

FORUS DEBT-CROWDFUNDING COMPANY
(CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
31 DECEMBER 2022

Forus Debt-Crowdfunding Company

(Closed Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 December 2022

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FORUS DEBT-CROWDFUNDING COMPANY (CLOSED JOINT STOCK COMPANY)

Opinion

We have audited the financial statements of Forus Debt-Crowdfunding Company, a closed joint stock company, (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the 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.

Other Matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unqualified opinion on those statements on 4 Duh Al-Qi'dah 1444H (corresponding to 24 May 2023).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are 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 financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF FORUS DEBT CROWDFUNDING COMPANY
(CLOSED JOINT STOCK COMPANY) (continued)**

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF FORUS DEBT CROWDFUNDING COMPANY
(CLOSED JOINT STOCK COMPANY) (continued)**

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

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

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



Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)



AlKhubar: 8 Ramadan 1445H
18 March 2024

Forus Debt-Crowdfunding Company
(Closed Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Note</i>	2022 SR	2021 SR
Revenue	7	7,479,807	2,705,725
Direct cost	10	(303,571)	(67,441)
OPERATING REVENUE		7,176,236	2,638,284
EXPENSES			
Salaries and employees' related expenses		(5,375,856)	(2,816,236)
General and administration expenses	8	(6,970,954)	(3,823,461)
Marketing and selling expenses		(694,410)	(770,946)
Expected credit loss		(741,717)	-
TOTAL EXPENSES		(13,782,937)	(7,410,643)
Other Income		194,670	2,416
Finance cost		(32,576)	(30,325)
LOSS BEFORE INCOME TAX		(6,444,607)	(4,800,268)
Zakat	16	(115,647)	-
NET LOSS FOR THE YEAR		(6,560,254)	(4,800,268)
OTHER COMPREHENSIVE LOSS			
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement losses on employees' terminal benefits	18	8,715	(30,242)
TOTAL COMPREHENSIVE LOSS		(6,551,539)	(4,830,510)

The attached notes 1 to 24 form part of these financial statements.

Forus Debt-Crowdfunding Company
(Closed Joint Stock Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Note</i>	2022 SR	2021 SR
ASSETS			
NON-CURRENT ASSETS			
Equipment, furniture and tools	9	1,176,925	1,479,887
Intangible assets	10	2,621,394	1,388,514
Right of-use-assets	11	569,715	971,866
TOTAL NON-CURRENT ASSETS		4,368,034	3,840,267
CURRENT ASSETS			
Bank balances		1,561,839	12,926,954
Short term deposit	15	5,060,000	-
Accounts receivable		496,586	233,594
Prepayment and other current asset		281,067	-
TOTAL CURRENT ASSETS		7,399,492	13,160,548
TOTAL ASSETS		11,767,526	17,000,815
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	11,000,000	5,000,000
Additional capital contribution	22	6,250,000	12,250,000
Accumulated losses		(12,081,891)	(5,530,352)
TOTAL EQUITY		5,168,109	11,719,648
NON-CURRENT LIABILITIES			
Employees' terminal benefits	18	232,410	161,707
Non-current portion of lease liabilities	11	187,836	689,125
TOTAL NON-CURRENT LIABILITIES		420,246	850,832
CURRENT LIABILITIES			
Current portion of lease liabilities	11	411,264	355,039
Accounts payable		493,424	825,208
Accrued expenses and other current liabilities	12	5,151,649	3,242,901
Zakat provision	16	122,834	7,187
TOTAL CURRENT LIABILITIES		6,179,171	4,430,335
TOTAL LIABILITIES		6,599,417	5,281,167
TOTAL EQUITY AND LIABILITIES		11,767,526	17,000,815

The attached notes 1 to 24 form part of these financial statements.

Forus Debt-Crowdfunding Company
(Closed Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	<i>Share capital SR</i>	<i>Additional capital contribution SR</i>	<i>Accumulated losses SR</i>	<i>Total SR</i>
As at 1 January 2021	500,000	1,000,000	(699,842)	800,158
Injection of share capital	4,500,000	-	-	4,500,000
Movement during the year	-	11,250,000	-	11,250,000
Net loss for the year	-	-	(4,800,268)	(4,800,268)
Other comprehensive loss	-	-	(30,242)	(30,242)
Total comprehensive loss	-	-	(4,830,510)	(4,830,510)
As at 31 December 2021	<u>5,000,000</u>	<u>12,250,000</u>	<u>(5,530,352)</u>	<u>11,719,648</u>
As at 1 January 2022	5,000,000	12,250,000	(5,530,352)	11,719,648
Net loss for the year	-	-	(6,560,254)	(6,560,254)
Other comprehensive gain	-	-	8,715	8,715
Total comprehensive loss	-	-	(6,551,539)	(6,551,539)
Movement during the year	<u>6,000,000</u>	<u>(6,000,000)</u>	<u>-</u>	<u>-</u>
As at 31 December 2022	<u>11,000,000</u>	<u>6,250,000</u>	<u>(12,081,891)</u>	<u>5,168,109</u>

The attached notes 1 to 24 form part of these financial statements.

Forus Debt-Crowdfunding Company
(Closed Joint Stock Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 SR	2021 SR
OPERATING ACTIVITIES			
Loss before Zakat		(6,444,607)	(4,800,268)
<i>Adjustment to reconcile loss before zakat to net cash flows:</i>			
Depreciation of equipment	9	328,685	92,291
Amortisation of intangible assets	10	303,571	67,441
Depreciation of right-of-use assets	11	402,151	274,529
Finance cost		32,576	30,325
Employees' terminal benefits provision		126,874	47,609
Gain on lease discount	11	-	(22,536)
Loss on disposal of right of use		-	39,949
Loss on disposal of equipment, net		-	84
		<u>(5,250,750)</u>	<u>(4,270,576)</u>
Working capital adjustments:			
Accounts receivable		(262,992)	(56,677)
Prepayment and other current asset		(281,067)	-
Accrued expenses and other current liabilities		1,908,748	2,635,517
Accounts payable		(331,784)	575,104
Cash used in operations		<u>(4,217,845)</u>	<u>(1,116,632)</u>
Employees' terminal benefits paid		<u>(50,323)</u>	-
Net cash flows used in operating activities		<u>(4,268,168)</u>	<u>(1,116,632)</u>
INVESTING ACTIVITIES			
Purchase of equipment	9	(25,723)	(1,544,385)
Proceeds from disposal of equipment	13	-	19,999
Additions to intangible asset		(1,536,451)	(1,180,649)
Net movement in short term deposit		(5,060,000)	-
Net cash flows used in investing activities		<u>(6,622,174)</u>	<u>(2,705,035)</u>
FINANCING ACTIVITY			
Injection of share capital		-	4,500,000
Additional capital contribution		-	11,250,000
Lease payment		(474,773)	-
Net cash flows (used in) from financing activity		<u>(474,773)</u>	<u>15,750,000</u>
NET (DECREASE) / INCREASE IN BANK BALANCES		(11,365,115)	11,928,333
Bank balances at the beginning of the year		<u>12,926,954</u>	<u>998,621</u>
BANK BALANCES AT THE END OF THE YEAR		<u><u>1,561,839</u></u>	<u><u>12,926,954</u></u>

The attached notes 1 to 24 form part of these financial statements.