

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

**INTERIM CONDENSED FINANCIAL  
STATEMENTS (UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE AND SIX MONTHS PERIOD  
ENDED 30 JUNE 2022**

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

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2022**

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's review report	2
Interim condensed statement of financial position	3
Interim condensed statement of profit or loss and other comprehensive income	4
Interim condensed statement of changes in owner equity	5
Interim condensed statement of cash flows	6
Notes to the interim condensed financial statements	7 – 15

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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 30 June 2022 and the related interim condensed statement of comprehensive income for the three-month and six-month periods ended 30 June 2022 and interim condensed statement of changes in owner equity and cash flows for the six-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") 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" endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of 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.

**Other matter**

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on these financial statements on 10 Sha'aban 1443 (corresponding to 13 March 2022). Further, the interim condensed financial statements of the Company as at and for the three-month and six-month periods ended 30 June 2021 were reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statements on 25 Dhul-Hijjah 1442H (corresponding to 4 August 2021).

**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 endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services



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

Riyadh: 5 Muharram 1444H  
(3 August 2022)

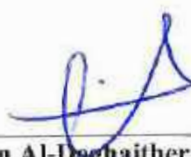
**TAMAM FINANCE COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2022**

(All amounts in Saudi Riyals)

	<u>Notes</u>	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
<b>ASSETS</b>			
Cash at bank		<b>19,748,445</b>	8,845,876
Tawaruq and other receivables	4	<b>161,063,354</b>	38,898,693
Property and equipment		<b>7,626</b>	8,854
Intangible assets		<b>4,942,753</b>	5,168,849
<b>TOTAL ASSETS</b>		<b>185,762,178</b>	<b>52,922,272</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Accruals and other payables		<b>9,521,603</b>	3,909,567
Due to a partner	5	<b>112,844,964</b>	13,020,474
Murabaha loan	6	<b>20,000,000</b>	-
Employees' end of service benefits obligation		<b>911,140</b>	769,590
<b>Total liabilities</b>		<b>143,277,707</b>	<b>17,699,631</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	7	<b>57,000,000</b>	57,000,000
Other reserve		<b>(127,546)</b>	(127,546)
Accumulated losses		<b>(14,387,983)</b>	(21,649,813)
<b>Total shareholder's equity</b>		<b>42,484,471</b>	<b>35,222,641</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>185,762,178</b>	<b>52,922,272</b>


  
Sultan Al-Deghaither  
Vice Chairman and  
Managing Director

The accompany notes (1) to (15) form an integral part of these interim condensed financial statements

**TAMAM FINANCE COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

	Note	For the three-months period ended		For the six-months period ended	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Income from Tawaruq financing	9	23,333,890	2,249,213	33,760,874	4,241,421
<b>Expenses</b>					
Subscription fees		(3,460,585)	(1,017,901)	(5,543,393)	(1,560,289)
Business consulting		-	(107,966)	(18,835)	(215,957)
Employees' salaries and related charges		(3,233,205)	(2,213,940)	(5,712,186)	(4,301,915)
Depreciation and amortization		(451,744)	(389,854)	(869,358)	(779,896)
IT related costs		(1,395,898)	(840,146)	(2,877,001)	(1,652,746)
Other operating expenses		(1,986,827)	(501,638)	(3,282,018)	(664,302)
Allowance for expected credit losses	4	(6,429,645)	(682,171)	(7,522,352)	(797,978)
Other income		78,707	-	91,987	-
Financial charges		(20,835)	-	(20,835)	-
<b>Income (loss) before zakat</b>		<b>6,433,858</b>	<b>(3,504,403)</b>	<b>8,006,883</b>	<b>(5,731,662)</b>
Zakat	8	(430,448)	-	(745,053)	-
<b>Income (loss) for the period</b>		<b>6,003,410</b>	<b>(3,504,403)</b>	<b>7,261,830</b>	<b>(5,731,662)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>6,003,410</b>	<b>(3,504,403)</b>	<b>7,261,830</b>	<b>(5,731,662)</b>


  
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Vice Chairman and  
Managing Director

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**TAMAM FINANCE COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
**FOR SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

	Share capital	Other Reserve	Accumulated losses	Total
<b>Balance as at 1 January 2022 (Audited)</b>	<b>57,000,000</b>	<b>(127,546)</b>	<b>(21,649,813)</b>	<b>35,222,641</b>
Profit for the period	-	-	7,261,830	7,261,830
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	7,261,830	7,261,830
<b>Balance as at 30 June 2022 (Unaudited)</b>	<b>57,000,000</b>	<b>(127,546)</b>	<b>(14,387,983)</b>	<b>42,484,471</b>
 Balance as at 1 January 2021 (Audited)	 20,000,000	 -	 (9,889,869)	 10,110,131
Share capital introduced	37,000,000	-	-	37,000,000
Loss for the period	-	-	(5,731,662)	(5,731,662)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(5,731,662)	(5,731,662)
Balance as at 30 June 2021 (Unaudited)	57,000,000	-	(15,621,531)	41,378,469

  
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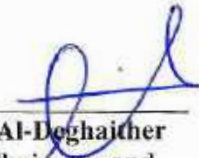
The accompany notes (1) to (15) form an integral part of these interim condensed financial statements



**TAMAM FINANCE COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Income (loss) before zakat		8,006,883	(5,731,662)
<b>OPERATING ACTIVITIES</b>			
Adjustments to reconcile net Income (loss) for the period before zakat to net cash from operating activities:			
Allowance for expected credit losses	4	7,522,352	797,978
Depreciation and amortization		869,358	779,896
Provision for employees' end-of-service benefits		141,550	115,980
		16,540,143	(4,037,808)
<b>Changes in working capital</b>			
Tawaruq and other receivables		(129,687,013)	(10,270,509)
Accruals and other payables		4,866,983	825,376
Due to a related party		99,824,490	(29,559,166)
<b>Net cash used in operating activities</b>		<b>(8,455,397)</b>	<b>(43,042,107)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(642,034)	(31,303)
<b>Net cash used in investing activities</b>		<b>(642,034)</b>	<b>(31,303)</b>
<b>FINANCING ACTIVITIES</b>			
Murabaha loan	6	20,000,000	-
Proceeds from share capital introduced		-	37,000,000
<b>Net cash generated from financing activities</b>		<b>20,000,000</b>	<b>37,000,000</b>
<b>Net change in Cash at bank</b>		<b>10,902,569</b>	<b>(6,073,410)</b>
Cash at bank at beginning of the period		8,845,876	18,559,310
<b>Cash at bank at end of the period</b>		<b>19,748,445</b>	<b>12,485,900</b>

  
Sultan Al-Deghajer  
Vice Chairman and  
Managing Director

The accompany notes (1) to (15) 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 AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**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 30 June 2022, 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 issued 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 2021. 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 2021.



**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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### **3 SIGNIFICANT ACCOUNTING POLICIES**

The Company has applied the same accounting policies and methods of measurements in its interim condensed financial statements as mentioned in its annual financial statements for the year ended 31 December 2021 (last year annual financial statements).

#### **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.

#### **New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have any impact on the interim condensed financial statements of the Company.

#### ***Amendments to IAS 1: Classification of Liabilities as Current or Non-Current***

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

#### ***Reference to the conceptual framework – Amendments to IFRS 3 Business Combinations'***

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

**TAMAM FINANCE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
(CONTINUED)  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**New standards, interpretations and amendments adopted by the Company (continued)**

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed financial statements of the Company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

***Property Plant and Equipment: Proceeds before intended use – Amendments to IAS 16***

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss

These amendments had no impact on the interim condensed financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

***IFRS 9 - Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities***

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

**4 TAWARUQ AND OTHER RECEIVABLES**

	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Tawaruq receivables	<b>169,961,665</b>	41,610,123
Accrued finance income	<b>(331,904)</b>	(161,062)
	<b>169,629,761</b>	41,449,061
Less: Allowance for expected credit losses	<b>(8,639,579)</b>	(2,719,803)
<b>Net Tawaruq receivables</b>	<b>160,990,182</b>	38,729,258
Other receivables	<b>73,172</b>	169,435
	<b>161,063,354</b>	38,898,693

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

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**4 TAWARUQ AND OTHER RECEIVABLES (continued)**

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.

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Performing	<b>153,462,179</b>	35,423,021
Non-performing	<b>7,528,003</b>	3,306,237
	<b>160,990,182</b>	38,729,258

**Movement in allowance for doubtful debts**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Opening balance	<b>2,719,803</b>	165,150
Write-off for the period/ year	<b>(1,602,576)</b>	(330,827)
Charged for the period / year	<b>7,522,352</b>	2,885,480
Closing balance	<b>8,639,579</b>	2,719,803

In determining the recoverability of a Tawaruq receivable, the Company considers any change in the credit quality of the Tawaruq 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 Tawaruq receivables.

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

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

**4 TAWARUQ 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
<b>At 1 January 2022</b>	55,869	305,031	2,358,903	2,719,803	31,738,636	4,338,772	5,371,653	41,449,061
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(154,506)	154,918	(412)	-	(1,842,990)	1,851,902	(8,912)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1,379,855)	(1,063,602)	2,443,457	-	(3,675,512)	(2,412,103)	6,087,615	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	612	(599)	(13)	-	139,863	(136,227)	(3,636)	-
New originated	253,981	2,637,487	1,153,593	4,045,061	113,778,357	31,000,841	3,843,748	148,622,946
Charge for the period (net)	1,500,161	775,615	1,201,515	3,477,291	(16,651,667)	(1,582,581)	(605,422)	(18,839,670)
Write-offs			(1,602,576)	(1,602,576)			(1,602,576)	(1,602,576)
<b>At 30 June 2022</b>	276,262	2,808,850	5,554,467	8,639,579	123,486,687	33,060,604	13,082,470	169,629,761

**5 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>	<u>30 June 2022 (Unaudited)</u>	<u>31 June 2021 (Unaudited)</u>
Mobile Telecommunications Company Saudi Arabia	Parent Company	Expenses paid on behalf of the company	<b>(11,682,456)</b>	(8,395,210)
		Assets	<b>642,034</b>	31,303
		Funds transfer from (to) related party	<b>87,500,000</b>	(37,000,000)

The company is located in the same rented building of the parent company where the office rent is borne by parent company and does not charge the company for the rent.

**TAMAM FINANCE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
(CONTINUED)  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

**5 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**Due to a partner:**

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
Mobile Telecommunications Company Saudi Arabia	<b>112,844,964</b>	13,020,474

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

<i>Related parties</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>			
		<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		SR	SR	SR	SR
Key management personnel	Compensation – salaries and other incentive	<b>769,473</b>	<b>1,626,661</b>	<b>1,747,748</b>	<b>3,296,551</b>
	Provision for employees' defined benefit liabilities	<b>28,002</b>	<b>56,646</b>	<b>63,196</b>	<b>120,994</b>

**Board of Directors remuneration**

The Company did not pay any remuneration to its Board of Directors for the period ended 30 June 2022.

**6 MURABAHA LOAN**

On 27 September 2020, the Parent Company (including its subsidiaries) has a working capital facility Murabaha agreement amounting to SAR 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. The Company has utilized only SAR 20 million during the period ended 30 June 2022 which will be fully matured by May 2023.

**7 SHARE CAPITAL**

The Company had 5,700,000 (31 December 2020: 2,000,000) shares of SR 10 each in issue as at the reporting date.

**8 PROVISION FOR ZAKAT**

**Movement in Zakat provision**

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
Balance at the beginning of the period/year	<b>211,026</b>	-
Charged for the period/year	<b>745,053</b>	211,026
Balance at the end of the period/year	<b>956,079</b>	211,026

**TAMAM FINANCE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
(CONTINUED)  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**8 PROVISION FOR ZAKAT**

**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, however the final assessments have not been raised by Zakat, Tax and Customs Authority ("ZATCA") yet. The Company will file its first Zakat return for the year ended 31 December 2021 by itself.

**9 INCOME FROM TAWARUQ FINANCING**

	<b>30 June 2022</b>	<b>30 June 2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Income from Tawaruq financing	<b>33,760,874</b>	4,241,421

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

**10 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.

**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
- Tawaruq and other receivables
- Murabaha loan
- Other payables

**11 CONTINGENCIES AND COMMITMENTS**

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



**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**12 IMPACT OF COVID-19**

The outbreak of the novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business and continues to evolve with a consequential negative impact on economic activities. The Company is continually monitoring its impact, while working closely with the local regulatory authorities, to manage the evolving business disruption of the COVID-19 pandemic.

In light of COVID-19, the Company has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed interim financial information. Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing material adjustments to the condensed interim financial information.

*Impairment of non-financial assets*

The Company has considered any impairment indicators arising and any significant uncertainties around its property and equipment and concluded there is no material impact due to COVID-19.

*Expected Credit Losses ("ECL") and impairment of financial assets*

The Company has considered the impact of COVID-19 in the ECL models by applying probability weightage scenarios on the relevant macroeconomic factors relative to the economic climate of the respective market in which it operates. The Company has also assessed the exposures in potentially affected sectors for any indicators of impairment and concluded there is no material impact on account of COVID-19.

*Commitments and contingent liabilities*

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

*Going concern*

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Company has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2021. As a result, this interim condensed financial information has been prepared on a going concern basis.

**13 EVENT AFTER THE REPORTING PERIOD**

During the period ended 30 June 2022, the Board of Directors resolved to increase the share capital of the Company from SR 57 million to SR 148 million through transfer from amount due to partner. The increase in capital was approved the Saudi Central Bank via letter 43102505 dated 19 Dhu Al-Hijjah 1443H (corresponding to 18 July 2022).

No other 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.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2022**  
(All amounts in Saudi Riyals)

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**14 COMPARATIVE INFORMATION**

Certain of the prior year amounts have been reclassified to conform with the presentation in the current year.

**15 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Board of Directors on 5 Muharram 1444H (corresponding to 3 August 2022).