

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

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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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 31 March 2025, and the related interim condensed statement of profit and loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other 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 statements 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: 1 Thul-Qi'dah 1446H

(29 April 2025)

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

(All amounts in Saudi Riyals)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and bank balances		49,426,267	15,850,372
Net Islamic financing and other receivables	4	909,604,838	873,858,726
Property and equipment	5	1,557,299	1,677,842
Intangible assets	6	13,403,149	10,786,444
Right of use asset	7	1,300,559	1,720,094
TOTAL ASSETS		975,292,112	903,893,478
LIABILITIES AND EQUITY			
Accruals and other payables		39,008,499	52,296,412
Due to Owner	8	261,829,845	208,627,087
Lease liabilities	7	-	1,782,741
Murabaha loan	9	120,000,000	120,000,000
Provision for employees' end of service benefits		1,545,191	1,352,175
Zakat provision	11	15,477,002	12,066,880
Total liabilities		437,860,537	396,125,295
EQUITY			
Share capital	10	248,000,000	248,000,000
Proposed increase in capital	10	100,000,000	100,000,000
Statutory reserve		-	18,118,601
Other reserve		230,608	230,608
Retained earnings		189,200,967	141,418,974
Total owner equity		537,431,575	507,768,183
TOTAL LIABILITIES AND OWNER EQUITY		975,292,112	903,893,478



Mohammed AlFaraj
Chief Financial Officer



Yousef AlMusaileem
Chief Executive Officer



Saad AlSadhan
Vice Chairman

The accompanying 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 PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in Saudi Riyals)

		For the three-months period ended	
	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Income from Islamic financing	12	107,989,897	82,482,829
Expenses			
Customer information inquiry fees		(12,420,047)	(12,223,237)
Business consulting		(30,000)	(550,000)
Employees' salaries and related charges		(6,836,857)	(5,255,401)
Depreciation and amortization		(1,472,926)	(1,649,556)
IT related costs		(4,622,613)	(3,127,571)
Other operating expenses		(19,210,609)	(12,676,883)
Charge for expected credit losses	4	(28,269,831)	(18,404,105)
Income from operation		35,127,014	28,596,076
Financial charges		(2,053,500)	-
Income before zakat		33,073,514	28,596,076
Zakat	11	(3,410,122)	(1,830,048)
Net income for the period		29,663,392	26,766,028
Other comprehensive income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of employees' end of service benefits		-	-
Total comprehensive income for the period		29,663,392	26,766,028



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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-MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in Saudi Riyals)

	Share capital	Proposed increase in capital	Statutory reserve	Other reserve	Retained Earnings	Total
Balance as at 1 January 2025 (Audited)	248,000,000	100,000,000	18,118,601	230,608	141,418,974	507,768,183
Net income for the period	-	-	-	-	29,663,392	29,663,392
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	29,663,392	29,663,392
Transfer from statutory reserve	-	-	(18,118,601)	-	18,118,601	-
Balance as at 31 March 2025 (Unaudited)	248,000,000	100,000,000	-	230,608	189,200,967	537,431,575

Balance as at 1 January 2024 (Audited)

Net income for the period	148,000,000	-	7,598,464	(75,871)	46,737,743	202,260,336
Other comprehensive income	-	-	-	-	26,766,028	26,766,028
Total comprehensive income for the period	-	-	-	-	-	-

Balance at 31 March 2024

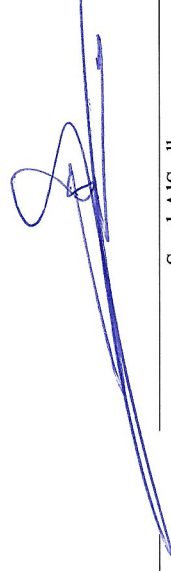
	148,000,000	-	7,598,464	(75,871)	73,503,771	229,026,364
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TAMAM FINANCE COMPANY
(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat		33,073,514	28,596,076
Adjustments to reconcile net income for the period to net cash from operating activities:			
Allowance for expected credit losses	4	28,269,831	18,404,105
Financial charges		2,053,500	-
Depreciation and amortization		1,472,926	1,649,556
Provision for employees' end-of-service benefits		207,768	142,606
		<u>65,077,539</u>	<u>48,792,343</u>
Changes in working capital			
Islamic financing and other receivables	4	(64,015,943)	(78,335,599)
Accruals and other payables		(14,013,670)	9,177,068
Due to an Owner	8	49,653,205	17,991,087
Cash flows generated (used in) / from operating activities		<u>36,701,131</u>	<u>(2,375,101)</u>
Employees' end-of-service benefits paid		(14,752)	-
Cash flows generated (used in) / from operating activities		<u>36,686,379</u>	<u>(2,375,101)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid	7	(1,782,741)	-
Financial charges paid		(1,327,743)	-
Net cash used in from financing activities		<u>(3,110,484)</u>	<u>-</u>
Net change in cash and cash equivalents		<u>33,575,895</u>	<u>(2,375,101)</u>
Cash and cash equivalents at beginning of the period		<u>15,850,372</u>	<u>23,232,831</u>
Cash and cash equivalents at end of the period		<u>49,426,267</u>	<u>20,857,730</u>



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Vice Chairman

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (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

These interim condensed financial statements of the Company as at and for the period ended 31 March 2025, 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 2024. 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 2024.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

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-month period ended 31 March 2025 are not necessarily be indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024. The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 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.

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 2024.

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

Following are the standards and amendments effective on 1 January 2024 or after (unless otherwise stated) and do not have a material impact on the Company's financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS (1): Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the Board issued amendments to 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 settlement 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
- Disclosures

The standard had no impact on the Company’s financial statements.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 New standards, interpretations and amendments adopted by the Company

Amendments to IFRS (16): Lease Liability in a Sale and Leaseback

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The standard had no impact on the Company's financial statements.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The standard had no impact on the Company's financial statements.

New and amended standards and interpretations not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Company and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Company on the effective date.

<u><i>Standard, Amendment or Interpretation</i></u>	<u><i>Effective date</i></u>
- Amendments to IAS (21): Lack of exchangeability	1 January 2025
- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS Accounting Standards.	1 January 2026
- Amendments to IFRS (9) and IFRS (7): Power Purchase Agreements.	1 January 2026
- IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	1 January 2027
- IFRS (19) – Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

4 ISLAMIC FINANCING AND OTHER RECEIVABLES

	<u><i>31 March 2025</i></u> <u><i>(Unaudited)</i></u>	<u><i>31 December 2024</i></u> <u><i>(Audited)</i></u>
Islamic financing receivables	972,408,920	935,683,788
Unearned finance income	(2,157,838)	(1,973,683)
	970,251,082	933,710,105
Less: allowance for expected credit losses	(64,734,262)	(64,508,509)
Islamic financing receivables, net	905,516,820	869,201,596
Other receivables	4,088,018	4,657,130
Islamic financing and other receivables	909,604,838	873,858,726

TAMAM FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

4 ISLAMIC FINANCING AND OTHER RECEIVABLES (continued)

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.

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Performing	787,839,549	799,950,276
Non-performing	117,677,271	69,251,320
	905,516,820	869,201,596

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	64,508,509	58,787,687
Write-off for the period/ year	(31,254,375)	(106,321,622)
Recovery from write-off	3,210,297	19,118,528
Charged for the period / year	28,269,831	92,923,916
Closing balance	64,734,262	64,508,509

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

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Charged for the period	31,480,128	21,870,816
Recovery from written off	(3,210,297)	(3,466,711)
Closing balance	28,269,831	18,404,105

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:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Neither past due nor impaired	633,494,897	563,351,818
Past due but not impaired	167,129,725	254,982,538
Past due and impaired	169,626,460	115,375,749
	970,251,082	933,710,105

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:

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

4 ISLAMIC FINANCING AND OTHER RECEIVABLES (continued)

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

	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 2025	6,158,346	8,879,972	49,470,191	64,508,509	563,351,818	254,982,538	115,375,749	933,710,105
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(491,960)	953,365	(461,405)	-	(26,664,321)	28,544,344	(1,880,023)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	(3,377,784)	3,377,784	-	-	(96,346,804)	96,346,804	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	3,608,369	(496,969)	(3,111,400)	-	22,954,578	(15,582,293)	(7,372,285)	-
New originated	2,537,521	3,963	6,665	2,548,149	213,917,210	126,436	28,952	214,072,598
Charge for the period (net)	(4,272,041)	(717,707)	33,921,728	28,931,980	(140,064,388)	(4,594,496)	(1,618,361)	(146,277,245)
Write-offs	-	-	(31,254,376)	(31,254,376)	-	-	(31,254,376)	(31,254,376)
At 31 March 2025 (unaudited)	7,540,235	5,244,840	51,949,187	64,734,262	633,494,897	167,129,725	169,626,460	970,251,082

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(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 2024	681,864	11,586,830	46,518,993	58,787,687	362,722,560	158,598,539	134,571,215	655,892,314
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(208,703)	1,281,208	(1,072,505)	-	(103,861,843)	106,983,632	(3,121,789)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(18,216)	(4,616,410)	4,634,626	-	(6,137,161)	(53,799,094)	59,936,255	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	1,788,337	(538,735)	(1,249,602)	-	11,592,981	(8,023,671)	(3,569,310)	-
New originated	5,504,365	4,742,527	360,129	10,607,021	500,201,228	123,094,616	1,490,413	624,786,257
Charge for the period	(1,589,301)	(3,575,448)	106,600,172	101,435,423	(201,165,947)	(71,871,484)	32,390,587	(240,646,844)
Write-offs	-	-	(106,321,622)	(106,321,622)	-	-	(106,321,622)	(106,321,622)
At 31 December 2024 (Audited)	6,158,346	8,879,972	49,470,191	64,508,509	563,351,818	254,982,538	115,375,749	933,710,105

TAMAM FINANCE COMPANY

(CLOSED JOINT STOCK COMPANY - OWNED BY ONE PERSON)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in Saudi Riyals)

5 PROPERTY AND EQUIPMENT

	31 March 2025 (Unaudited)				31 December 2024 (Audited)
	<i>Leasehold Improvements</i>	<i>Computers</i>	<i>Furniture & Office Equipment</i>	<i>Total</i>	<i>Total</i>
Cost					
Balance as at beginning of the period / year	991,748	467,558	824,270	2,283,576	1,756,814
Additions	-	-	-	-	526,762
Balance as at the end of the period / year	991,748	467,558	824,270	2,283,576	2,283,576
Accumulated depreciation					
Balance as at beginning of the period / year	222,682	198,856	184,196	605,734	124,263
Charge for the Period / year	49,587	29,742	41,214	120,543	481,471
Balance as at the end of the period / year	272,269	228,598	225,410	726,277	605,734
Net book value	719,479	238,960	598,860	1,557,299	1,677,842

6 INTANGIBLE ASSETS

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

	31 March 2025 (Unaudited)			31 December 2024 (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	22,120,490	565,711	22,686,201	16,830,523
Additions during the period / year	3,549,553	-	3,549,553	5,973,803
Disposals	-	-	-	(118,125)
Transfer from CWIP to Software	62,016	(62,016)	-	-
Balance as at end of the period / year	25,732,059	503,695	26,235,754	22,686,201
Accumulated amortization				
Balance as at beginning of the period / year	11,899,757	-	11,899,757	7,834,808
Charge for the period / year	932,848	-	932,848	4,064,949
Balance as at end of the period / year	12,832,605	-	12,832,605	11,899,757
Net book value	12,899,454	503,695	13,403,149	10,786,444

TAMAM FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in Saudi Riyals)

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:

	<i>31 March 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Balance as at beginning of the period / year	1,720,094	3,237,684
Additions during the period / year	-	-
Adjustment	-	160,552
Depreciation for the period / year	(419,535)	(1,678,142)
Balance as at end of the period / year	1,300,559	1,720,094

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

	<i>31 March 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Balance as at beginning of the period / year	1,782,741	5,014,284
Addition during the period / year	-	-
Adjustment	-	228,691
Finance charges on lease liability	2,742	110,732
Lease payments	(1,785,483)	(3,570,966)
Balance as at end of the period / year	-	1,782,741
Non-current portion	-	-
Current portion	-	1,782,741
	-	1,782,741

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8 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 related parties:

Related party	Relationship	Nature	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Mobile Telecommunication Company Saudi Arabia	Parent Company	Expenses paid on behalf of the Company	(49,653,205)	(17,991,088)
		Transfer of property and equipment and Intangible assets	(3,549,553)	(3,001,669)
		Funds transfer to/(from) related party	-	-
Key management personnel	Executives	Compensation – salaries and other incentives	2,121,806	3,111,862
		Provision of employees' defined benefit liabilities	71,557	51,866

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

<u>Due to Owner</u>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Mobile Telecommunications Company Saudi Arabia*	261,829,845	208,627,087

*This balance is profit-free and repayable on demand.

Board of Directors remuneration

The Company did not pay any remuneration to its Board of Directors and Audit Committee member during the period ended 31 March 2025 (31 March 2024 Nil).

9 MURABAHA FINANCING

On 27 September 2020, the Parent Company (including its subsidiaries) has a working capital facility Murabaha agreement amounting to SR 1 billion to facilitate the subsidiaries in getting loans from the bank. 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. As at 31 March 2025, the Company has drawn down only SR 120m from this facility, as short term working capital financing.

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10 SHARE CAPITAL

As of the reporting date, the Company had 24,800,000 shares (31 December 2024: 24,800,000) with a par value of SR 10 each. On 25 June 2024, the Board of Directors further approved an increase in the Company's share capital from SR 248 million to SR 348 million. This increase was executed by transferring SR 100 million from the "Due to Owner" account to the "Proposed Increase in Capital" account. The Saudi Central Bank has approved this increase as well, referenced by approval number 460236190 dated 17 October 2024.

11 PROVISION FOR ZAKAT

Movement in Zakat provision

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	12,066,880	10,022,817
Charged for the period/year	3,410,122	10,898,410
Payment during the period/year	-	(8,854,347)
Balance at the end of the period/year	15,477,002	12,066,880

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, 31 December 2022 and 31 December 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 FINANCING

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Financing income	105,855,468	80,180,305
Fee income	2,134,429	2,302,524
	107,989,897	82,482,829

All the incomes are 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.

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13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continue)

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

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 recognized 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 categorization (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:

- Bank Balances
- Islamic financing and other receivables
- Accruals and other payables
- Due to Owner
- Murabaha Facilities

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.

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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.

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:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Cash and bank balances	49,426,267	15,850,372
Net Islamic financing receivables and other receivables	909,604,838	873,858,726
Total	959,031,105	889,709,098

16 CONTINGENCIES AND COMMITMENTS

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

17 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 require adjustment to, or disclosure, in these interim condensed financial statements.

18 COMPARATIVE INFORMATION

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

19 APPROVED INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 26 Shawwal 1446H (corresponding to 24 April 2025).