 Zakat and current tax provision during the year

The movement in the zakat and tax provision for the year is as follows:

	Zakat payable *SR*	*Income tax payable* *SR*	*Total* *SR*
31 December 2023			
At 1 January	**3,323,091**	**-**	**3,323,091**
Charge for the year (13.1)	**3,770,720**	**1,771,996**	**5,542,716**
Payments during the year	**(3,305,316)**	**-**	**(3,305,316)**
Zakat adjustment	**(17,775)**	**-**	**(17,775)**
At 31 December	**3,770,720**	**1,771,996**	**5,542,716**

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
31 December 2023

13 ZAKAT AND INCOME TAX (continued)

13.2 Zakat and current tax provision during the year (continued)

	Zakat payable SR	*Income tax payable SR*	*Total SR*
31 December 2022			
At 1 January	1,492,462	-	1,492,462
Charge for the year	3,305,091	-	3,305,091
Payments during the year	(1,474,462)	-	(1,474,462)
At 31 December	3,323,091		3,323,091

13.3 Deferred tax

The movement in the deferred tax asset for the year as follows:

	2023 SR	*2022 SR*
At 1 January	**-**	-
Deferred tax asset originated during the year	**250,000**	-
At 31 December	**250,000**	-

Deferred tax relates to the following:

	Statement of financial position	
	2023 SR	*2022 SR*
Property and equipment	**142,904**	-
Provision for impairment of trade receivable	**41,054**	-
Employees' defined benefits liabilities	**56,030**	-
Re-measurements of employees' defined benefit liabilities	**10,012**	-
Deferred tax asset	**250,000**	-

	Statement of Comprehensive income	
	2023 SR	*2022 SR*
Property and equipment	**142,904**	-
Provision for impairment of trade receivable	**41,054**	-
Employees' defined benefits liabilities	**56,030**	-
Re-measurements of employees' defined benefit liabilities	**10,012**	-
Deferred tax credits during the year	**250,000**	-

13 ZAKAT AND INCOME TAX (continued)

13.4 Income tax reconciliation

Reconciliation of tax expense and the accounting income multiplied by Kingdom of Saudi Arabia's domestic tax rate for 2023 and 2022 is as follows.

	2023 ***SR***	*2022* *SR*
Income before zakat and income tax - attributable to a non-Saudi shareholder @ 9.43% (note 13.1, note 15)	**4,832,407**	-
Tax adjustments:		
Subsidiaries losses not deductable for tax purposes	**2,340,331**	-
Items not deductible for tax purposes	**1,687,244**	-
Adjusted income before zakat and income tax - attributable to a non-Saudi shareholder @ 9.43%	**8,859,982**	-
At the effective income tax rate of 20%	**1,771,996**	-

Status of assessments
The Group submit zakat return on standalone basis for the Company and its local subsidiaries separately. Below is the status of assessment of the Company and its subsidiaries.

Rasan Information Technology Company
The Company has submitted its zakat returns for all prior years up to 31 December 2022 to the Zakat, Tax and Custom Authority ("ZATCA"). Zakat assessments up to year ended 31 December 2021 is finalized by ZATCA.

The Company has filled a revised return for its zakat and income tax returns for the financial year ended 31 December 2022. Upon review, management found discrepancies related to the accrual of income tax liability, primarily stemming from changes in shareholding due to the issuance of new shares to Mr. Samer Mohammad Reslan, who holds 9.43% of shares (note 15) and is subject to income tax as a non-GCC national.

The initial submission overstated the zakat provision by SR 660,006 and understated the income tax liability by same amount due to this oversight. Subsequently, the revised return was filed to rectify these errors. Management has concluded that this reclassification only results in the change of zakat note presentation, the overall charge has not changed, hence the prior year note has not been reclassified. Additionally, the revision revealed an unrecognized deferred tax asset of SR 125,324 as of 31 December 2022. Management has also concluded that the prior year unrecognized deferred tax asset is not material.

Rasan Software House LLC
The company is not subject to income tax in United Arab Emirates.

Awal Mozawadah LLC
The company has submitted its Zakat return for all prior years up to 31 December 2021 to ZATCA. Zakat assessment for all years is yet to be reviewed by ZATCA.

Rasan Egypt
The company has submitted its Zakat returns for all prior years up to 31 December 2021 to Egyptian Tax Authority. Tax assessment is yet to be reviewed by Egyptian Tax Authority.

Tamini Electronic Insurance Brokerage Company
The company is yet to submit its first zakat return.

Treza LLC
The company was registered in March 2023 and as at the year ended 31 December 2023 has not filed Zakat return to ZATCA.

14 EMPLOYEES' DEFINED BENEFIT LIABILITIES

A) Net benefit expense recognized in the consolidated statement of comprehensive income:

	2023 SR	*2022 SR*
Current service cost	**2,224,757**	1,325,940
Re-measurements of employees' defined benefit liabilities	**1,702,394**	-
	3,927,151	1,325,940

B) Changes in the present value of the defined benefit obligation:

	2023 SR	*2022 SR*
At the beginning of the year	**3,832,205**	2,702,722
Current service cost	**2,224,757**	1,325,940
Re-measurements of employees' defined benefit liabilities	**1,702,394**	-
Benefits paid	**(776,944)**	(196,457)
At the end of the year	**6,982,412**	3,832,205

C) Allocation of current service cost

	2023 SR	*2022 SR*
Cost of sales	**290,275**	-
General and administrative expense (note 20)c	**1,934,482**	1,325,940
At the end of the year	**2,224,757**	1,325,940

D) Significant assumptions

	2023 %	*2022 %*
Discount rate	**5.00**	3.15
Future salary increases	**5.00**	5.00
Death in service	**100% WHO (2019)**	100% SLIC (2016)
Withdrawal before normal retirement life	**Age based**	Age based

A quantitative sensitivity analysis for salary change assumption on the defined benefit obligation as at 31 December:

31 December 2023		***Impact on employees' end-of-service benefits***	
Sensitivity level	***Change in assumption***	***Increase in assumption***	***Decrease in assumption***
Discount rate	**1%**	**(1,097,192)**	**1,372,269**
Future salary increases	**1%**	**1,381,885**	**(1,122,166)**

14 EMPLOYEES' DEFINED BENEFIT LIABILITIES (continued)

D) Significant assumptions (continued)

31 December 2022		*Impact on employees' end-of-service benefits*	
Sensitivity level	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
Discount rate	1%	(522,727)	683,228
Future salary increases	1%	677,413	(529,346)

15 SHARE CAPITAL

Share capital is divided into 70,500,000 shares of SR 1 each (31 December 2022: 2,550,000 shares of SR 10 each). The Board of Directors in their meeting held on 18 Dhu Al-Hijjah 1444H (corresponding to 6 July 2023) proposed to the shareholders of the Company to increase the share capital of the Company from SR 25.5 million to SR 70.5 million through transfer from statutory reserve and retained earnings as at 31 December 2022. The increase in capital was approved by the shareholders in their assembly held on 21 Dhu Al-Hijjah 1444H (corresponding to 9 July 2023). This also resulted in a change in the nominal value of shares. The related legal formalities were completed on 31 July 2023.

The shareholders of the Company as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023		*31 December 2022*	
	Number of shares	***Ownership %***	*Number of shares*	*Ownership %*
Impact funds for financial Technology company	**13,148,250**	**18.65%**	475,602	18.65%
Theeb Bin Hdaiban Bin Ghalab Al Mutairi	**9,975,750**	**14.15%**	360,849	14.15%
Muhaidib Ali Mohammed Almuhaidib	**8,643,300**	**12.26%**	312,736	12.26%
Samer Mohamad Reslan (note 13.4)	**6,648,150**	**9.43%**	240,566	9.43%
Mohammed Muhaideb Ali Almuhaideb	**4,653,000**	**6.60%**	168,396	6.60%
Assets custody development impact company for communications and IT	**4,519,050**	**6.41%**	163,438	6.41%
Fahad Ahmad Mohammed Abu Hemaid	**3,454,500**	**4.91%**	125,094	4.91%
Majed Abdullah Mohammed Al Bawari	**3,405,150**	**4.83%**	123,074	4.83%
Muaiyad Abdullah Suliman Alfallaj	**3,405,150**	**4.83%**	123,073	4.83%
Abdulrahman Abdullah Abdulrahman Ayban	**3,405,150**	**4.83%**	123,073	4.83%
Sami Muhaidib Ali Al Muhaidib	**3,327,600**	**4.72%**	120,283	4.72%
Ayman Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
Suliman Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
Thamer Abdullah Suliman Alfallaj	**1,572,150**	**2.23%**	56,774	2.23%
AbdulElah Mohammed Maneea Alghofaili	**1,198,500**	**1.71%**	43,494	1.71%
	70,500,000	**100%**	2,550,000	100%

16 STATUTORY RESERVE

In accordance with the bye-laws, the Company has transferred 10% of the profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution.

17 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2023 SR	*2022 SR*
Net income for the year	**45,952,326**	34,409,436
Weighted average number of shares for basic and diluted EPS	**70,500,000**	70,500,000
Earnings per share (basic and diluted)	**0.65**	0.49

18 REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue
Below is the disaggregation of revenue by product:

	2023 SR	*2022 SR*
Tameeni	**198,832,930**	127,645,724
Treza Leasing	**53,241,665**	32,789,233
Awal Mazad	**3,534,560**	2,056,131
R Solutions	**625,000**	-
Total revenue	**256,234,155**	162,491,088

Tameeni gross revenue before discounts amounts to SR 203,041,568 (2022: SR 132,173,496).

Timing of revenue recognition
All revenue is recognized at a point in time I

Performance obligations
The performance obligation is satisfied upon providing services to the customers.

19 COST OF REVENUE

	2023 SR	*2022 SR*
Data validation and other direct cost	**55,010,131**	41,423,644
Payment gateways and bank charges	**26,737,356**	6,153,007
Employees' salaries and other benefits	**14,688,184**	4,185,525
Amortization of intangible assets (note 10)	**7,873,358**	6,699,054
Communication expenses	**3,358,345**	2,134,522
Depreciation of property and equipment (note 9)	**170,388**	-
	107,837,762	60,595,752

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 *SR*	*2022* *SR*
Employees' salaries and other benefits	**44,997,873**	28,092,678
Write-off of amount due from a related party	**8,461,961**	-
IT Licenses, subscriptions and maintenance	**7,176,728**	3,558,017
Professional and legal fees	**4,539,322**	8,087,575
Depreciation of property and equipment (note 9)	**2,724,708**	1,401,619
Depreciation of right of use assets (note 11)	**2,260,581**	1,311,088
Provision for expected credit losses (note 7)	**2,168,038**	6,687
Employees' defined benefit liabilities (note 14)	**1,934,482**	1,325,940
Utilities and communication	**882,370**	658,544
Withholding tax	**729,870**	46,524
Rental charges	**346,689**	298,723
Write-off of intangible assets related to discontinued project (note 10)	**235,403**	-
Amortization of intangible assets (note 10)	**72,602**	-
Other	**3,105,890**	3,140,596
	79,636,517	47,927,991

21 MARKETING EXPENSES

	2023 *SR*	*2022* *SR*
Football sponsorships	**8,986,438**	6,041,460
Advertising on social media	**7,620,537**	2,762,780
Other marketing campaigns	**1,620,746**	2,723,272
Sales incentives	**-**	671,286
	18,227,721	12,198,798

22 FINANCE COSTS

	2023 *SR*	*2022* *SR*
Finance costs on lease liabilities (note 11)	**273,559**	216,428
Other costs	**48,125**	27,624
Finance costs on loan from a related party (unwinding impact)	**-**	1,351,445
	321,684	1,595,497

23 OTHER INCOME /(EXPENSES), NET

	2023 *SR*	*2022* *SR*
Interest on call deposit	**518,379**	-
Governmental incentives	**504,000**	-
Unwinding of the remaining day one gain on fair valuation of loan payable to a related party	**-**	(2,532,634)
Other	**12,192**	74,111
	1,034,571	(2,458,523)

24 CONTINGENCIES AND COMMITMENTS

As at 31 December 2023, the Group has a letter of guarantee amounting to SR 1,500,000 (31 December 2022: SR 100,000). There are no other contingencies and commitments reported as at the date of consolidated statement of financial position except as reported above.

25 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise trade payables, accruals, amounts due to related parties and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, bank balance and due from related parties that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) 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: currency risk, price risk and Interest rate risk.

i) Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Group did not undertake significant transactions in currencies other than Saudi Riyals therefore the Group's exposure to currency risk is nil.

ii) Price risk
Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Group is not exposed to the price risk because Group is not engaged in any commodity market nor it has any investments in equity instruments.

iii) Interest rate risk
Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Group is not exposed to interest rate risk as there are no loans with floating interest rates.

b) Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) other current financial assets and related parties' balances) and from its financing activities, including deposits with banks.

Trade receivables
Customer credit risk is managed according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

25 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Trade receivables (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7. The Group does not hold collateral as security.

Credit risk from balances with banks and is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the senior management on an annual basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

As at 31 December 2023 and 31 December 2022, the credit risk exposure of Group trade receivables is as follows:

31 December 2023	***Total SR***	***Current SR***	***1–30 days SR***	***31–60 days SR***	***61–90 days SR***	***> 91 days SR***
Expected credit losses rate	**11%**	**0%**	**0%**	**0%**	**0%**	**84%**
Gross carrying amount	**19,830,301**	**5,879,378**	**3,264,123**	**4,975,262**	**3,113,003**	**2,598,535**
Expected credit losses	**2,176,919**	**-**	**-**	**-**	**-**	**2,176,919**

31 December 2022	*Total SR*	*Current SR*	*1–30 days SR*	*31–60 days SR*	*61–90 days SR*	*> 91 days SR*
Expected credit losses rate	0.11%	0%	0.03%	0%	0.03%	0.34%
Carrying amount	8,004,997	2,684,880	785,819	-	2,191,945	2,342,353
Expected credit losses	8,881	-	236	-	658	7,987

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will 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. The Group continuously monitors its risk of a shortage of funds.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from shareholders.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual discounted payments:

31 December 2023	***Total SR***	***Less than 1 month SR***	***1 – 3 months SR***	***3 – 6 months SR***	***6 months – 1 year SR***	***More than 1 year SR***
Trade and other payable	**177,191,083**	**177,191,083**	**-**	**-**	**-**	**-**
Due to related parties	**2,580,077**	**2,580,077**	**-**	**-**	**-**	**-**
Lease liability	**3,897,745**	**-**	**112,987**	**644,479**	**782,020**	**2,358,259**
	183,668,905	**179,771,160**	**112,987**	**644,479**	**782,020**	**2,358,259**

25 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

31 December 2022	*Total SR*	*Less than 1 month SR*	*1 – 3 months SR*	*3 – 6 months SR*	*6 months – 1 year SR*	*More than 1 year SR*
Trade and other payable	41,534,777	41,534,777	-	-	-	-
Due to related parties	7,205,117	7,205,117	-	-	-	-
Lease liability	3,308,023	-	264,847	251,429	516,276	2,275,471
	52,047,917	48,739,894	264,847	251,429	516,276	2,275,471

26 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 FINANCIAL ASSETS

	2023 SR	*2022 SR*
Financial assets at amortized cost:		
Trade receivables (note 7)	**17,653,382**	7,996,116
Restricted cash (note 6)	**34,317,325**	-
Due from related parties (note 8)	**65,023,390**	-
Other current financial assets	**1,724,157**	7,058,354
	118,718,254	15,054,470
Bank balances and cash (note 5)	**116,490,434**	77,397,342
Total financial assets	**235,208,688**	92,451,812

26.2 FINANCIAL LIABILITIES

	Effective Interest rate	*Maturity*	***2023 SR***	*2022 SR*
Current liabilities				
Trade and other payables (note 12)	Interest free	Less than 1 year	**177,191,083**	41,534,777
Lease liabilities (note 11)	6.50% -10.50%	Less than 1 year	**1,539,486**	1,032,552
Due to related parties (note 8)	Interest free	Less than 1 year	**2,580,077**	7,205,117
			181,310,646	49,772,446
Non-current liabilities				
Lease liabilities	6.50% -10.50%	1-3 years	**2,358,259**	2,275,471
			2,358,259	2,275,471

26.3 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2023 SR	***Cash flows SR***	***New lease SR***	***Others SR***	***31 December 2023 SR***
Lease liabilities	**3,308,023**	**(3,178,169)**	**3,507,066**	**260,825**	**3,897,745**
Total liabilities from financing activities	**3,308,023**	**(3,178,169)**	**3,507,066**	**260,825**	**3,897,745**

26 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

26.3 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	1 January 2022 SR	*Cash flows SR*	*New lease SR*	*Others SR*	*31 December 2022 SR*
Lease liabilities	4,063,134	(1,964,245)	992,706	216,428	3,308,023
Total liabilities from financing activities	4,063,134	(1,964,245)	992,706	216,428	3,308,023

27 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, statutory reserve, and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

The Group is not subject to any external imposed capital requirements and following are the elements of capital that are managed by the Group:

	2023 SR	*2022 SR*
Trade and other payables (note 12)	**177,191,083**	41,534,777
Due to related parties (note 8)	**2,580,077**	7,205,117
Zakat and income tax payable (note 13)	**5,542,716**	3,323,091
Lease liability (note 11)	**3,897,745**	3,308,023
Employees' defined benefits liabilities (note 14)	**6,982,412**	3,832,205
Less: Bank balances and cash (note 5)	**(116,490,434)**	(77,397,342)
Less: Restricted cash (note 6)	**(34,317,325)**	-
Net debt/(cash)	**45,386,274**	(18,194,129)
Equity	**120,993,652**	74,470,841
Capital and net debt/(cash)	**166,379,926**	56,276,712
Gearing ratio	**27.28%**	-32.33%

28 SEGMENT INFORMATION

An operating segment is a component of an entity:

a. that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c. for which discrete financial information is available.

28 SEGMENT INFORMATION (continued)

For management purposes, the Group is organised into the following primary operating segments:

	2023 SR	*2022 SR*
Tameeni – Motors	**160,611,036**	99,686,181
Tameeni – Health	**38,221,894**	27,959,543
Leasing	**53,241,665**	32,789,233
Awal Mazad	**3,534,560**	2,056,131
R Solutions	**625,000**	-
Total revenue from contracts with customers	**256,234,155**	162,491,088
Cost of revenues	**(107,837,762)**	(60,595,752)
Expenses	**(98,185,922)**	(61,722,286)
Other income /(expenses), net	**1,034,571**	(2,458,523)
Segment profit before zakat and income tax	**51,245,042**	37,714,527

At 31 December 2023	***Tameeni – Motors and Health SR***	***Leasing SR***	***Awal Mazad SR***	***R Solutions SR***	***Unallocated SR***	***Total SR***
Total assets	**128,488,949**	**10,769,599**	**3,216,346**	**1,484,514**	**173,228,277**	**317,187,685**
Total liabilities	-	-	-	-	**196,194,033**	**196,194,033**

At 31 December 2022	*Tameeni - Motors SR*	*Leasing SR*	*Awal Mazad SR*	*R Solutions SR*	*Unallocated SR*	*Total SR*
Total assets	35,063,185	10,953,884	2,732,065	-	84,924,920	133,674,054
Total liabilities	-	-	-	-	59,203,213	59,203,213

Details of the above segments are disclosed in note 10 to the consolidated financial statements.

The Group only operates in the Kingdom of Saudi Arabia where majority of operating assets are held. Therefore, no geographical segment information presented.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, accounts receivable, restricted cash, other current assets and amounts due from related parties.

Financial liabilities consist of trade and other payables, lease liabilities and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

During the year ended 31 December 2023 and 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Rasan Information Technology Company and its Subsidiaries
(A Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
31 December 2023

30 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments thereof, adopted by the Group
The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these consolidated financial statements.

Standard, interpretation, and amendments	***Description***	***Effective date***
Definition of Accounting Estimates - Amendments to IAS 8	The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.	Annual periods beginning on or after 1 January 2023.
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.	Annual periods beginning on or after 1 January 2023.

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

Standard, interpretation, and amendments	***Description***	***Effective date***
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment.	Deferred until accounting periods starting not earlier than 1 January 2024

30 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

Standards Issued but not yet effective (continued)

Standard, interpretation, and amendments	***Description***	***Effective date***
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures.	Available for optional adoption/effective date deferred indefinitely
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

31 EVENTS AFTER REPORTING PERIOD

The Capital Market Authority ("CMA") Board has issued its resolution dated 15 Ramadan 1445H (corresponding to 25 March 2024) approving Rasan Information Technology Company's application for the registration and the offering of (22,740,000) shares representing (30%) of the Company's share capital.

Other than above, no other events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which requires adjustment to, or disclosure, in these consolidated financial statements.

32 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by Board of Directors on 21 April 2024 (corresponding to 12 Shawwal 1445H.

Kingdom of Saudi Arabia

First Floor, Al-Jadah Square 3413
Al-Thumama Road, Qurtubah, Riyadh 13248

+966 11 4826290

rasan.co