

Rasan Information Technology Company

Supplementary Prospectus

This Supplementary Prospectus ("**Supplementary Prospectus**") is a supplement to the Red Herring Prospectus dated 15/09/1445H (corresponding to 25/03/2024G) (the "**Red Herring Prospectus**") issued by Rasan Information Technology Company (the "**Company**" or the "**Issuer**") in connection with the offering of the Company's shares. This Supplementary Prospectus must be read in conjunction with the Red Herring Prospectus.

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



Important Notice:

This Supplementary Prospectus includes information provided in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**" or the "**Authority**"). The directors, whose names appear on page (iv) of the Red Herring Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Supplementary Prospectus and confirm, having made all reasonable enquiries, 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 Authority and the Saudi Exchange do not take any responsibility for the contents of this Supplementary 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 Supplementary Prospectus.

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



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

السعودية الفرنسي كابيتال
Saudi Fransi Capital



Financial Advisor, Bookrunner and Underwriter

Morgan Stanley Saudi Arabia

Al-Mathar 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

Morgan Stanley

Legal Advisor to the Company

The Law Firm of Latham and 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

LATHAM & WATKINS LLC

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.alkuriniilaw.com
Email: wcprojecttiger@whitecase.com

WHITE & CASE



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

WHITE & CASE

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





Receiving Agents

Banque Saudi Fransi

King Saud Road

P.O. Box 56006, Riyadh 11554

Kingdom of Saudi Arabia

Phone: +966 920000579

Fax: +966 11402 7261

Website: www.alfransi.com.sa

Email: Fransiplusadmin@alfransi.com.sa

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



AlRajhi Bank

King Fahad Road

P.O. Box 5561, Riyadh 12263

Kingdom of Saudi Arabia

Phone: +966 11828 4642

Fax: +966 11460 0625

Website: www.alfransi.com.sa

Email: Fransiplusadmin@alfransi.com.sa

مصرف الراجحي
alrajhi bank



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 they 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.



1. The Company

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's capital prior to the capital increase 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.

2. Directors' Declarations

The Directors whose names appear on page (iv) of the Red Herring Prospectus hereby acknowledge and confirm the following:

- there have been no significant changes in material matters nor additional significant matters have arisen other than what has been disclosed in this Supplementary Prospectus; and
- this Supplementary Prospectus was submitted to the CMA and issued on 18/11/1445H (corresponding to 26/05/2024G), and it supplements the Red Herring Prospectus issued by the Company dated 15/09/1445H (corresponding to 25/03/2024G) and published on the CMA's website on 26/10/1445H (corresponding to 05/05/2024G).

3. Notices

- The Company, the Selling Shareholders and the Financial Advisors draw the attention of the recipients of this Supplementary Prospectus to the importance of considering and abiding by all of the terms and restrictions relating to the Offering set forth in the Red Herring Prospectus.
- This Supplementary Prospectus should be read in conjunction with the Red Herring Prospectus and prior to making an investment decision, each recipient of this Supplementary Prospectus is responsible for obtaining independent professional advice (in the case of investors in the Kingdom, from a CMA licensed financial advisor) in relation to the Offering. Each recipient of this Supplementary Prospectus must rely on its own examination of the Company and 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.
- Participating Parties who subscribed to the Offer Shares prior to the publication of this Supplementary Prospectus may cancel or amend their subscription to said shares before the end of the Offering Period, in accordance with paragraph (d) of Article forty-nine of the Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA (the **"OSCOs"**).
- Defined terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Red Herring Prospectus. Such terms are defined in Section 1 **"Definitions and Abbreviations"** of the Red Herring Prospectus.



4. Reason for the Issuance of this Supplementary Prospectus

In Accordance with Article 49 of the OSCOs, an issuer must submit a supplementary prospectus to the CMA if at any time after the prospectus has been published, and prior to the completion of the Offering, an issuer becomes aware that:

- a- there has been a significant change in material matters contained in the prospectus; or
- b- additional significant matters have become known which would have been required to be included in the prospectus.

The Company has made certain amendments to the Red Herring Prospectus which are set out in Section (5) ("**Amendments to Certain Information in the Red Herring Prospectus**") of this Supplementary Prospectus for the purposes of clarifying certain information and parts relating to the Group's businesses more accurately and clearly.

5. Amendments to Certain Information in the Red Herring Prospectus

For ease of reading the amendments made to the relevant text, the amended text has been underlined and included in red, and all deleted text has been crossed out.

A- Certain paragraphs in the "Important Notice" Section have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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 by the Auditor 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.	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 by the Auditor 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.



B- Certain paragraphs in Section 6 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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 (Public Accountants) (“Chartered Accountants”) 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 International IFRS (2410 reviewing interim financial statements by independent auditor as endorsed in the Kingdom) and have been reviewed by Ernst & Young (Public Accountants). 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.	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 <u>Ernst & Young Professional Services (Professional LLC) (the “Auditors”)</u> 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 <u>Ernst & Young Professional Services (Professional LLC)</u>. 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 Chartered Accountants nor any of their affiliates, employees or their relatives have any shareholding or interest of any kind in the Group and its Subsidiaries, which would impair their independence, as per the Auditors’ report. As of the date of this Prospectus, Ernst & Young (Public Accountants) 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 2022G and 30 September 2023G.	Neither the <u>Auditors</u> nor any of their affiliates, employees (<u>forming part of the engagement team serving the Company</u>) or their relatives have any shareholding or interest of any kind in the Group and its Subsidiaries, which would impair their independence <u>as per the Auditors’ report</u>. As of the date of this Prospectus, <u>Ernst & Young Professional Services (Professional LLC)</u> 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 2022G and 30 September 2023G.

C- Certain paragraphs in Section 6.8.1 “Income Statements” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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 27.9% through recruiting new employees at a higher cost in light of their technical skills.	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 <u>0.65%</u> 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 (2 million) recorded in 2022G related to the 2021G period.	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 (<u>845 thousand</u>) recorded in 2022G related to the 2021G period.



D- Certain paragraphs in Section 6.8.1(f) “Segment Information” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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 27.3 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 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.

E- Certain paragraphs in Section 6.8.2(c) “Current Liabilities” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
Trade receivables 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 <u>payables</u> 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 receivables 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.	Trade <u>payables</u> 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.

F- Certain paragraphs in Section 6.8.2(e) “Shareholders’ Equity / (deficit)” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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.	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.



G- Table 6-53: Income statement for the financial years ending 31 December 2020G, 2021G, and 2022G, contained in Section 6.8.4 “Subsidiary analysis – Rasan Software House LLC (UAE)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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)	(17.2%)	71.6%	19.2%
Marketing expenses	(67)	(208)	(257)	210.4%	23.5%	95.8%
Operating loss	(10,261)	(8,951)	(15,260)	(15.7%)	70.5%	19.9%
Financial expenses	(11)	(60)	(58)	451.5%	(3.6%)	130.6%
Other income	-	2	-	na	(100%)	na
Net loss for the year	(10,631)	(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.

The Table Following Amendment

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	<u>(9,956)</u>	(8,951)	(15,260)	(15.7%)	70.5%	19.9%
Financial expenses	<u>(44)</u>	(60)	(58)	451.5%	(3.6%)	130.6%
Other income	-	2	-	na	(100%)	na
Net loss for the year	<u>(10,000)</u>	(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.



H- Certain paragraphs in Section 6.8.4 “Subsidiary analysis – Rasan Software House LLC (UAE)” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
General and administrative expenses pertain mainly to salaries, bonuses and rewards, medical insurance, and others. G&A decreased by 11.7% from SAR 9.8 million in 2020G to SAR 8.7 million in 2021G driven by the decrease in legal and official fees by SAR 1.6 million.	General and administrative expenses pertain mainly to salaries, bonuses and rewards, medical insurance, and others. G&A decreased by 11.7% from SAR <u>9.9</u> 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 72.0% 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.	In 2022G, general and administrative expenses increased by <u>71.6%</u> 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.
Financial expenses pertain to bank charges, which increased from SAR 11 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.	Financial expenses pertain to bank charges, which increased from SAR <u>44</u> 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 decreased from SAR 10.6 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 decreased from SAR <u>10.0</u> million in 2020G to SAR 9.0 million in 2021G, as a result of the decline in general and administrative expenses.

I- Table 6-55: Statement of financial position as of 31 December 2020G, 2021G, and 2022G, contained in Section 6.8.5 “Subsidiary analysis – Rasan LLC (Egypt)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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
	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)	(20.3%)	(4.1%)	(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.

The Table Following Amendment

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)	<u>(20.2%)</u>	<u>(3.9%)</u>	(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.



J- Table 6-56: Statement of financial position as of 31 December 2020G, 2021G, and 2022G, contained in Section 6.8.5 “Subsidiary analysis – Rasan LLC (Egypt)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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	3,312
Non-Current assets	231	364	486
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
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.

The Table Following Amendment

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	<u>2,951</u>
Non-Current assets	231	364	<u>846</u>
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
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.

K- Certain paragraphs in Section 6.8.5 “Subsidiary analysis – Rasan LLC (Egypt)” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
Current assets decreased to SAR 3.3 million as of 31 December 2022G on back of an increase in debtors and other debit balances by SAR 1.1 million.	Current assets decreased to SAR <u>2.95</u> 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 increased to SAR 486 thousand as of 31 December 2022G, on the back of additions in fixed assets across the same period.	Non-current assets increased to SAR <u>846</u> thousand as of 31 December 2022G, on the back of additions in fixed assets across the same period.



L- Table 6-72: Income statement for the nine-month period ending 30 September 2022G and 2023G, contained in Section 6.9.4 “Subsidiary analysis – Rasan Software House LLC (UAE)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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	(9,645)	(12,689)	31.6%
Marketing expenses	(195)	(72)	(63.0%)
Operating loss	(9,840)	(12,761)	29.7%
Financial expenses	(49)	(14)	(72.5%)
Other income (expenses)	0	1	
Net loss for the year	(9,889)	(12,773)	29.2%

Source: Consolidated reviewed interim financial statements for the nine-period ending 30 September 2022G and 2023G

The Table Prior to Amendment

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	<u>(9,650)</u>	(12,689)	31.6%
Marketing expenses	(195)	(72)	(63.0%)
Operating loss	<u>(9,845)</u>	(12,761)	29.7%
Financial expenses	(49)	(14)	(72.5%)
Other income (expenses)	0	1	
Net loss for the year	<u>(9,894)</u>	(12,773)	29.2%

Source: Consolidated reviewed interim financial statements for the nine-period ending 30 September 2022G and 2023G



M- Table 6-73: Statement of financial position as of 31 December 2022G and 30 September 2023G, contained in Section 6.9.4 “Subsidiary analysis – Rasan Software House LLC (UAE)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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	1,926	1,883
Non-Current assets	1,289	837
Total assets	3,215	2,720
Current liabilities	(50,340)	(62,134)
Non-Current liabilities	(1,710)	(2,213)
Total Liabilities	(52,050)	(64,348)
Equity	(49,835)	(61,267)
Total liability and equity	2,305	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

The Table Following Amendment

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	<u>1,927</u>	1,883
Non-Current assets	<u>1,290</u>	837
Total assets	<u>3,217</u>	2,720
Current liabilities	<u>50,360</u>	(62,134)
Non-Current liabilities	<u>1,711</u>	(2,213)
Total Liabilities	<u>52,050</u>	(64,348)
Equity	<u>(48,854)</u>	(61,267)
Total liability and equity	<u>3,217</u>	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



N- A paragraph in Section 6.9.4 “Subsidiary analysis – Rasan Software House LLC (UAE)” has been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
Current liabilities increased from SAR 50.3 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.	Current liabilities increased from SAR <u>50.4</u> 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.
The deficit in shareholders' equity increased from a deficit of SAR 48.8 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.	The deficit in shareholders' equity increased from a deficit of SAR <u>48.85</u> 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.

O- Table 6-75: Statement of financial position as of 31 December 2022G and 30 September 2023G, contained in Section 6.9.5 “Subsidiary analysis – Rasan LLC (Egypt)” in the Red Herring Prospectus has been amended to be as follows:

The Table Prior to Amendment

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	3,312	2,780
Non-Current assets	486	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

The Table Following Amendment

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	<u>2,951</u>	2,780
Non-Current assets	<u>846</u>	1,591
Total assets	3,797	4,372
Current liabilities	<u>6,407</u>	<u>9,048</u>
Non-Current liabilities	-	<u>662</u>
Total liabilities	<u>6,407</u>	<u>9,709</u>
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



P- Certain paragraphs in Section 6.9.5 “Subsidiary analysis – Rasan LLC (Egypt)” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
Current assets decreased from SAR 3.3 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.	Current assets decreased from SAR <u>2.9</u> 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 increased from SAR 486 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.	Non-current assets increased from SAR <u>846</u> 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.

Q- Certain paragraphs in Section 18 “Documents Available for Inspection” have been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
The interim financial statements for the nine-month period ended 30 September 2023G.	The interim <u>consolidated unaudited Group</u> financial statements for the nine-month period ended 30 September 2023G.
The Auditor (Ernst & Young Professional Services Company (Professional LLC)) for the inclusion of its name, logo, statement and audit reports for the financial years ended 31 December 2020G, 2021G and 2022G in this Prospectus.	The Auditor (Ernst & Young Professional Services Company (Professional LLC)) for the inclusion of its name, logo, <u>statement</u> and audit reports for the financial years ended 31 December 2020G, 2021G and 2022G in this Prospectus.

R- Section 19 “Financial Statements and Auditor’s Report” has been amended to read as follows:

Text Prior to Amendment	Text Following Amendment
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 by the Auditor 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 in relation to review procedures 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.	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 <u>by the Auditor</u> 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 <u>in accordance with International Standard on Review Engagements (ISRE) 2410 (Review of Interim Financial Information by the Independent Auditor of the Establishment)</u> 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.



Kingdom of Saudi Arabia

First Floor, Al-Jadah Square 3413

Al-Thumama Road, Qurtubah, Riyadh 13248

+966 11 4826290

rasan.co

 [in](#)

