

**Tamam Finance Company
(Closed Joint Stock Company – Owned By One
Person)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

Tamam Finance Company
(Closed Joint Stock Company – Owned By One Person)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

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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 ("the Company") as at 30 June 2024, and the interim condensed statement of comprehensive income for the three and six month periods ended 30 June 2024, and the related interim condensed statements of changes in equity and cash flows for the six month period then ended, and explanatory notes. 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") as 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" as 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.

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 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)



Riyadh: 22 Muharram 1446H
(28 July 2024)

Tamam Finance Company
(Closed Joint Stock Company – Owned By One Person)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2024
(All amounts in Saudi Riyals)

	<u>Notes</u>	<u>30 June 2024</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>(Audited)</u>
ASSETS			
Cash and bank balances		18,004,427	23,232,831
Net Islamic financing and other receivables	4	733,151,930	598,535,745
Property and equipment	5	1,841,487	1,632,551
Intangible assets	6	11,518,351	8,995,715
Right of use asset	7	2,559,165	3,237,684
TOTAL ASSETS		767,075,360	635,634,526
LIABILITIES AND EQUITY			
Accruals and other payables		64,462,932	46,495,095
Murabaha Facilities	8	60,000,000	-
Due to Owner	9	172,334,659	370,962,796
Lease liability	7	1,727,607	5,014,284
Provision for employees' end of service benefits		1,166,002	879,198
Zakat provision	11	12,139,132	10,022,817
Total liabilities		311,830,332	433,374,190
EQUITY			
Share capital	10	248,000,000	148,000,000
Proposed increase in capital	10	100,000,000	-
Statutory reserve		7,598,464	7,598,464
Other reserve		(75,871)	(75,871)
Retained earnings		99,722,435	46,737,743
Total owner equity		455,245,028	202,260,336
TOTAL LIABILITIES AND OWNER EQUITY		767,075,360	635,634,526



Mohammed AlFaraj
Head of Finance



Yousef AlMusaleem
Chief Executive Officer



Sultan Al-Deghaither
Vice Chairman and
Managing Director

The accompany notes 1 to 19 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 COMPREHENSIVE INCOME
(UNAUDITED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(All amounts in Saudi Riyals)


		<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
		<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Income from Islamic financing	12	87,724,422	72,326,761	170,207,251	139,742,801
EXPENSES					
Customer information inquiry fees		(12,886,879)	(11,705,524)	(25,110,116)	(21,705,234)
Business consulting		(70,000)	(194,531)	(620,000)	(226,837)
Employees' salaries and related charges		(4,001,447)	(3,200,728)	(9,256,848)	(7,353,739)
Depreciation and amortization		(1,398,964)	(1,011,422)	(3,048,520)	(1,939,222)
IT related costs		(3,627,248)	(2,753,531)	(6,754,819)	(5,423,577)
Other operating expenses		(14,929,275)	(9,039,870)	(27,577,192)	(19,494,455)
Allowance for expected credit losses	4	(21,190,142)	(24,466,096)	(39,594,247)	(44,154,205)
TOTAL OPERATING INCOME		29,620,467	19,955,059	58,245,509	39,445,532
Financial charges		(334,102)	(151,470)	(363,068)	(1,042,840)
INCOME BEFORE ZAKAT		29,286,365	19,803,589	57,882,441	38,402,692
Zakat	11	(3,067,701)	(2,041,895)	(4,897,749)	(3,959,599)
NET INCOME FOR THE PERIOD		26,218,664	17,761,694	52,984,692	34,443,093
OTHER COMPREHENSIVE INCOME					
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement gain / (loss) of employees' end of service benefits		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		26,218,664	17,761,694	52,984,692	34,443,093



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Tamam Finance Company
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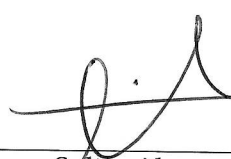
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals)

<u>For the six-month period ended 30 June 2024</u>	<u>Share capital</u>	<u>Proposed increase in capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Total</u>
At 31 December 2023 (Audited)	148,000,000	-	7,598,464	(75,871)	46,737,743	202,260,336
Capital increase	100,000,000	-	-	-	-	100,000,000
Proposed increase in capital	-	100,000,000	-	-	-	100,000,000
Net income for the period	-	-	-	-	52,984,692	52,984,692
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	52,984,692	52,984,692
Balance at 30 June 2024 (Unaudited)	248,000,000	100,000,000	7,598,464	(75,871)	99,722,435	455,245,028

<u>For the six-month period ended 30 June 2023</u>						
At 31 December 2022 (Audited)	148,000,000	-	2,427,849	447,944	200,827	151,076,620
Net income for the period	-	-	-	-	34,443,093	34,443,093
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	34,443,093	34,443,093
Balance at 30 June 2023 (Unaudited)	148,000,000	-	2,427,849	447,944	34,643,920	185,519,713


Mohammed AlFaraj
Head of Finance



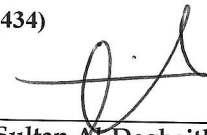

Yousef AIMusaileem
Chief Executive Officer


Sultan Al-Deghaither
Vice Chairman and
Managing Director

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Tamam Finance Company
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals)

	<i>Notes</i>	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Cash flows from operating activities			
Income before zakat		57,882,441	38,402,692
Adjustments for:			
Allowance for expected credit losses	4	39,594,247	44,876,841
Financial charges		363,068	1,042,840
Depreciation and amortization		3,048,520	1,939,222
Provision for employees' end-of-service benefits		291,302	229,334
Operating cash flows before working capital changes		101,179,578	86,490,929
Working capital changes:			
Islamic financing and other receivables		(174,210,432)	(194,995,957)
Accruals and other payables		17,924,387	(1,370,159)
Due to an Owner		(10,117,439)	243,999,870
Net cash (used in) / generated from operating activities		(65,223,906)	134,124,683
Zakat paid		-	(77,228)
Employees' end-of-service benefits paid		(4,498)	(10,211)
Cash flows (used in) / generated from operating activities		(65,228,404)	134,037,244
Cash flows from financing activities			
Proceed from Murabaha Facilities		60,000,000	25,000,000
Payment of Murabaha Facilities		-	(145,000,000)
Financial charges paid		-	(891,370)
Net cash generated from / (used in) financing activities		60,000,000	(120,891,370)
Net change in cash and bank balances		(5,228,404)	13,145,874
Cash and bank balances at beginning of the period		23,232,831	29,008,219
Cash and bank balances at end of the period		18,004,427	42,154,093
Non-cash items			
Right of use asset and lease liability		111,587	4,787,079
Purchase of property and equipment		(446,580)	-
Purchase of intangible assets		(4,494,441)	(1,535,066)
Transfer from due to owner to increase capital		100,000,000	-
Transfer from due to owner to proposed increase in capital		100,000,000	-
Lease liability paid by the owner		(3,570,966)	-
Zakat paid by the owner		(2,781,434)	-
			
Mohammed AlFaraj			
Head of Finance			
			
Yousef AlMusaileem			
Chief Executive Officer			
			
Sultan Al-Deghaither			
Vice Chairman and			
Managing Director			
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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 2024

(All amounts in Saudi Riyals)

1 ORGANIZATION AND ACTIVITIES

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

These interim condensed financial statements of the Company as at and for the period ended 30 JUNE 2024, 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 audited financial statements for the year ended 31 December 2023. These 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 2023.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Material accounting policies

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in KSA. In addition, results for the three and six months period ended 30 JUNE 2024 are not necessarily be indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies used in the preparation of these 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 2023. The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 which had no material impact on Company’s interim condensed financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 2024
(All amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting judgements, estimates and assumptions.

The preparation of the Company's interim condensed financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Other than above, the accounting estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023.

3.3 New standards, interpretations and amendments adopted by the Company.

The following new and amended IFRSs, which became effective for annual periods beginning on or after January 1, 2024, have been adopted in these financial statements, however these do not have any material impact on the financial statements for the period unless otherwise stated:

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

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 2024

(All amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Material standards issued but not yet effective

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18- Presentation and Disclosure in Financial Statements	IFRS 18: Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements	1 January 2027

4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Islamic financing receivables	778,796,409	657,254,297
Unearned finance income	(1,426,119)	(1,361,983)
	777,370,290	655,892,314
Less: allowance for expected credit losses	(45,065,465)	(58,787,687)
Islamic financing receivables, net	732,304,825	597,104,627
Other receivables	847,105	1,431,118
Islamic financing and other receivables	733,151,930	598,535,745

All the financing facilities provided by Company are Shariah compliant, accordingly they are unconventional in nature. The company conducts credit checks before granting credit to new customers. These procedures are reviewed and updated continuously. There have been no changes to these procedures compared to the previous year.

- i) Movement in the allowance for impairment losses were as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	58,787,687	36,354,290
Written-off during the period / year	(59,372,361)	(71,860,497)
Charge for the period / year	45,650,139	94,293,894
At end of the period / year	45,065,465	58,787,687

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 2024

(All amounts in Saudi Riyals)

4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)

- ii) The allowance for impairment of Islamic financing receivables, charged to the interim condensed statement of comprehensive income comprise of the following:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Charge for the period	45,650,139	44,876,841
Recovery of written off financing for the period	(6,055,892)	(722,636)
Provision charged for the period	39,594,247	44,154,205

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.

- iii) Analysis of credit quality of Islamic financing receivables is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Neither past due nor impaired	369,563,361	362,722,560
Past due but not impaired	339,967,124	158,598,539
Past due and impaired	67,839,805	134,571,215
	777,370,290	655,892,314

Management classifies Islamic financing receivables that are either not yet due or otherwise past due but for 90 days or less as “performing” while all receivables that are past due for more than 90 days are classified as “non-performing”. Below is the breakdown of performing and non-performing Islamic financing receivables:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Performing	709,530,485	521,321,099
Non-performing	67,839,805	134,571,215
	777,370,290	655,892,314

- iv) The movement in allowances for Islamic financing receivables is as follows:

	<i>Expected credit loss allowance (SR)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	
30 June 2024 (Unaudited)	(12-month ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	Total
At 1 January 2024	681,864	11,586,830	46,518,993	58,787,687
Transfers:				
Transfer to 12-months	1,509,423	(251,229)	(1,258,194)	-
Transfer to lifetime not credit-impaired	(324,387)	14,844,536	(14,520,149)	-
Transfer to lifetime credit-impaired	(41,825)	(1,364,169)	1,405,994	-
Charge for the period / (reversal)	(1,179,919)	(6,040,965)	52,871,023	45,650,139
Write-offs	-	-	(59,372,361)	(59,372,361)
At 30 June 2024	645,156	18,775,003	25,645,306	45,065,465

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 2024

(All amounts in Saudi Riyals)

4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)

iv) The movement in allowances for Islamic financing receivables is as follows: (continued)

<u>31 December 2023 (Audited)</u>	<i>Expected credit loss allowance (SR)</i>			<i>Total</i>
	<i>Stage 1</i> (12-month ECL)	<i>Stage 2</i> (lifetime ECL for SICR)	<i>Stage 3</i> (lifetime ECL for credit impaired)	
At 1 January 2023	458,953	8,837,888	27,057,449	36,354,290
Transfers:				
Transfer to 12-months	295,460	(215,925)	(79,535)	-
Transfer to lifetime not credit-impaired	(80,187)	401,724	(321,537)	-
Transfer to lifetime credit-impaired	(97,548)	(2,528,279)	2,625,827	-
Write-offs	-	-	(71,860,497)	(71,860,497)
Charge for the year / (reversal)	105,186	5,091,422	89,097,286	94,293,894
At 31 December 2023	<u>681,864</u>	<u>11,586,830</u>	<u>46,518,993</u>	<u>58,787,687</u>
<u>30 June 2023 (Unaudited)</u>				
At 1 January 2023	458,953	8,837,888	27,057,449	36,354,290
Transfers:				
Transfer to 12-months	1,191,898	(666,601)	(525,297)	-
Transfer to lifetime not credit-impaired	(211,360)	1,905,485	(1,694,125)	-
Transfer to lifetime credit-impaired	(34,032)	(4,119,570)	4,153,602	-
New business / other movements	(824,695)	9,689,555	36,011,981	44,876,841
Write-offs	-	-	(10,963,027)	(10,963,027)
At 30 June 2023	<u>580,764</u>	<u>15,646,757</u>	<u>54,040,583</u>	<u>70,268,104</u>

v) The movement of Islamic financing receivables at gross exposure by stages is as follows:

	Gross carrying amount (SR)			
30 June 2024 (Unaudited)	Stage 1 Exposure	Stage 2 Exposure	Stage 3 Exposure	Total
Murabaha Financing Receivables				
At 1 January 2024	362,722,560	158,598,539	134,571,215	655,892,314
Transfers:				
Transfer to 12-months	7,639,189	(4,224,541)	(3,414,648)	-
Transfer to lifetime not credit-impaired	(132,960,960)	176,205,697	(43,244,737)	-
Transfer to lifetime credit-impaired	(7,011,860)	(24,036,547)	31,048,407	-
New business / other movements	139,174,432	33,423,976	8,251,929	180,850,337
Write-offs	-	-	(59,372,361)	(59,372,361)
At 30 June 2024	369,563,361	339,967,124	67,839,805	777,370,290

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 2024

(All amounts in Saudi Riyals)

4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)

v) The movement of Islamic financing receivables at gross exposure by stages is as follows: (continued)

	Gross carrying amount (SR)			
31 December 2023 (Unaudited)	Stage 1 Exposure	Stage 2 Exposure	Stage 3 Exposure	Total
Murabaha Financing Receivables				
At 1 January 2023	196,976,991	101,787,403	69,457,969	368,222,363
Transfers:				
Transfer to 12-months	3,007,619	(2,782,448)	(225,171)	-
Transfer to lifetime not credit-impaired	(30,891,915)	31,778,197	(886,282)	-
Transfer to lifetime credit-impaired	(26,768,338)	(29,016,348)	55,784,686	-
New business / other movements	220,398,203	56,831,735	82,300,510	359,530,448
Write-offs	-	-	(71,860,497)	(71,860,497)
At 31 December 2023	362,722,560	158,598,539	134,571,215	655,892,314

5 PROPERTY AND EQUIPMENT

	30 June 2024 (Unaudited)				31 December 2023
	Leasehold Improvements	Computers	Furniture & Office Equipment	Total	Total
<i>Cost</i>					
Balance as at beginning of the period / year	917,912	112,238	726,664	1,756,814	87,988
Additions	-	355,320	91,260	446,580	1,668,826
At 30 June 2024	917,912	467,558	817,924	2,203,394	1,756,814
<i>Accumulated depreciation</i>					
At 1 January 2024	30,597	69,444	24,222	124,263	18,703
Charge for the Period / year	91,793	68,622	77,229	237,644	105,560
Balance as at the end of the period / year	122,390	138,066	101,451	361,907	124,263
Net book value	795,522	329,492	716,473	1,841,487	1,632,551

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6 INTANGIBLE ASSETS

Intangible assets include software and mobile application of the Company. These intangible assets are amortised over 5 years based on useful economic life.

	30 June 2024 (Unaudited)			31 December 2023 (Audited)
	<i>Computer software and IT systems</i>	<i>Capital work in progress</i>	<i>Total</i>	<i>Total</i>
Cost				
Balance as at beginning of the period / year	14,910,013	1,920,510	16,830,523	11,802,838
Additions during the period / year	4,224,441	270,000	4,494,441	5,027,685
Transfer from CWIP to Software	1,802,385	(1,802,385)	-	-
Balance as at end of the period / year	20,936,839	388,125	21,324,964	16,830,523
Accumulated amortization				
Balance as at beginning of the period / year	7,834,808	-	7,834,808	5,137,033
Charge for the period / year	1,971,805	-	1,971,805	2,697,775
At 30 June 2024	9,806,613	-	9,806,613	7,834,808
Balance as at the end of the period / year	11,130,226	388,125	11,518,351	8,995,715

7 RIGHT OF USE ASSET AND LEASE LIABILITY

The Company has lease contracts for building used in its operations. Leases of building has lease terms of 3 years. Set out below is the carrying amount of right-of-use asset and the movements during the period:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at beginning of the period / year	3,237,684	-
Additions during the period / year	-	4,711,344
Adjustment	160,552	-
Depreciation for the period / year	(839,071)	(1,473,660)
Balance as at the end of the period / year	2,559,165	3,237,684

The movements in lease liability during the period / year are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at beginning of the period / year	5,014,284	-
Addition during the period / year	-	4,711,344
Adjustment	228,691	-
Interest on lease liability	55,598	302,940
Lease payments	(3,570,966)	-
Balance as at the end of the period / year	1,727,607	5,014,284
Non-current portion	-	1,473,661
Current portion	1,727,607	3,540,623
	1,727,607	5,014,284

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8 MURABAHA FACILITIES

On September 27, 2020, the parent company (including its subsidiaries) entered a Murabaha agreement for working capital facilities amounting to 1 billion Saudi Riyals. The financing expenses, as defined under the agreement, are due in quarterly installments over 5 years. The facility is partially secured by a guarantee from the Mobile Telecommunications Company K.S.C., a pledge of the parent company's shares owned by certain founding shareholders, the assignment of certain contracts and receivables, and a lien on fixed assets. The company utilized only 60 million Saudi Riyals during the period ending on June 30, 2024, which will be due in full on August 28, 2024.

9 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the Shareholder, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. In the ordinary course of business, the Company transacts business with related parties at agreed terms between the management. The nature and balances resulting from such transactions are as follows:

- i) During the period, the Company had the following transactions with a related parties:

Related party	Relationship	Nature	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Mobile Telecommunications Company Saudi Arabia	Parent Company	Expenses paid on behalf of the Company	(49,430,608)	(73,999,868)
		Transfer of property and equipment and Intangible assets	(4,941,020)	(1,535,068)
		Funds transfer to/(from) related party	52,999,765	(170,000,000)
		Proposed increase in capital	100,000,000	-
		Transfer for capital increase	100,000,000	-
Key management personnel	Executives	Compensation – salaries and other incentives	4,663,524	3,391,814
		Provision of employees' defined benefit liabilities	104,298	118,567

- ii) The Company had following related party balance during the period / year:

<u>Due to Owner</u>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Mobile Telecommunications Company Saudi Arabia*	172,334,659	370,962,796

*This balance is interest free and repayable on demand.

Board of Directors remuneration

The Company has paid remuneration SAR 1,000,000 to its Board of Directors and Audit Committee member during the period ended 30 June 2024 (30 June 2023: SAR 512,500).

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10 SHARE CAPITAL

Share capital is divided into 24,800,000 shares (31 December 2023: 14,800,000 shares) of SR 10 each.

During the period, the Board of Directors resolved to increase the share capital of the Company from SR 148 million to SR 248 million through transfer from amount due to Owner. The increase in capital was approved by the Saudi Central Bank via letter 45051557 dated 9 Sha'ban 1445H (corresponding to 19 February 2024). The extraordinary General Assembly have met on 25 Thul-Qidah 1445H (corresponding to 2 June 2024) and approved by the capital increase recommended by the board of directors. The company's By-Laws and Commercial Registration has been amended.

Furthermore during the period, the Board of Directors also proposed an additional increase in the company's share capital by SAR 100 million through the transfer of an amount from due to the owner.

11 ZAKAT PROVISION

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	10,022,817	2,908,636
Charge for the period / year	4,897,749	7,191,409
Payment during the period / year	(2,781,434)	(77,228)
Balance at the end of the period / year	12,139,132	10,022,817

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 Zakat return for the years ended 31 December 2021 through 2023 by itself and obtained the certificates for respective years. Final assessments have not been raised by Zakat, Tax and Customs Authority ("ZATCA") yet.

12 INCOME FROM ISLAMIC FINANCING

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Islamic financing income	85,844,232	71,097,810	166,024,537	137,215,179
Fee income	1,880,190	1,228,951	4,182,714	2,527,622
	87,724,422	72,326,761	170,207,251	139,742,801

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

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

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13 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments comprise financial asset and financial liabilities. Financial assets of the Company includes bank balances and Murabaha receivables. Financial liabilities of the Company include borrowings and accruals.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All the financial assets and liabilities of the Company are classified within level 3 of the fair value hierarchy. For assets and liabilities that are recognised in the interim condensed financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. There have been no transfers between various fair value hierarchy level during the current or prior period.

Carrying amount versus 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

14 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholder. The Company's objectives for managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders and to provide an adequate return to shareholders by pricing the services commensurately with the level of risk.

15 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including profit rate risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by management. The most important types of risk are summarized below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

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15 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Company's maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in the table below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash and bank balances	18,004,427	23,232,831
Net Islamic financing receivables	733,151,930	598,535,745
Total	<u>751,156,357</u>	<u>621,768,576</u>

16 CONTINGENCIES AND COMMITMENTS

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

17 EVENTS AFTER THE REPORTING PERIOD

There have been no significant subsequent events since the six-month period ended 30 June 2024 that would have material impact on the interim condensed financial statements of the Company.

18 COMPARATIVE FIGURES

Certain prior period amounts have been reclassified to conform to the presentation in the current period. However, there is no material change to report.

19 APPROVED INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 22 Muharram 1446H (corresponding to 28 July 2024).
