

FORUS DEBT-CROWDFUNDING COMPANY
(CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
31 DECEMBER 2023

Forus Debt-Crowdfunding Company

(Closed Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 December 2023

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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 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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 that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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 the Regulations for Companies 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.

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.

**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)

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.

Forus Debt-Crowdfunding Company
(Closed Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Note</i>	2023 SR	2022 SR
Revenue	7	12,583,170	7,479,807
Direct cost	10	(610,861)	(303,571)
OPERATING REVENUE		11,972,309	7,176,236
EXPENSES			
Salaries and wages		(5,712,527)	(5,375,856)
General and administration	8	(6,043,715)	(6,970,954)
Marketing and selling		(720,289)	(694,410)
Expected credit loss		(235,576)	(741,717)
TOTAL EXPENSES		(12,712,107)	(13,782,937)
Other Income		585,770	194,670
Finance cost		(25,695)	(32,576)
LOSS BEFORE ZAKAT		(179,723)	(6,444,607)
Zakat	16	(72,614)	(115,647)
LOSS FOR THE YEAR		(252,337)	(6,560,254)
OTHER COMPREHENSIVE (LOSS)/ INCOME			
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement (loss)/gain on employees' terminal benefits	18	(143,847)	8,715
TOTAL COMPREHENSIVE LOSS		(396,184)	(6,551,539)

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 2023

		2023	2022
	Note	SR	SR
ASSETS			
NON-CURRENT ASSETS			
Equipment, furniture and tools	9	847,626	1,176,925
Intangible assets	10	2,010,533	2,621,394
Right of-use-assets	11	167,564	569,715
TOTAL NON-CURRENT ASSETS		3,025,723	4,368,034
CURRENT ASSETS			
Bank balances		3,602,475	1,561,839
Short term deposit	15	5,351,434	5,060,000
Accounts receivable		499,060	496,586
Prepayment and other current asset	17	332,193	281,067
TOTAL CURRENT ASSETS		9,785,162	7,399,492
TOTAL ASSETS		12,810,885	11,767,526
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	11,000,000	11,000,000
Additional capital contribution	22	6,250,000	6,250,000
Accumulated losses		(12,478,075)	(12,081,891)
TOTAL EQUITY		4,771,925	5,168,109
NON-CURRENT LIABILITIES			
Employees' terminal benefits	18	241,032	232,410
Non-current portion of lease liabilities	11	-	187,836
TOTAL NON-CURRENT LIABILITIES		241,032	420,246
CURRENT LIABILITIES			
Current portion of lease liabilities	11	613,682	411,264
Accounts payable		1,420,661	493,424
Accrued expenses and other current liabilities	12	5,640,751	5,151,649
Zakat provision	16	122,834	122,834
TOTAL CURRENT LIABILITIES		7,797,928	6,179,171
TOTAL LIABILITIES		8,038,960	6,599,417
TOTAL EQUITY AND LIABILITIES		12,810,885	11,767,526

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 2023

	<i>Share capital SR</i>	<i>Additional capital contribution SR</i>	<i>Accumulated losses SR</i>	<i>Total SR</i>
As at 1 January 2022	5,000,000	12,250,000	(5,530,352)	11,719,648
Movement during the year	6,000,000	(6,000,000)	-	-
Net loss for the year	-	-	(6,560,254)	(6,560,254)
Other comprehensive income	-	-	8,715	8,715
Total comprehensive income	-	-	(6,551,539)	(6,551,539)
As at 31 December 2022	11,000,000	6,250,000	(12,081,891)	5,168,109
As at 1 January 2023	11,000,000	6,250,000	(12,081,891)	5,168,109
Net profit for the year	-	-	(252,337)	(252,337)
Other comprehensive loss	-	-	(143,847)	(143,847)
Total comprehensive income	-	-	(396,184)	(396,184)
Movement during the year	-	-	-	-
As at 31 December 2023	11,000,000	6,250,000	(12,478,075)	4,771,925

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 2023

	Note	2023 SR	2022 SR
OPERATING ACTIVITIES			
Profit / (Loss) before zakat		(179,723)	(6,444,607)
<i>Adjustment to reconcile loss before zakat to net cash flows:</i>			
Depreciation of equipment	9	332,099	328,685
Amortisation of intangible assets	10	610,861	303,571
Depreciation of right-of-use assets	11	402,151	402,151
Provision for expected credit losses		235,576	741,717
Finance cost		25,695	32,576
Employees' terminal benefits provision		120,461	126,874
		<u>1,547,120</u>	<u>(4,509,033)</u>
Working capital adjustments:			
Accounts receivable		(238,050)	(1,004,709)
Prepayment and other current asset		(51,126)	(281,067)
Accrued expenses and other current liabilities		453,407	1,908,748
Accounts payable		927,237	(331,784)
Cash from /(used) in operations		<u>2,638,588</u>	<u>(4,217,845)</u>
Employees' terminal benefits paid	18	(266,799)	(50,323)
Zakat payment	16	(36,919)	-
Net cash flows from /(used) in operating activities		<u>2,334,870</u>	<u>(4,268,168)</u>
INVESTING ACTIVITIES			
Purchase of equipment	9	(2,800)	(25,723)
Additions to intangible asset		-	(1,536,451)
Net movement in short term deposit		(291,434)	(5,060,000)
Net cash flows used in investing activities		<u>(294,234)</u>	<u>(6,622,174)</u>
FINANCING ACTIVITY			
Lease payment		-	(474,773)
Net cash flows used in financing activity		<u>-</u>	<u>(474,773)</u>
NET INCREASE / (DECREASE) IN BANK BALANCES		2,040,636	(11,365,115)
Bank balances at the beginning of the year		1,561,839	12,926,954
BANK BALANCES AT THE END OF THE YEAR		<u>3,602,475</u>	<u>1,561,839</u>

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