

TAMAM FINANCE COMPANY
(CLOSED JOINT STOCK COMPANY - OWNED BY
ONE PERSON)

**INTERIM CONDENSED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2023**

TAMAM FINANCE COMPANY
(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023

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**Independent auditor's review report on the interim condensed financial statements
To the owner of Tamam Finance Company
(Closed Joint Stock Company owned by one Person)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Tamam Finance Company - Closed Joint Stock Company owned by one Person (the "Company") as at 31 March 2023 and the related interim condensed statement of comprehensive income, statement of changes in owner equity and cash flows for the three-month period then ended and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The interim condensed financial statements of the Company for the three-month period ended 31 March 2022 were reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statements on 15 Shawwal 1443H (corresponding to 16 May 2022).

For Ernst & Young Professional Services

Saad M. Al-Khathlan
Certified Public Accountant
License No. (509)

Riyadh: 14 Shawwal 1444H
(4 May 2023)



TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2023**

(All amounts in Saudi Riyals)

| | Note | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|---|------|------------------------------|-------------------------------|
| ASSETS | | | |
| Cash at bank | | 50,128,967 | 29,008,219 |
| Islamic financing and other receivables | 4 | 420,382,681 | 334,249,663 |
| Property and equipment | | 58,860 | 69,285 |
| Right of use assets | 5 | 4,342,929 | - |
| Intangible assets | | 6,251,089 | 6,665,805 |
| TOTAL ASSETS | | 481,164,526 | 369,992,972 |
| LIABILITIES AND EQUITY | | | |
| Accruals and other payables | | 28,456,192 | 21,700,591 |
| Due to an Owner | 6 | 279,530,473 | 76,681,543 |
| Murabaha loan | 8 | - | 120,000,000 |
| Lease liabilities | 5 | 4,787,079 | - |
| Employees' end of service benefits obligation | | 632,763 | 534,218 |
| Total liabilities | | 313,406,507 | 218,916,352 |
| EQUITY | | | |
| Share capital | 7 | 148,000,000 | 148,000,000 |
| Statutory reserve | | 2,427,849 | 2,427,849 |
| Other reserve | | 447,944 | 447,944 |
| Retained earnings | | 16,882,226 | 200,827 |
| Total owner equity | | 167,758,019 | 151,076,620 |
| TOTAL LIABILITIES AND OWNER EQUITY | | 481,164,526 | 369,992,972 |


Sami AlGhamdi
 Vice President Finance


Sultan Al-Deghaither
 Vice Chairman and
 Managing Director

The accompany notes (1) to (14) form an integral part of these interim condensed financial statements

TAMAM FINANCE COMPANY


(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

| | | For the three-months period ended 31 March | |
|--|------|--|---------------------|
| | Note | 2023 (Unaudited) | 2022 (Unaudited) |
| Income from Islamic financing | 10 | 67,416,040 | 10,426,984 |
| Expenses | | | |
| Subscription fees | | (9,999,710) | (2,082,808) |
| Business consulting | | (32,306) | (18,835) |
| Employees' salaries and related charges | | (4,153,011) | (2,478,981) |
| Depreciation and amortization | | (927,800) | (417,614) |
| IT related costs | | (2,670,046) | (1,481,103) |
| Other operating expenses | | (10,454,585) | (1,295,191) |
| Allowance for expected credit losses | 4 | (20,146,726) | (1,092,707) |
| Income from operation | | 19,031,856 | 1,559,745 |
| Other income | | 458,617 | 13,280 |
| Financial charges | | (891,370) | - |
| Income before zakat | | 18,599,103 | 1,573,025 |
| Zakat | 9 | (1,917,704) | (314,605) |
| Income for the period | | 16,681,399 | 1,258,420 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 16,681,399 | 1,258,420 |



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 Managing Director

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TAMAM FINANCE COMPANY
(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)
INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts in Saudi Riyals)

| | Share capital | Statutory reserve | Other reserve | Retained earnings (accumulated losses) | Total |
|--|--------------------|-------------------|----------------|--|--------------------|
| Balance as at 1 January 2023 (Audited) | 148,000,000 | 2,427,849 | 447,944 | 200,827 | 151,076,620 |
| Profit for the period | - | - | - | 16,681,399 | 16,681,399 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 16,681,399 | 16,681,399 |
| Balance as at 31 March 2023 (Unaudited) | 148,000,000 | 2,427,849 | 447,944 | 16,882,226 | 167,758,019 |
| Balance as at 1 January 2022 (Audited) | 57,000,000 | - | (127,546) | (21,649,813) | 35,222,641 |
| Profit for the period | - | - | - | 1,258,420 | 1,258,420 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 1,258,420 | 1,258,420 |
| Balance as at 31 March 2022 (Unaudited) | 57,000,000 | - | (127,546) | (20,391,393) | 36,481,061 |


Sami AlGhamdi
Vice President Finance


Sultan Al-Deghaither
Vice Chairman and
Managing Director

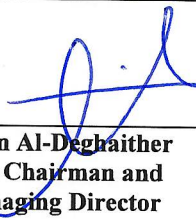
The accompany notes (1) to (14) form an integral part of these interim condensed financial statements

TAMAM FINANCE COMPANY
(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts in Saudi Riyals)

| | Note | 31 March 2023 (Unaudited) | 31 March 2022 (Unaudited) |
|---|------|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before zakat | | 18,599,103 | 1,573,025 |
| Adjustments to reconcile net income / (loss) for the period to net cash from operating activities: | | | |
| Allowance for expected credit losses | 4 | 20,146,726 | 1,092,707 |
| Interest on lease liabilities | | 75,735 | - |
| Depreciation and amortization | | 927,800 | 417,614 |
| Provision for employees' end-of-service benefits | | 108,756 | 62,636 |
| | | <u>39,858,120</u> | <u>3,145,982</u> |
| Changes in working capital | | | |
| Islamic financing and other receivables | | (106,279,744) | (46,790,462) |
| Accruals and other payables | | 4,915,125 | 1,327,155 |
| Due to an Owner | | 202,848,930 | 37,857,904 |
| Cash flows (used in) / generated from operating activities | | <u>141,342,431</u> | <u>(4,459,421)</u> |
| Zakat paid | | (77,228) | - |
| Employees' end-of-service benefits paid | | (10,211) | - |
| Cash flows (used in) / generated from operating activities | | <u>141,254,992</u> | <u>(4,459,421)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of intangible assets | | (134,244) | (187,500) |
| Net cash used in investing activities | | <u>(134,244)</u> | <u>(187,500)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceed from Murabah loan | | 25,000,000 | - |
| Payment of Murabah loan | | (145,000,000) | - |
| Net cash used in financing activities | | <u>(120,000,000)</u> | <u>-</u> |
| Net change in cash and cash equivalents | | <u>21,120,748</u> | <u>(4,646,921)</u> |
| Cash and cash equivalents at beginning of the period | | <u>29,008,219</u> | <u>8,845,876</u> |
| Cash and cash equivalents at end of the period | | <u>50,128,967</u> | <u>4,198,955</u> |
| Non-cash items | | | |
| Right of used assets and lease liabilities | | <u>4,711,344</u> | <u>-</u> |


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Vice President Finance


Sultan Al-Deghaither
Vice Chairman and
Managing Director

The accompany notes (1) to (14) form an integral part of these interim condensed financial statements

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023

(All amounts in Saudi Riyals)

1 ORGANIZATION AND ACTIVITIES

1.1 General Information

The Company is a "Closed Joint Stock Company" registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration no. 1010573360 dated 9 Shaban 1440 (H) corresponding to 15 April 2019 (G).

The Company is wholly owned by Mobile Telecommunications Company Saudi Arabia ("Parent Company"). The ultimate parent company of the Company is Oman Telecommunications Company SAOG, Oman.

The Company is engaged in providing consumer finance services in accordance with the approval of Saudi Central Bank ("SAMA") numbered 57/A SH/202012 issued on 15 Jamada Awwal 1442 (H) corresponding to 20 December 2020.

The duration of the Company is 49 years starting from the date of registration of the Commercial Registration.

The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

On 1 Safar 1441 (H) corresponding to 30 September 2019 (G), the Company was converted from Limited Liability Company to Closed Joint Stock Company. During 2020, the name of the Company was changed from "Zain Payments Company Ltd" to "Tamam Finance Company".

2 BASIS OF PREPARATION

The interim condensed financial statements of the Company as at and for the period ended 31 March 2023, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). These interim condensed financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2022. The interim results may not be an indicator of the annual results of the Company.

These interim condensed financial statements have been presented in Saudi Riyals ("SR"), which is also the functional currency of the Company.

The accounting and risk management policies adopted in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2022.

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statement are consistent with those followed in the preparation of Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2023. The management has assessed that the amendments have no significant impact on the Company's interim condensed financial statements.

IFRS 17, 'Insurance contracts' This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction - requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Standards and amendments issued and 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 company's consolidated financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

| Effective for annual financial periods beginning on or after | Standard, amendment or interpretation | Summary of requirements |
|---|---|--|
| 1 January 2024 | 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 and non-current liabilities with covenants. |
| 1 January 2024 | Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback | The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. |

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)**Use of estimates and judgements**

There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods.

Management believes that all sources of estimation uncertainty remain similar to those disclosed in the last annual financial statements. The Company will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

4 ISLAMIC FINANCING AND OTHER RECEIVABLES

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|--|--|---|
| Islamic financing receivables | 473,932,675 | 369,109,395 |
| Unearned finance income | (1,375,306) | (887,032) |
| | 472,557,369 | 368,222,363 |
| Less: Allowance for expected credit losses | (53,050,923) | (36,354,290) |
| Net Islamic financing receivables | 419,506,446 | 331,868,073 |
| Other receivables | 876,235 | 2,381,590 |
| | 420,382,681 | 334,249,663 |

All the financing facilities provided by Company are Shariah compliant, accordingly they are unconventional in nature.

The Company performs credit-vetting procedures before granting credit to new customers. These procedures are reviewed and updated on an ongoing basis. There have been no changes to these procedures from the previous year.

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|----------------|--|---|
| Performing | 360,767,864 | 289,467,553 |
| Non-performing | 58,738,582 | 42,400,520 |
| | 419,506,446 | 331,868,073 |

Movement on the allowance for expected credit loss

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|--------------------------------|--|---|
| Opening balance | 36,354,290 | 2,719,803 |
| Write-off for the period/ year | (3,450,093) | (5,916,780) |
| Charged for the period / year | 20,146,726 | 39,551,267 |
| Closing balance | 53,050,923 | 36,354,290 |

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

4 ISLAMIC FINANCING AND OTHER RECEIVABLES (continued)

In determining the recoverability of an Islamic financing receivable, the Company considers any change in the credit quality of the Islamic financing receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The Company does not hold any collateral over the impaired Islamic financing receivables.

The movement of Islamic financing and ECL allowance is a follow:

| | Credit loss allowance | | | | Gross carrying amount | | | |
|---|-------------------------------|--|---|-------------|-------------------------------|---------------------------------------|--|--------------|
| | Stage 1 (12-months ECL) | Stage 2 (lifetime ECL for SICR) | Stage 3 (lifetime ECL for credit im- paired) | Total | Stage 1 (12-months ECL) | Stage 2 (lifetime ECL for SICR) | Stage 3 (lifetime ECL for credit im- paired) | Total |
| At 1 January 2023 | 458,953 | 8,837,888 | 27,057,449 | 36,354,290 | 196,976,991 | 101,787,403 | 69,457,969 | 368,222,363 |
| Transfers: | | | | | | | | |
| - to lifetime (from Stage 1 and Stage 3 to Stage 2) | (207,726) | 556,603 | (348,877) | - | (46,537,311) | 47,446,145 | (908,834) | - |
| - to credit-impaired (from Stage 1 and Stage 2 to Stage 3) | (843) | (3,198,743) | 3,199,586 | - | (94,069) | (32,742,226) | 32,836,295 | - |
| - to 12-months ECL (from Stage 2 and Stage 3 to Stage 1) | 1,188,057 | (766,119) | (421,938) | - | 11,006,263 | (9,899,407) | (1,106,856) | - |
| New originated | 395,949 | 75,240 | - | 471,189 | 139,164,986 | 1,060,420 | - | 140,225,406 |
| Charge for the period (net) | (966,272) | 3,624,008 | 17,017,801 | 19,675,537 | (45,022,460) | 7,618,126 | 4,964,027 | (32,440,307) |
| Write-offs | - | - | (3,450,093) | (3,450,093) | - | - | (3,450,093) | (3,450,093) |
| At 31 March 2023 | 868,118 | 9,128,877 | 43,053,928 | 53,050,923 | 255,494,400 | 115,270,461 | 101,792,508 | 472,557,369 |

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

4 ISLAMIC FINANCING AND OTHER RECEIVABLES (continued)

| | Credit loss allowance | | | | Gross carrying amount | | | |
|---|-------------------------------|--|---|-------------|-------------------------------|--|--|--------------|
| | Stage 1 (12-months ECL) | Stage 2 (lifetime ECL for SICR) | Stage 3 (lifetime ECL for credit im- paired) | Total | Stage 1 (12-months ECL) | Stage 2 (lifetime ECL for SICR) | Stage 3 (lifetime ECL for credit im- paired) | Total |
| At 1 January 2022 | 55,869 | 305,031 | 2,358,903 | 2,719,803 | 31,738,639 | 4,338,772 | 5,371,650 | 41,449,061 |
| Transfers: | | | | | | | | |
| - to lifetime (from Stage 1 and Stage 3 to Stage 2) | (1,986) | 1,986 | - | - | (1,636,352) | 1,636,352 | - | - |
| - to credit-impaired (from Stage 1 and Stage 2 to Stage 3) | (9,624) | (40,437) | 50,061 | - | (3,573,004) | (526,353) | 4,099,357 | - |
| - to 12-months ECL (from Stage 2 and Stage 3 to Stage 1) | 1,460 | (1,460) | - | - | 21,189 | (21,189) | - | - |
| New originated | 453,631 | 8,753,793 | 25,135,305 | 34,342,729 | 195,575,648 | 100,778,662 | 65,112,201 | 361,466,511 |
| Charge for the period (net) | (40,397) | (181,025) | 5,431,811 | 5,210,389 | (25,149,129) | (4,418,841) | 793,392 | (28,774,578) |
| Write-offs | - | - | (5,918,631) | (5,918,631) | - | - | (5,918,631) | (5,918,631) |
| At 31 December 2022 | 458,953 | 8,837,888 | 27,057,449 | 36,354,290 | 196,976,991 | 101,787,403 | 69,457,969 | 368,222,363 |

5 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company has lease contracts for buildings used in its operations. Leases of buildings generally have lease terms of 3 years. Set out below is the carrying amount of right-of-use assets and the movements during the year:

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|-----------------------------------|--|-------------------------------|
| Opening balance | - | - |
| Additions | 4,711,344 | - |
| Depreciation charged for the year | (368,415) | - |
| Closing balance | 4,342,929 | - |

The movements in lease liabilities during the year are as follows:

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|-------------------------------|--|-------------------------------|
| Opening balance | - | - |
| Addition | 4,711,344 | - |
| Interest on lease liabilities | 75,735 | - |
| Closing balance | 4,787,079 | - |
| Non-current portion | 3,313,418 | - |
| Current portion | 1,473,661 | - |

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

6 RELATED PARTY TRANSACTIONS AND BALANCES

During the period/year, the Company had the following related party transactions:

| <u>Related party</u> | <u>Relationship</u> | <u>Nature</u> | 31 March 2023 (Unaudited) | 31 March 2022 (Unaudited) |
|---|---------------------|--|--------------------------------------|--------------------------------------|
| Mobile Telecommunications Company Saudi | Parent Company | Expenses paid on behalf of the company | (32,714,686) | (5,670,404) |
| | | Transfer of fixed and intangible | (134,244) | 187,500 |
| | | Net funds transfer From related party | 170,000,000 | 32,000,000 |

Due to a related party balance:

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|--|--------------------------------------|---------------------------------------|
| Mobile Telecommunications Company Saudi Arabia | 279,530,473 | 76,681,543 |

Following are the major related party transactions with key management personnel during the period:

| | | <i>Amount of transactions For the three-month period ended 31 March</i> | |
|--------------------------|--|---|-------------------------|
| | | <i>2023 (Unaudited)</i> | <i>2022 (Unaudited)</i> |
| <i>Related parties</i> | <i>Nature of transactions</i> | <i>SR</i> | <i>SR</i> |
| Key management personnel | Compensation – salaries and other incentive | 1,622,294 | 951,047 |
| | Provision for employees' defined benefit liabilities | 56,388 | 34,186 |

Board of Directors remuneration

The Company did not pay any remuneration to its Board of Directors for the period ended 31 March 2023.

7 SHARE CAPITAL

The Company has 14,800,000 (31 December 2022: 14,800,000) shares of SR 10 each in issue as at the reporting date.

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

8 MURABAHA LOAN

On 27 September 2020, the Parent Company (including its subsidiaries) has a working capital facility Murabaha agreement amounting to SR 1 billion. Financing charges, as specified under the agreement are payable in quarterly installments over five years. The facility is secured partially by a guarantee from Mobile Telecommunications Company K.S.C, pledge of shares of the parent Company owned by some of the founding shareholders, assignment of certain contracts and receivables and pledge over fixed assets up to the outstanding balance as on 31 December 2022. The Company has utilized only SR 120 million as at ended 31 December 2022 and had obtained additional facilities of SR 25 million during January 2023. The total loan amounting to SR 145 million was fully repaid in February 2023. The USD denominated loan carried an interest of 1.5% plus LIBOR and SR denominated loan carried an interest of 1.5% plus SIBOR.

9 PROVISION FOR ZAKAT**Movement in Zakat provision**

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|---|--------------------------------------|---------------------------------------|
| Balance at the beginning of the period/year | 2,908,636 | 211,026 |
| Charged for the period/year | 1,917,704 | 2,697,610 |
| Payment during the period/year | (77,228) | - |
| Balance at the end of the period/year | 4,749,112 | 2,908,636 |

Status of assessment

Till the year ended 31 December 2020, the Company had submitted its information related to zakat returns through the Parent Company as the Parent Company had filed a consolidate zakat return which includes the company's accounts. The Parent Company had submitted its Zakat returns up to 31 December 2020 and obtained the certificates. The Company has filed its first Zakat return for the year ended 31 December 2021 by itself. The Company are in the process of filling the Zakat return for the year ended December 31, 2022. Final assessments have not been raised by Zakat, Tax and Customs Authority ("ZATCA") yet.

10 INCOME FROM FINANCING

| | 31 March 2023 (Unaudited) | 31 March 2022 (Unaudited) |
|--------------------------------|--------------------------------------|--------------------------------------|
| Income from Tawaruq financing | 65,201,666 | 10,426,984 |
| Income from Murabaha financing | 2,214,374 | - |
| | 67,416,040 | 10,426,984 |

All the incomes are from financing products which are Shariah compliant.

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals)

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This Grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All the financial assets and liabilities of the Company are carried at amortized cost. Therefore, the fair value hierarchy disclosure which requires a three-level category of fair value is not disclosed.

Carrying amount vs fair value

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Cash at bank
- Islamic financing and other receivables
- Accruals and other payables
- Due to Owner

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments of the Company at any of the reporting dates.

13 EVENT AFTER THE REPORTING PERIOD

No events have occurred subsequent to the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, in these interim condensed financial statements.

14 APPROVED INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 14 Shawwal 1444H (corresponding to 4 May 2023).
