

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

INDEX	PAGE
Independent auditor's review report on the interim condensed financial statements	1
Interim statement of financial position	2
Interim statement of profit or loss and other comprehensive income	3
Interim statement of changes in shareholders' equity	4
Interim statement of cash flows	5
Notes to the interim condensed financial statements	6 - 16

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
ASSETS	Note		
Non-current assets			
Property and equipment		6,908,966	6,789,891
Right-of-use assets		2,592,570	4,746,996
Intangible assets		3,414,314	3,511,904
Deferred loss on kafalah contracts	6	15,446,397	14,186,697
Net investment in finance lease	5	726,823,104	539,083,672
Net investment in murabaha finance	5	83,380,228	95,292,927
Net investment in tawarruq finance	5	397,689,847	273,953,443
Investment carried at FVOCI		892,850	892,850
Total non-current assets		1,237,148,276	938,458,380
Current assets			
Current maturity of net investment in finance lease	5	423,893,769	406,540,389
Current maturity of net investment in murabaha finance	5	90,131,771	81,542,467
Current maturity of net investment in tawarruq finance	5	131,304,313	108,404,612
Prepayments and other receivables	6	73,065,720	24,557,160
Investment at amortized cost	7	-	20,000,000
Cash and bank balances	7	31,582,954	72,114,719
Assets repossessed held for sale	8	492,765	1,387,680
Total current assets		750,471,292	714,547,027
TOTAL ASSETS		1,987,619,568	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		86,789,483	27,134,129
Total shareholders' equity		499,258,459	439,603,105
LIABILITIES			
Non-current liabilities			
Non-current portion of financial facilities	10	653,780,179	494,041,199
Lease liabilities	12	1,423,254	1,937,390
Deferred government grant	11	12,851,859	13,562,965
Employees' end of service benefits		9,268,261	7,158,057
Total non-current liabilities		677,323,553	516,699,611
Current liabilities			
Current maturity of financial facilities	10	468,315,109	363,438,123
Short-term financial facilities	10	-	24,684,104
Current maturity of lease liabilities	12	517,014	2,806,393
Accounts payable		68,212,470	131,480,392
Accrued expenses and other liabilities	11	136,321,416	69,630,325
Due to related parties	9	127,325,358	102,731,526
Provision for zakat	14	10,346,189	1,931,828
Total current liabilities		811,037,556	696,702,691
TOTAL LIABILITIES		1,488,361,109	1,213,402,302
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,987,619,568	1,653,005,407

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 Al-Hajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

		For the three- month period ended 30 September 2023 SR (Unaudited)	For the three- month period ended 30 September 2022 SR (Unaudited)	For the nine- month period ended 30 September 2023 SR (Unaudited)	For the nine- month period ended 30 September 2022 SR (Unaudited)
	Note				
Income					
Finance lease, murabaha and tawarruq finance income, net	15	71,844,344	48,761,761	209,818,697	122,323,177
Expenses					
Finance cost	16	(18,408,304)	(8,751,808)	(58,150,620)	(19,809,160)
Other general and administrative expenses		(15,931,333)	(11,404,965)	(41,956,371)	(23,416,372)
Insurance and other cost		(7,868,482)	(6,586,399)	(25,153,863)	(18,426,990)
Salaries and employee related expenses		(9,572,054)	(11,375,900)	(26,056,805)	(24,054,584)
Allowance for expected credit losses		(6,463,217)	(4,222,239)	(21,765,208)	(23,564,456)
Depreciation and amortization		(1,427,174)	(1,357,297)	(4,132,276)	(4,001,513)
Commissions and sales promotion		(1,315,106)	(1,044,915)	(5,423,607)	(2,174,842)
Other income, net	17	12,344,751	5,651,032	41,257,986	13,597,295
Net profit before zakat		23,203,425	9,669,270	68,437,933	20,472,555
Zakat (expense) / reversal	14	(5,032,579)	1,277,476	(8,782,579)	4,049,680
Net profit for the period		18,170,846	10,946,746	59,655,354	24,522,235
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		18,170,846	10,946,746	59,655,354	24,522,235
Earnings per share (basic and diluted)	18	0.45	0.36	1.49	0.82

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Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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
Net profit for the period	-	-	24,522,235	24,522,235
Balance as at 30 September 2022 – (unaudited)	<u>300,000,000</u>	<u>11,705,676</u>	<u>47,076,447</u>	<u>358,782,123</u>
Balance as at 31 December 2022 – (audited)	400,000,000	12,468,976	27,134,129	439,603,105
Net profit for the period	-	-	59,655,354	59,655,354
Balance as at 30 September 2023 – (unaudited)	<u>400,000,000</u>	<u>12,468,976</u>	<u>86,789,483</u>	<u>499,258,459</u>

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 Al-Hajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

		For the nine-month period ended 30 September 2023 SR (Unaudited)	For the nine-month period ended 30 September 2022 SR (Unaudited)
	Note		
OPERATING ACTIVITIES			
Net profit before zakat		68,437,933	20,472,555
Adjustments for:			
Amortization of government grant		(25,822,558)	(5,693,459)
Allowance for expected credit losses	5	21,765,208	23,564,456
Finance cost	16	58,150,620	19,809,160
Provision for non-lease receivables from customers		-	679,385
Depreciation and amortization		4,132,277	4,001,513
Provision for employees' end of service benefits		2,295,351	757,610
		128,958,831	63,591,220
Changes in operating assets and liabilities:			
Net investment in finance lease, murabaha and tawarruq finance	5	(370,170,730)	(327,325,345)
Prepayments and other receivables	6	(49,768,260)	(11,808,272)
Assets repossessed held for sale		894,915	(3,771,130)
Due to related parties	9	19,497,882	27,856,525
Accounts payable		(63,267,922)	438,717
Accrued expenses and other liabilities	11	55,848,293	15,670,065
Cash flow used in operating activities		(278,006,991)	(235,348,220)
Finance cost paid	16	(24,959,663)	(11,475,805)
Employees' end of service benefits paid		(185,147)	(604,318)
Zakat paid		(368,218)	(5,109,901)
Net cash used in operating activities		(303,520,019)	(252,538,244)
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,923,930)	(1,425,995)
Purchase of intangible assets		(75,406)	-
Proceeds from redemption of funds		20,000,000	20,414,790
Proceeds from long term deposit		-	18,750,449
Net cash generated from investing activities		18,000,664	37,739,244
FINANCING ACTIVITIES			
Proceeds from financial facilities	10	585,607,018	421,890,501
Repayments of financial facilities		(337,740,254)	(202,324,530)
Lease liabilities paid	12	(2,879,174)	(2,814,686)
Net cash generated from financing activities		244,987,590	216,751,285
NET CHANGE IN CASH AND CASH EQUIVALENTS			
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	31,582,954	41,212,838
Non-cash transactions	20		

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 Al-Hajri Chief Financial Officer
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AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 branches:

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 and nine-month periods ended 30 September 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 and nine-month periods ended 30 September 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 31 December 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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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	Summary of the amendment
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	January 1, 2023	This is a 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) which was issued in 2005.
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 the definition of accounting estimate	January 1, 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
IAS 12	International tax reform (pillar two model rules)	January 1, 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024	IFRS S1 is new standard requiring an entity to prepare and report sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. An entity may apply IFRS Sustainability Disclosure Standards irrespective of whether the entity's related general-purpose financial statements are prepared in accordance with IFRS Accounting Standards.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 S2	Climate-related Disclosures	January 1, 2024	The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. These are climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	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 liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	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.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IFRS 10 and IAS 28	Amendments to IFRS 10 and IAS 28	Deferred indefinitely	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 result from the loss of control of a subsidiary.
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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

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

	Ijara		Murabaha		Tawarruq		Total	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	SR	SR	SR	SR	SR	SR	SR	SR
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Contracts receivables, gross	1,511,647,201	1,262,746,359	203,090,084	208,151,699	761,085,797	578,268,447	2,475,823,082	2,049,166,505
Unearned income	(286,204,228)	(246,791,920)	(26,296,634)	(26,304,314)	(155,675,635)	(132,226,921)	(468,176,497)	(405,323,155)
	1,225,442,973	1,015,954,439	176,793,450	181,847,385	605,410,162	446,041,526	2,007,646,585	1,643,843,350
Allowance for expected credit losses	(74,726,100)	(70,330,378)	(3,281,451)	(5,011,991)	(76,416,002)	(63,683,471)	(154,423,553)	(139,025,840)
Contracts receivables, net	1,150,716,873	945,624,061	173,511,999	176,835,394	528,994,160	382,358,055	1,853,223,032	1,504,817,510
Current portion	423,893,769	406,540,389	90,131,771	81,542,467	131,304,313	108,404,612	645,329,853	596,487,468
Non-current portion	726,823,104	539,083,672	83,380,228	95,292,927	397,689,847	273,953,443	1,207,893,179	908,330,042
	1,150,716,873	945,624,061	173,511,999	176,835,394	528,994,160	382,358,055	1,853,223,032	1,504,817,510

5.2 Net investment in finance lease, murabaha and tawarruq contracts includes balances of SR 3.4 million (31 December 2022: SR 7.94 million) from related parties. These transactions are executed on an arm length basis.

AL TAYSEER ARABIAN COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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

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

	For the nine-month period ended 30 September 2023	For the year ended 31 December 2022
	SR	SR
	(Unaudited)	(Audited)
Opening balance	139,025,840	89,085,729
Charge for the period / year	21,765,208	65,105,710
Write-off	(6,367,495)	(15,165,599)
Closing balance	154,423,553	139,025,840

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

6. PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2023	31 December 2022
	SR	SR
	(Unaudited)	(Audited)
Deferred loss on kafalah contracts	46,218,080	30,185,700
Less: non-current portion of deferred loss on kafalah contracts	(15,446,397)	(14,186,697)
Current portion of deferred loss on kafalah contracts	30,771,683	15,999,003
Advance to suppliers	22,513,659	2,981,763
Non-lease receivables from customers, net	2,883,054	5,558,175
Prepaid insurance	4,783,154	546,421
Insurance claim receivable	3,290,630	1,869,569
Due from related parties	370,890	177,360
Other receivables	10,520,180	3,899,644
	75,133,250	31,031,935
Allowance for impairment	(2,067,530)	(6,474,775)
	73,065,720	24,557,160

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

	For the nine-month period ended 30 September 2023	For the year ended 31 December 2022
	SR	SR
	(Unaudited)	(Audited)
Opening balance	6,474,775	672,791
Utilized for the period	(4,407,245)	-
Charge for the year	-	5,801,984
Closing balance	2,067,530	6,474,775

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

7. CASH AND CASH EQUIVALENTS

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Cash at bank	31,564,806	72,109,719
Cash in hand	18,148	5,000
	31,582,954	72,114,719
Time deposit – original maturity less than three months	-	20,000,000
	31,582,954	92,114,719

Deposits are placed with local banks with original maturity less than three months and earn financial income at rates ranging from 3.50% to 4.65% (2022: 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 contracts receivables. The Company expects to dispose of 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 are 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	For the nine-month period ended 30 September 2023 SR (Unaudited)	For the nine-month period ended 30 September 2022 SR (Unaudited)
Al Jomaih Automotive Company (AAC)	Purchase of vehicles for lease	46,180,286	13,394,823
	Finance cost charged	5,095,950	4,474,357
	Shared service cost	2,487,557	1,770,857
Al Jomaih Holding Company (AJHC)	Expense recharged	1,874,126	586,232
Al Jomaih Rent-A-Car (AJRC)	Revenue	325,798	1,245,373
Board of Directors	Benefits and expenses	2,799,368	800,000
Key management personnel	Salaries and benefits	4,019,736	3,878,320

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balance due from related parties is as follows:

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Jomaih Rent-A-Car Company (AJRC) (note 5.2)	3,370,755	7,939,454
Al Jomaih Rent-A-Car Company (AJRC)	262,258	-
Al Jomaih Equipment Company Limited	82,310	174,310
Al Jomaih Tyres Company (AJTC)	3,050	3,050
Al Jomaih Electricity and Water Company	23,272	-
	3,741,645	8,116,814

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

Balance due to related parties is as follows:

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Jomaih Automotive Company (AAC)	118,314,496	86,150,740
Al Jomaih Holding Company (AJHC)	5,763,678	13,257,593
Al Jomaih Bottling Plants	3,247,184	3,323,193
	127,325,358	102,731,526

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

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Long-term financial facilities (note 10.1)	1,122,095,288	857,479,322
Short-term financial facilities	-	24,684,104
	1,122,095,288	882,163,426

10.1 The maturity profile of long-term financial facilities is as follows:

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Current	468,315,109	363,438,123
Non-current	653,780,179	494,041,199
	1,122,095,288	857,479,322

The financial facilities are classified as follows:

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Secured	494,308,688	337,452,375
Un-secured	627,786,600	520,026,947
	1,122,095,288	857,479,322

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

10. FINANCIAL FACILITIES (Continued)

Commercial bank loans:

The Company is required to maintain certain covenants under the agreements. As at 30 September 2023, it is compliant with all loan covenants, except for the current ratio for which the Company has a waiver letter from bank.

During the period, the Company has availed medium-term trade finance facilities amounting to SR 269.65 million from local banks at an interest rate prevailing in the market.

Saudi Central Bank:

During the period, the Company received further interest free loans of SR 194.8 million, SR 59.6 million and SR 61.6 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.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Deferred government grant	41,956,588	31,824,896
Less: non-current portion of deferred government grant	(12,851,859)	(13,562,965)
Current portion of deferred government grant	29,104,729	18,261,931
Accrued purchases and others	104,266,729	48,159,708
Advances from customers	1,635,512	2,176,564
Salaries and benefits	1,314,446	1,032,122
	136,321,416	69,630,325

12. LEASE LIABILITIES

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

	For the nine- month period ended 30 September 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	(2,879,174)	(2,939,684)
Interest expense	75,659	176,819
Derecognition	-	(393,577)
Balance at the end of the period / year	1,940,268	4,743,783

Liabilities have been classified as follows:

	30 September 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Non-current portion of lease liabilities	1,423,254	1,937,390
Current portion of lease liabilities	517,014	2,806,393
	1,940,268	4,743,783

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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 30 September 2023 and 31 December 2022 is as below:

Shareholder	Shareholding Percentage		Number of Shares	
	30 September 2023	31 December 2022	30 September 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

14. ZAKAT PROVISION

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

	For the nine-month period ended 30 September 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	8,782,579	(5,847,396)
Payment during the period	(368,218)	(6,387,377)
Balance at the end of the period	10,346,189	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. 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, MURABAHA AND TAWARRUQ FINANCE INCOME, NET

	For the three-month period ended 30 September 2023 SR (Unaudited)	For the three-month period ended 30 September 2022 SR (Unaudited)	For the nine-month period ended 30 September 2023 SR (Unaudited)	For the nine-month period ended 30 September 2022 SR (Unaudited)
Finance lease contracts income (Note 9)	42,645,589	31,108,177	126,896,205	88,738,109
Murabaha contracts income (Note 9)	5,398,136	4,662,417	15,848,018	10,354,288
Tawarruq contracts income	23,800,619	12,991,167	67,074,474	23,230,780
	71,844,344	48,761,761	209,818,697	122,323,177

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

16. FINANCE COST

	For the three- month period ended 30 September 2023 SR (Unaudited)	For the three- month period ended 30 September 2022 SR (Unaudited)	For the nine- month period ended 30 September 2023 SR (Unaudited)	For the nine- month period ended 30 September 2022 SR (Unaudited)
Finance cost on financial facilities	15,959,139	6,323,455	51,840,647	14,380,724
Finance cost on related party balances	2,040,457	2,084,335	5,095,950	4,474,357
Bank charges	389,079	303,042	1,138,364	815,379
Finance charge on lease liabilities	19,629	40,976	75,659	138,700
	18,408,304	8,751,808	58,150,620	19,809,160

17. OTHER INCOME, NET

Other income includes government grant income amounting to SR 8.89 and SR 25.82 million for three-month and nine-month periods ended (2022: three-month period ended SR 4.21 million and nine-month period ended SR 5.69 million).

18. 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 nine- month period ended 30 September 2023 SR (Unaudited)	For the nine- month period ended 30 September 2022 SR (Unaudited)
Net profit for the year attributed to shareholders	59,655,354	24,522,235
Weighted average number of shares	40,000,000	30,000,000
Earnings per share	1.49	0.82

19. CONTINGENCIES AND COMMITMENTS

The Company has no commitments and contingent liabilities as at 30 September 2023 (31 December 2022: Nil).

20. NON-CASH TRANSACTIONS

	For the nine- month period ended 30 September 2023 SR (Unaudited)	For the nine- month period ended 30 September 2022 SR (Unaudited)
Government grant	(35,954,250)	(12,294,561)
Transfer from property and equipment to intangibles	921,243	-
Derecognition of lease liabilities and right-of-use assets	-	(393,575)
Right-of-use assets recorded against lease liabilities	-	2,620,330

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

21. 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.

22. COMPARATIVE FIGURES

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

23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on 24 October 2023 corresponding to 9 Rabi II 1445H by the Board of Directors of the Company.