

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)**

(1/1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Al Tayseer Arabian Company (the "Company") as at 31 March 2023 and the related interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes ("the interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', that is endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed 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 that is endorsed in the Kingdom of Saudi Arabia.

OTHER MATTER

The interim condensed financial statements of the Company for the three-month period ended 31 March 2022 were reviewed by another auditor who expressed an unmodified opinion on these interim condensed financial statements on 27 Ramadan 1443H (corresponding to 28 April 2022).

For Al-Bassam & Co.



Ahmed Abdul Majeed Mohandis
Certified Public Accountant

License No. 477

Khobar: May 4, 2023

Corresponding to: Shawwal 14, 1444H

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AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		31 March	31 December
		2023	2022
		SR	SR
ASSETS	Note	(Unaudited)	(Audited)
Non-current assets			
Property and equipment		7,288,463	6,789,891
Right-of-use assets		4,028,854	4,746,996
Intangible assets		3,315,251	3,511,904
Net investment in finance lease and murabaha / tawarruq finance	5	1,122,492,298	908,330,042
Investment carried at FVOCI		892,850	892,850
Total non-current assets		1,138,017,716	924,271,683
Current assets			
Current maturity of net investment in finance lease and murabaha / tawarruq finance	5	711,719,720	596,487,468
Prepayments and other receivables	6	102,421,202	38,743,857
Investment at amortized cost	7	-	20,000,000
Cash and bank balances	7	78,758,853	72,114,719
Assets repossessed held for sale	8	2,388,301	1,387,680
Total current assets		895,288,076	728,733,724
TOTAL ASSETS		2,033,305,792	1,653,005,407
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	400,000,000	400,000,000
Statutory reserve		12,468,976	12,468,976
Retained earnings		50,007,649	27,134,129
Total shareholders' equity		462,476,625	439,603,105
LIABILITIES			
Non-current liabilities			
Financial facilities	10	684,522,747	494,041,199
Lease liabilities	12	604,169	1,937,390
Employees' end of service benefits		7,755,584	7,158,057
Total non-current liabilities		692,882,500	503,136,646
Current liabilities			
Current maturity of financial facilities	10	419,704,351	388,122,227
Current maturity of lease liabilities	12	2,946,177	2,806,393
Accounts payable		187,197,678	131,480,392
Accrued expenses and other liabilities	11	153,380,800	83,193,290
Due to related parties	9	110,685,833	102,731,526
Provision for zakat	14	4,031,828	1,931,828
Total current liabilities		877,946,667	710,265,656
TOTAL LIABILITIES		1,570,829,167	1,213,402,302
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,033,305,792	1,653,005,407
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These interim condensed financial statements were approved by the Board of Directors and have been signed on their behalf by:

Ibrahim Al Jomaih
Chairman

Zaid Abdullah Al-Yaesh
Chief Executive Officer

Abdullah AlHajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

		For the three- month period ended 31 March 2023 SR (Unaudited)	For the three- month period ended 31 March 2022 SR (Unaudited)
	Note		
Income			
Finance lease and murabaha / tawarruq finance income, net	15	65,525,602	36,727,391
Expenses			
Finance cost	16	(15,170,045)	(4,466,228)
Other general and administrative expenses		(10,358,233)	(2,636,981)
Provision for expected credit losses		(9,000,000)	(7,083,160)
Insurance and other cost		(8,046,175)	(5,442,689)
Salaries and employee related expenses		(7,772,613)	(5,611,677)
Commissions and sales promotion		(2,548,588)	(439,682)
Depreciation and amortization		(1,307,968)	(1,105,789)
Other income, net		13,651,540	5,114,915
Profit before zakat		24,973,520	15,056,100
Zakat charge	14	(2,100,000)	(579,425)
Profit for the period		22,873,520	14,476,675
Other comprehensive income for the period		-	-
Total comprehensive income for the period		22,873,520	14,476,675
Earnings per share (basic and diluted)	17	0.57	0.48

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Abdullah AlHajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
Balance as at 31 December 2021 – (audited)	300,000,000	11,705,676	22,554,212	334,259,888
Profit for the period	-	-	14,476,675	14,476,675
Balance as at 31 March 2022 – (unaudited)	<u>300,000,000</u>	<u>11,705,676</u>	<u>37,030,887</u>	<u>348,736,563</u>
Balance as at 31 December 2022 – (audited)	400,000,000	12,468,976	27,134,129	439,603,105
Profit for the period	-	-	22,873,520	22,873,520
Balance as at 31 March 2023 – (unaudited)	<u>400,000,000</u>	<u>12,468,976</u>	<u>50,007,649</u>	<u>462,476,625</u>

These interim condensed financial statements were approved by the Board of Directors and have been signed on their behalf by:

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Abdullah AlHajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

		For the three-month period ended 31 March 2023 SR (Unaudited)	For the three-month period ended 31 March 2022 SR (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		24,973,520	15,056,100
Adjustments for:			
Amortization of government grant		(6,244,807)	-
Gain on modification of financing contracts		-	(1,479,768)
Provision for expected credit losses	5	9,000,000	7,083,160
Depreciation and amortization		1,307,968	1,105,789
Finance cost	16	15,170,045	4,466,228
Gain on investment, net		-	(38,643)
Provision for employees' end of service benefits		680,364	526,080
		44,887,090	26,718,946
Changes in operating assets and liabilities:			
Net investment in finance lease and murabaha / tawarruq finance	5	(338,394,508)	(77,160,233)
Prepayments and other receivables	6	(63,677,345)	(9,718,318)
Assets repossessed held for sale	8	(1,000,621)	(1,214,004)
Due to related parties	9	7,954,307	12,577,406
Account payables		55,717,286	(21,654,576)
Accrued expenses and other liabilities	11	41,181,083	9,465,346
Cash flow used in operating activities		(253,332,708)	(60,985,433)
Finance costs paid	16	(7,704,649)	(1,636,531)
Employees' end of service benefits paid		(82,837)	(472,283)
Net cash used in operating activities		(261,120,194)	(63,094,247)
INVESTING ACTIVITIES			
Purchase of property and equipment		(891,745)	(239,417)
Purchase of intangible assets		-	(2,306,974)
Investment in funds		-	(10,000,000)
Proceeds from redemption of funds		-	20,000,000
Proceeds from disposal of investment at amortized cost	7	20,000,000	-
Proceeds from disposal of assets		-	267,251
Net cash generated from investing activities		19,108,255	7,720,860
FINANCING ACTIVITIES			
Proceeds from financial facilities	10	339,313,268	99,729,593
Repayments of financial facilities	10	(89,435,109)	(72,332,673)
Repayment of lease liabilities	12	(1,222,086)	(255,000)
Net cash generated from financing activities		248,656,073	27,141,920
NET CHANGE IN CASH AND CASH EQUIVALENTS		6,644,134	(28,231,467)
Cash and cash equivalents at the beginning of the period	7	72,114,719	39,260,553
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	78,758,853	11,029,086
Non-cash transactions	19		

These interim condensed financial statements were approved by the Board of Directors and have been signed on their behalf by:

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Abdullah AlHajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

1. LEGAL STATUS

Al Tayseer Arabian Company ("the Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2051060381 (unified number 7012309998) issued in Khobar on 11 Jumad ul Thani 1436 H (31 March 2015).

The principal activity of the Company is providing various types of automotive finance services to the retail and corporate sector in the Kingdom of Saudi Arabia under the license number 37/Ash/201508 dated 15 Dhu al-Qidah 1437 H (corresponding to 18/08/2016) granted by Saudi Central Bank (SAMA). The Company is ultimately owned and controlled by Al Jomaih Holding Company ("AJHC", the "Holding Company").

These interim condensed financial statements include the activities of following branch:

Commercial Registration	Branch
2051055139	Khobar, Rakah District
1131313667	Buraidah, Al Basar District
1010323416	Riyadh, Al Mannar District

The Company's Head Office is located at the following address;

Al Tayseer Arabian Company
P.O. Box 224, King Abdullah Street, 31411
Khobar, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements of the Company for the three-month period ended 31 March 2023 have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Company's latest annual financial statements for the year ended 31 December 2022 ("latest annual financial statements").

These interim condensed financial statements do not include all of the information required for a complete set of IFRS financial statements. However, accounting policies and selected explanatory notes are included to reflect events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the latest annual financial statements. The results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The preparation of interim condensed financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in interim condensed financial statements. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual financial statements as at December 31, 2022.

2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention method.

2.3 Functional and presentational currency

These interim condensed financial statements have been presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. Figures have been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

3.1 New standards, amendments to standards and interpretations

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements, except for where referenced below.

New amendments to standards issued and applied effective in year 2023

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 17	Insurance Contracts	January 1, 2023	This is comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified 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 and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements
IAS 8	Amendment to definition of accounting estimate	January 1, 2023	This amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	January 1, 2023	This amendment deals with clarification regarding accounting of deferred tax on transactions such as leases and decommissioning obligations

3.2 New standards, amendments and revised IFRS issued but not yet effective

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	"Presentation of financial statements", on classification of liabilities	January 1, 2024	These narrow-scope amendments to IAS 1 "Presentation of financial statements" clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period and non-current liabilities with covenants.
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or Joint venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS
(Continued)

3.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does recognize any amount of the gain or loss that relates to the right of use it retains.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed financial statements are the same as those applied in the last annual financial statements for the year ended 31 December 2022.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

5. NET INVESTMENT IN FINANCE LEASE AND MURABAHA / TAWARRUQ FINANCE

5.1 Investment in financing contracts comprised of investment in Ijara (finance) and Murabaha / tawarruq contracts as mentioned below:

	Ijara		Murabaha / Tawarruq		Total	
	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Contracts receivables, gross	1,435,889,331	1,262,746,359	1,018,639,213	786,420,146	2,454,528,544	2,049,166,505
Unearned income	(281,889,558)	(246,791,920)	(191,981,005)	(158,531,235)	(473,870,563)	(405,323,155)
	1,153,999,773	1,015,954,439	826,658,208	627,888,911	1,980,657,981	1,643,843,350
Allowance for credit loss	(73,250,501)	(70,330,378)	(73,195,462)	(68,695,462)	(146,445,963)	(139,025,840)
Contracts receivables, net	1,080,749,272	945,624,061	753,462,746	559,193,449	1,834,212,018	1,504,817,510
Current portion	459,107,512	406,540,389	252,612,208	189,947,079	711,719,720	596,487,468
Non-current portion	621,641,760	539,083,672	500,850,538	369,246,370	1,122,492,298	908,330,042
	1,080,749,272	945,624,061	753,462,746	559,193,449	1,834,212,018	1,504,817,510

5.2 Net investment in finance lease and murabaha / tawarruq contracts includes balances of SR 6.21 million (31 December 2022: SR 7.94 million) from related parties. These transactions are executed on an arm length basis

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

5. NET INVESTMENT IN FINANCE LEASE AND MURABAHA / TAWARRUQ FINANCE (Continued)

5.3 Movement in allowance for credit losses during the period / year is as follows:

	For the three- month period ended 31 March 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Opening balance	139,025,840	89,085,729
Charge for the period / year	9,000,000	65,105,710
Write-off	(1,579,877)	(15,165,599)
Closing balance	146,445,963	139,025,840

These write-offs have been approved by the Board of Directors. However, receivables that have been written off subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

6. PREPAYMENT AND OTHER RECEIVABLES

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Deferred loss on kafalah contracts	43,538,045	30,185,700
Prepaid insurance	1,240,837	546,421
Insurance claim receivable	3,315,440	1,869,569
Advance to suppliers	39,394,367	2,981,763
Due from related parties	9 424,037	177,360
Non-lease receivables from customers, net	7,083,052	5,558,175
Other receivables	13,900,199	3,899,644
	108,895,977	45,218,632
Allowance for impairment	(6,474,775)	(6,474,775)
	102,421,202	38,743,857

6.1 Movement in allowance for impairment for the period / year is as follows:

	For the three- month period ended 31 March 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Opening balance	6,474,775	672,791
Charge for the period / year	-	5,801,984
Closing balance	6,474,775	6,474,775

7. CASH AND CASH EQUIVALENTS

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Bank balances	78,753,853	72,109,719
Cash in hand	5,000	5,000
	78,758,853	72,114,719
Time deposit – original maturity less than three months	-	20,000,000
	78,758,853	92,114,719

AL TAYSEER ARABIAN COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

7. CASH AND CASH EQUIVALENTS (Continued)

Deposits are placed with local banks with original maturity less than three months and earn financial income at rates ranging from 4.50% to 4.65%. Bank balances are placed with counterparties with sound credit ratings.

8. ASSETS REPOSSESSED HELD FOR SALE

During the period and before, the Company has acquired certain vehicles in satisfaction of claims in order to achieve an orderly realization of Ijara contract receivables to have a balance of SR 2.39 million at the end of the three-month period 31 March 2023 (31 December 2022: SR 1.39 million). The Company expects to dispose off these assets within one year.

9. RELATED PARTY BALANCES AND TRANSACTIONS

In the normal course of business, the Company pays for the cars purchased from a related Company on a commercial basis, prices and terms of payment approved by the management. The Company transacts with the following related parties during the period:

Name	Relationship
Al Jomaih Holding Company	Ultimate Holding Company
Al Jomaih Automotive Company	Shareholder
Al Jomaih Rent-A-Car	Shareholder
Al Jomaih Equipment Company Limited	Affiliate
Al Jomaih Tyres Company	Affiliate
Al Jomaih Automotive ACDelco	Affiliate

Details of significant transactions with related parties during the period and related balances are as follows:

Related party	Nature of transactions	31 March	31 March
		2023	2022
		SR	SR
		(Unaudited)	(Unaudited)
Al Jomaih Automotive Company (AAC)	Purchase of vehicles for lease	98,702,606	58,167,456
	Shared service cost	707,566	563,208
	Finance cost charged	1,287,022	962,989
Al Jomaih Holding Company (AJHC)	Expense recharged	2,010,778	3,291,343
Al Jomaih Rent-A-Car (AJRC)	Revenue	600,029	581,707
Key management personnel	Salaries and benefits	1,673,998	1,213,232
Board of Directors	Benefits and expenses	217,222	248,993

Balance due from related parties is as follows:

	31 March	31 December
	2023	2022
	SR	SR
	(Unaudited)	(Audited)
Al Jomaih Rent-A-Car Company (AJRC) (note 5.2)	6,205,139	7,939,454
Al Jomaih Equipment Company Limited	174,310	174,310
Al Jomaih Tyres Company (AJTC)	3,050	3,050
	6,382,499	8,116,814

Due from related parties other than Al Jomaih Rent-A-Car Company (AJRC) is classified under prepayments and other receivables.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balance due to related parties are as follows:

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Jomaih Automotive Company (AAC)	96,370,841	86,150,740
Al Jomaih Holding Company (AJHC)	10,991,799	13,257,593
Al Jomaih Automotive ACDelco	3,323,193	3,323,193
	<u>110,685,833</u>	<u>102,731,526</u>

Amounts due to AAC are set off on daily basis based on the collections made by the AAC on behalf of the Company. These amounts bear finance cost at prevailing variable market rates.

10. FINANCIAL FACILITIES

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Long-term financial facilities	1,079,542,994	857,479,322
Short-term financial facilities	24,684,104	24,684,104
	<u>1,104,227,098</u>	<u>882,163,426</u>

The maturity profile of the financial statements is as follows:

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Current	395,020,247	363,438,123
Non-current	684,522,747	494,041,199
	<u>1,079,542,994</u>	<u>857,479,322</u>

The financial facilities are classified as follows:

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Secured	333,209,801	337,452,375
Un-secured	746,333,193	520,026,947
	<u>1,079,542,994</u>	<u>857,479,322</u>

Commercial bank loans:

The Company is required to maintain certain covenants under the agreements. As at 31 March 2023, it is compliant with all loan covenants, except for the current ratio for which the company has a waiver letter from the bank.

During the period, the Company has availed medium term trade finance facility amounting to SR 24.68 million from local bank at an interest rate prevailing in the market.

Saudi Central Bank:

During the period, the Company received further interest free loans of SR 61.62 million, SR 59.57 million and SR 194.75 million from Saudi Central Bank (SAMA) under loan guarantee program (Kafalah) and accounted related interest as per the government grant accounting requirements. The loan is obtained under the terms and conditions similar to previous loans.

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Accrued purchases and others	85,912,161	48,159,708
Deferred government grant	60,831,323	31,824,896
Advances from customers	5,568,307	2,176,564
Salaries and benefits	1,069,009	1,032,122
	153,380,800	83,193,290

12. LEASE LIABILITIES

Movement on lease liabilities as at period / year-end is as follows:

	For the three- month period ended 31 March 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Balance at the beginning of the period	4,743,783	5,279,895
Addition	-	2,620,330
Payment	(1,222,086)	(2,939,684)
Interest expense	28,649	176,819
Derecognition	-	(393,577)
Balance at the end of the period / year	3,550,346	4,743,783

Liabilities have been classified as follows:

	31 March 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Non-current portion of lease liabilities	604,169	1,937,390
Current portion of lease liabilities	2,946,177	2,806,393
	3,550,346	4,743,783

13. SHARE CAPITAL

The Company's subscribed and paid up share capital of SR 400,000,000 (2022: SR 400,000,000) is divided into 40,000,000 (2022: 40,000,000) equity shares of SR 10 each fully subscribed and paid, and distributed among shareholders.

Shareholding structure of the Company as at 31 March 2023 and 31 December 2022 are as below:

Shareholder	Shareholding Percentage		Number of Shares	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Al Jomaih Automotive Company	98.5	98.5	39,400,000	39,400,000
Al Jomaih Rent-a-Car Company	1.5	1.5	600,000	600,000
	100	100	40,000,000	40,000,000

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14. ZAKAT PROVISION

14.1 The movement in zakat provision for the period is as follows:

	For the three- month period ended 31 March 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Balance at the beginning of the period	1,931,828	14,166,601
Charged / (reversed) during the period / year, net	2,100,000	(5,847,396)
Payment during the period	-	(6,387,377)
Balance at the end of the period	4,031,828	1,931,828

14.2 Zakat and income tax returns for the Company have been filed for the year 2022 and the zakat certificate has been received subsequent to the period end. The Company has received and cleared final assessments until 2017. The ZATCA has not issued any assessment for years 2018 to 2022.

15. FINANCE LEASE AND MURABAHA / TAWARRUQ FINANCE INCOME, NET

	For the three- month period ended 31 March 2023 SR (Unaudited)	For the three- month period ended 31 March 2022 SR (Unaudited)
Finance lease contracts income (note 9)	40,865,125	29,473,000
Murabaha / tawarruq contracts income (note 9)	24,660,477	7,254,391
	65,525,602	36,727,391

16. FINANCE COST

	For the three- month period ended 31 March 2022 SR (Unaudited)	For the three- month period ended 31 March 2022 SR (Unaudited)
Finance cost on financial facilities	13,483,351	3,206,932
Finance cost on related party balances (note 9)	1,287,022	962,989
Bank charges	371,023	261,820
Finance cost on lease liabilities	28,649	34,487
	15,170,045	4,466,228

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023****17. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing the net income for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. There was no dilution impact on earnings per share of the Company.

	For the three- month period ended 31 March 2022 SR (Unaudited)	For the three- month period ended 31 March 2022 SR (Unaudited)
Net profit for the year attributed to shareholders	22,873,520	14,476,675
Weighted average number of shares	40,000,000	30,000,000
Earnings per share	0.57	0.48

18. CONTINGENCIES AND COMMITMENTS

The Company has no commitments and contingent liabilities as at 31 March 2023 (31 December 2022: Nil).

19. NON-CASH TRANSACTIONS

	For the three- month period ended 31 March 2022 SR (Unaudited)	For the three- month period ended 31 March 2022 SR (Unaudited)
Government grant	37,376,449	2,321,655
Write-off of finance lease and murabaha / tawarruq finance receivables	1,579,877	15,165,599

20. SUBSEQUENT EVENTS

In the opinion of the management, there have been no other significant subsequent events since the period end that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

21. COMPARATIVE FIGURES

Certain comparative figures for prior period / year have been reclassified, to confirm with the presentation in the current period.

22. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on Shawwal 14, 1444H corresponding to May 4, 2023, by the Board of Directors of the Company.