

TAAJEER FINANCE LEASE COMPANY
(A Saudi Closed Joint Stock Company)
**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**
**FOR THE THREE-MONTH PERIOD ENDED
31 March 2025**

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
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 shareholders of
Taajeer Finance Lease Company**
(A Saudi Closed Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Taajeer Finance Lease Company (a Saudi Closed Joint Stock Company) (the "Company") as at 31 March 2025, the related interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with IAS 34 "Interim Financial Reporting" 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 the 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 condensed financial statements consists of making inquiries, primarily of the 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 (ISAs) as 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.

Baker Tilly Professional Services Co.
Jeddah, Kingdom of Saudi Arabia

Bader Hatim Al Tamimi
(License No. 489)

13 Jumada al-Ula 1447H
Corresponding to 4 November 2025



TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at		
		31 March 2025	31 December 2024	31 March 2024
				Restated (Note 18)
ASSETS				
Cash and cash equivalents		11,154,588	108,090,125	235,618,452
Prepayments and other receivables		12,370,965	8,461,469	5,609,775
Financing, net	5	1,240,391,618	1,190,536,046	1,372,658,840
Due from related parties	14	139,547,862	141,812,924	10,227,373
Motor vehicles inventory		4,252,158	3,577,652	6,944,943
Equity investments at FVTOCI		892,850	892,850	892,850
Profit rate swap contract asset	8	1,741,510	2,422,876	6,135,574
Property, plant and equipment		3,206,033	3,536,928	4,356,024
Right-of-use assets		4,756,970	5,066,764	1,241,993
Intangible assets		3,081,489	3,410,636	2,589,888
TOTAL ASSETS		1,421,396,043	1,467,808,270	1,646,275,712
LIABILITIES AND EQUITY				
LIABILITIES				
Trade payables and other accruals	6	105,199,121	64,476,031	147,152,121
Due to related parties	14	-	-	21,813,831
Lease liabilities		4,587,999	4,503,430	1,210,009
Zakat payable	7	13,642,555	16,856,670	13,063,939
Long-term borrowings	8	676,477,948	774,137,817	848,405,076
Employee termination benefits		6,646,242	6,259,581	5,510,780
TOTAL LIABILITIES		806,553,865	866,233,529	1,037,155,756
EQUITY				
Capital	9	500,000,000	500,000,000	500,000,000
Discretionary / statutory reserve	9	21,144,701	21,144,701	21,144,701
Retained earnings		91,955,967	78,007,164	81,839,681
Profit rate swap hedge reserve		1,741,510	2,422,876	6,135,574
TOTAL EQUITY		614,842,178	601,574,741	609,119,956
TOTAL LIABILITIES AND EQUITY		1,421,396,043	1,467,808,270	1,646,275,712

The attached notes form an integral part of these interim condensed financial statements

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

**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 unless otherwise stated)

	Note	For the Three-month period ended 31 March	
		2025	2024
			Restated (Note 18)
Finance income		38,939,849	40,148,100
Finance costs	12	(15,235,435)	(16,342,702)
Net finance income		23,704,414	23,805,398
Other operating income, net	13	7,280,688	21,574,700
Selling and marketing expenses		(6,097,905)	(5,123,943)
General and administrative expenses		(12,492,212)	(11,142,174)
Impairment loss on financing	5	(1,397,048)	(4,348,261)
Other operating expenses		(263,249)	(711,917)
Net operating profit		10,734,688	24,053,803
Reversal of / (zakat charge)	7	3,214,115	(1,608,156)
Profit for the period		13,948,803	22,445,647
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss:</i>			
Change in fair value of profit rate swap	8	(681,366)	(519,515)
Other comprehensive loss for the period		(681,366)	(519,515)
Total comprehensive income for the period		13,267,437	21,926,132
Earnings per share:			
Basic and diluted earnings per share	15	0.28	0.45
Weighted average number of shares outstanding	15	50,000,000	50,000,000

The attached notes form an integral part of these interim condensed financial statements

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Note</i>	<i>Capital</i>	<i>Discretionary / statutory reserve</i>	<i>Retained earnings</i>	<i>Profit rate swap hedge reserve</i>	<i>Total equity</i>
For the three-month period ended 31 March 2025:						
As at 1 January 2025		500,000,000	21,144,701	78,007,164	2,422,876	601,574,741
Profit for the period		-	-	13,948,803	-	13,948,803
Other comprehensive loss		-	-	-	(681,366)	(681,366)
Total comprehensive income for the period		-	-	13,948,803	(681,366)	13,267,437
As at 31 March 2025		500,000,000	21,144,701	91,955,967	1,741,510	614,842,178
For the three-month period ended 31 March 2024:						
As at 1 January 2024, As previously reported		500,000,000	21,144,701	65,585,116	6,655,089	593,384,906
Restatement	18	-	-	(6,191,082)	-	(6,191,082)
As at 1 January 2024 - restated	18	500,000,000	21,144,701	59,394,034	6,655,089	587,193,824
Profit for the period- restated	18	-	-	22,445,647	-	22,445,647
Other comprehensive loss		-	-	-	(519,515)	(519,515)
Total comprehensive income for the period		-	-	22,445,647	(519,515)	21,926,132
As at 31 March 2024		500,000,000	21,144,701	81,839,681	6,135,574	609,119,956

The attached notes form an integral part of these interim condensed financial statements

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2025	2024
			Restated (Note 18)
OPERATING ACTIVITIES			
Profit for the period		13,948,803	22,445,647
Adjustments for non-cash items:			
Reversal of / zakat charge	7	(3,214,115)	1,608,156
Impairment loss on financing	5	1,397,048	4,348,261
Finance costs	12	15,235,435	16,342,702
Depreciation and amortization		1,044,028	908,153
Employee termination benefits incurred		386,661	611,021
		28,797,860	46,263,940
Changes in working capital:			
Prepayments and other receivables		(3,909,496)	(1,403,932)
Financing, net		(51,252,620)	(337,785)
Due from related parties		2,265,062	(336,451)
Motor vehicles inventory		(674,506)	(1,318,477)
Trade payables and other accruals		40,862,378	11,193,820
Due to related parties		-	5,221,189
Cash generated from operations		16,088,678	59,282,304
Finance cost paid		(15,290,154)	(19,439,949)
Employee termination benefits paid		-	(98,838)
Net cash flows generated from operating activities		798,524	39,743,517
INVESTING ACTIVITIES			
Purchase of property and equipment		(74,192)	(515,667)
Net cash flows used in investing activities		(74,192)	(515,667)
FINANCING ACTIVITIES			
Proceeds from long-term borrowings	8	4,000,000	48,418,000
Repayment of long-term borrowings	8	(101,659,869)	(93,656,489)
Net cash flows used in financing activities		(97,659,869)	(45,238,489)
Net change in cash and cash equivalents		(96,935,537)	(6,010,639)
Cash and cash equivalents at the beginning of the period		108,090,125	241,629,091
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		11,154,588	235,618,452
NON-CASH TRANSACTIONS			
Change in fair value of profit rate swap	8	681,366	519,515

The attached notes form an integral part of these interim condensed financial statements

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

1 COMPANY INFORMATION

Taajeer Finance Lease Company (the "Company") is a Saudi Closed Joint Stock Company, registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030289565 issued on 17 Sha'ban 1437H (corresponding to 24 May 2016) and unified number 7009425773. The registered address of the Company is Jeddah, Kingdom of Saudi Arabia.

The Company is principally engaged in the following business activities in the Kingdom of Saudi Arabia:

- a) Small and Medium Enterprises (SME) Financing
- b) Finance Leasing
- c) Consumer Finance Murabaha
- d) Tawarroq

On 29 Safar 1438H (corresponding to 29 November 2016), the Company received a license from the Saudi Central Bank (SAMA) to undertake both finance leasing and small and medium enterprises (SME) financing in the Kingdom of Saudi Arabia under license number 46/AU/201611.

On 13 Jumada I 1441H (corresponding to 8 January 2020), the Company obtained the approval from SAMA to add consumer financing murabaha as a new product for individuals.

On 3 Muharram 1444H (corresponding to 1 August 2022), the Company obtained the approval from SAMA to add Tawarroq as a new product.

The Company is a subsidiary of Al Ahdaf Al Mumaizah Company (the "Parent Company"). The ultimate parent of the Company is Alsulaiman Group ("Ultimate Parent"). Saudi shareholders own the Company, the Parent and the Ultimate Parent of the Company.

As at 31 March 2025, the Company operates through 6 branches (31 December 2024: 6 branches). The accompanying interim condensed financial statements include the assets, liabilities and results of the Company and these branches as listed below:

CR number	Location	Dated
1010468134	Riyadh	14 February 2017
4030293321	Jeddah	16 February 2017
2252067592	Al Mubarraz	14 February 2017
2050111740	Dammam	14 February 2017
4031098948	Mekkah	14 February 2017
5850070587	Abha	14 February 2017

2 BASIS OF PREPARATION

The interim condensed financial statements of the Company for the three-month 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.

The interim condensed financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value. The interim condensed financial statements are presented in Saudi Riyals which is also the functional currency of the Company and all values are rounded to the nearest Saudi Riyal (SR), except when otherwise indicated.

These interim condensed financial statements do not include all the information required for the annual financial statements. Accordingly, it should be read in conjunction with the annual financial statements as at 31 December 2024.

The interim period is an integral part of the full fiscal year. However, the results of operations for the interim periods may not be a fair indication of the results of operations for the full year.

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Although judgements and estimates are based on management's best estimates, actual results might vary from these estimates. Estimates and assumptions are reviewed continuously.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that were applied to the annual financial statements as at and for the year ended 31 December 2024.

4 CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed financial statements for the period ended 31 March 2025 are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2024.

Some standards and amendments to the IFRS came into effect for annual periods on 1 January 2025, and none of these standards and amendments resulted in any impact on the Company's interim condensed financial statements.

5 FINANCING, NET

	31 March 2025	31 December 2024	31 March 2024
			Restated (Note 18)
Gross financing	1,721,715,408	1,666,362,763	1,860,597,308
Less: unearned finance income	(411,567,431)	(407,467,406)	(434,115,749)
	1,310,147,977	1,258,895,357	1,426,481,559
Less: allowance for expected credit losses	(69,756,359)	(68,359,311)	(53,822,719)
Financing, net	1,240,391,618	1,190,536,046	1,372,658,840

Financing as at 31 March 2025 includes securitised contracts amounting SR 267.6 million (31 December 2024: SR 274.4 million and 31 March 2024: SR 256.5 million) used as a form of guarantee against securitisation loans (see note 14).

5.1 Movement in allowance for expected credit losses

	For the three- month period ended 31 March 2025	For the year ended 31 December 2024	For the three- month period ended 31 March 2024
Balance at the beginning of the period / year	68,359,311	51,892,390	51,892,390
Write offs	-	(10,510,128)	(2,417,932)
Provided during the period / year	1,397,048	26,977,049	4,348,261
Balance at the end of the period / year	69,756,359	68,359,311	53,822,719

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

5 FINANCING, NET (CONTINUED)**5.4 Maturity analysis of financing is as follows:**

	31 March 2025			Total
	Within 1 year	Non-current		
		1 to 3 years	Over 3 year	
Gross financing	859,731,108	739,708,707	122,275,593	1,721,715,408
Less: unearned finance income	(174,640,212)	(197,421,804)	(39,505,415)	(411,567,431)
Financing, net	685,090,896	542,286,903	82,770,178	1,310,147,977
	31 December 2024			
		Non-current		
	Within 1 year	1 to 3 years	Over 3 year	Total
Gross financing	832,091,005	715,927,289	118,344,469	1,666,362,763
Less: unearned finance income	(172,900,450)	(195,455,093)	(39,111,863)	(407,467,406)
Financing, net	659,190,555	520,472,196	79,232,606	1,258,895,357
	31 March 2024			
		Non-current		
	Within 1 year	1 to 3 years	Over 3 year	Total
Gross financing	736,427,395	867,689,757	256,480,156	1,860,597,308
Less: unearned finance income	(172,176,446)	(223,236,745)	(38,702,558)	(434,115,749)
Financing, net	564,250,949	644,453,012	217,777,598	1,426,481,559

6 TRADE PAYABLES AND OTHER ACCRUALS

	31 March 2025	31 December 2024	31 March 2024
			Restated (Note 18)
Trade Payables - third parties	61,359,703	28,545,968	135,291,214
Trade Payables - related parties (note 14)	6,481,385	640,457	-
Accrued expenses	2,441,263	2,526,944	8,254,108
Dividend payable (note 10)	32,500,000	32,500,000	-
Other payables	2,416,770	262,662	3,606,799
	105,199,121	64,476,031	147,152,121

TAAJER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

7 ZAKAT PAYABLE**Basis for Zakat:**

The Company is subject to the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia.

Zakat charged to profit or loss:

	For the three-month period ended 31 March 2025	For the year ended 31 December 2024	For the three-month period ended 31 March 2024
Current zakat charges	787,750	12,854,805	1,608,156
Reversal of zakat	(4,001,865)	-	-
	(3,214,115)	12,854,805	1,608,156

The movement in the zakat payable is as follows:

	For the three-month period ended 31 March 2025	For the year ended 31 December 2024	For the three-month period ended 31 March 2024
Balance at the beginning of the period / year	16,856,670	11,455,783	11,455,783
Charge for the period / year	(3,214,115)	12,854,805	1,608,156
Payments	-	(7,453,918)	-
Balance at the end of the period / year	13,642,555	16,856,670	13,063,939

Status of certificates and assessments:

The Company finalized its zakat assessments with the Zakat, Tax and Customs Authority (ZATCA), for all years from inception up to 2018. The zakat returns for the years 2019 through 2024 have been submitted and have not yet been reviewed by ZATCA. The Company has a valid zakat certificate till 30 April 2026.

8 LONG-TERM BORROWINGS**8.1 Loans**

The loans comprise the following:

	31 March 2025	31 December 2024	31 March 2024
			Restated (Note 18)
Commercial loans (note a)	506,490,474	575,012,420	588,068,193
Governmental loans (note b)	11,917,808	17,499,962	34,913,656
Loan from other financial institutions (note c)	4,000,000	-	2,802,198
Securitisation loans (note d)	220,185,337	265,567,873	298,100,911
	742,593,619	858,080,255	923,884,958
Cash compensating balances (note a)	-	(19,905,342)	(19,841,797)
Deferred consideration receivable (note d)	(63,677,583)	(61,603,946)	(52,795,209)
Unamortised administration fees	(2,438,088)	(2,433,150)	(2,842,876)
	676,477,948	774,137,817	848,405,076

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in Saudi Riyals unless otherwise stated)

8 LONG-TERM BORROWINGS (CONTINUED)

8.1 Loans (continued)

The movement in loans is as follow:

	For the three- month period ended 31 March 2025	For the year ended 31 December 2024	For the three- month period ended 31 March 2024
Balance at the beginning of the period / year	774,137,817	893,643,565	893,643,565
Proceed from the loans during the period / year	4,000,000	296,561,809	48,418,000
Repayment during the period / year	(101,659,869)	(416,067,557)	(93,656,489)
Balance at the end of the period / year	676,477,948	774,137,817	848,405,076

a) Commercial loans

Commercial loans were obtained from local financial institutions to finance working capital requirements. These loans carry commercial profit rate. The loans are guaranteed with corporate guarantees and assignment of financing. Commercial loans as at 31 March 2025 are presented net of cash compensating balances of SR Nil (31 December 2024 : SR 19.9 million and 31 March 2024 : SR 19.8 million).

b) Governmental loans

The Company has obtained loans at below-market interest rate from governmental bodies under a scheme to support small and medium sized entities. The Company recognized the loan initially at its fair value using a discount factor of 3.25% - 7.5% and recognized an unearned government grant being the difference between the amount received and the fair value of the loan. The Company releases the government grant on its utilization of funds obtained from the governmental bodies to finance small and medium sized entities on a pro-rata basis.

c) Loans from other financial institution

The Company has obtained loans from other financial institution (related party - note 14) to finance working capital requirements. The loans are guaranteed with corporate guarantee and assignment of financing (note 5).

d) Securitised loans

The Company has entered into purchase and service agreements (the 'Agreements') with local banks in respect of securitization of certain finance leases (the 'receivables').

During the three-month period ended 31 March 2025, the Company sold SR Nil (31 December 2024: SR 60.8 million and 31 March 2024: SR Nil) of its receivables and in return for the sale received SR Nil (31 December 2024: SR 72.0 million and 31 March 2024: SR Nil in cash) and SR Nil in the form of a deferred consideration to be received by the bank upon satisfactory closure of the deal (31 December 2024: SR 8.7 million and 31 March 2024: SR Nil in the form of a deferred consideration). Upon sale, the Company continues to recognize the receivables on its books and records cash received as a securitization loan.

8.2 Profit rate swap

The Company has entered into a profit rate swap (the "Contract") with a local banks to manage exposure to profit rate fluctuations. The notional amount of the Contract as at 31 March 2025 is SR 54.92 million (31 December 2024 :SR 99.28 million and 31 March 2024: 170 million).

The Company accounts for the contract as an effective cash flow hedge. Accordingly, the Company recorded the decline in fair value of the contract through OCI and a corresponding non-current asset was recorded in the statement of financial position.

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in Saudi Riyals unless otherwise stated)

9 CAPITAL AND RESERVES

9.1 CAPITAL

The capital of the Company as at 31 March 2025 comprised 50,000,000 shares (31 December 2024 and 31 March 2024: 50,000,000 shares) stated at SR 10 per share. The shareholders of the Company as at 31 March 2025, 31 December 2024 and 31 March 2024 and their respective shareholding is as follows:

	31 March 2025	<i>31 December 2024</i>	<i>31 March 2024</i>
	SR	<i>SR</i>	<i>SR</i>
Al Ahdaf Al Mumaizah Company	480,000,000	480,000,000	480,000,000
Taajeer Gulf Company	5,000,000	5,000,000	5,000,000
Taajeer Global Company	5,000,000	5,000,000	5,000,000
Taajeer International Company	5,000,000	5,000,000	5,000,000
Taajeer National Company for Auto Maintenance and Integrated Service Limited	5,000,000	5,000,000	5,000,000
	500,000,000	500,000,000	500,000,000

9.2 DISCRETIONARY / STATUTORY RESERVE

The Company updated its bylaws to align it with the new company's law. Consequently, the balance of the old statutory reserve is now subject to shareholders' discretion.

10 DIVIDENDS

During the three-month period ended 31 March 2025, no dividends were declared (Year ended 31 December 2024: the shareholders declared dividends of SR 32.5 million).

11 CAPITAL MANAGEMENT

For the purpose of capital management, capital includes capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of capital management is to maximise value to the shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust bank loans or dividend payments to shareholders.

12 FINANCE COSTS

	For the three-month period ended	
	31 March 2025	<i>31 March 2024</i>
		Restated (Note 18)
Commission on borrowings (note 8)	9,790,076	11,997,897
Commission on securitization loans (note 8)	5,360,790	5,234,098
Unwinding of restricted margin	-	(910,657)
Unwinding of discount on lease liabilities	84,569	21,364
	15,235,435	16,342,702

TAAJEER FINANCE LEASE COMPANY

(A Saudi Closed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

13 OTHER OPERATING INCOME , NET

	For the three-month period ended	
	31 March 2025	31 March 2024
		Restated (Note 18)
Insurance reimbursed/ (paid), net	4,751,202	5,715,666
Rebate on purchase of vehicles	2,088,487	6,075,127
Profit on time deposits	-	2,891,850
Recoveries of amount previously written off	-	3,521,962
Administrative fee income	194,293	2,672,865
Others	246,706	697,230
	7,280,688	21,574,700

14 RELATED PARTY DISCLOSURES

The following table provides the total amount of material transactions that have been entered into with related parties during the three month period ended 31 March 2025 and 31 March 2024 and related party balances as at 31 March 2025 and 31 December 2024.

Related party	Nature of transaction	For the three-month period ended	
		31 March 2025	31 March 2024
Shareholder			
Taajeer International Company	Purchase of Vehicles	2,199,855	50,464,676
	Rebate on purchases	-	6,075,127
Taajeer National Company	Motor vehicle maintenance	86,207	1,526,796
Taajeer Global Company	Purchase of Vehicles	6,142,517	-
Former ultimate parent company			
Taajeer Group Company	Recharging IPO costs	-	474,477
	Payment on behalf	21,000	-
Sister companies			
Awaed Arabia Company	Debt collection services	-	2,701,914
Other			
Alawal Capital Company	Finance costs	122,444	785,470
Due from related parties comprise the following:			
		31 March 2025	31 December 2024
		31 March 2024	31 March 2024
Taajeer Group Company		14,666,688	14,645,688
Taajeer National Company		1,058,167	-
Taajeer International Company		123,823,007	-
		139,547,862	141,812,924
		10,227,373	10,227,373

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14 RELATED PARTY DISCLOSURES (CONTINUED)

Due to related parties comprise the following:

	31 March 2025	31 December 2024	31 March 2024
Taajeer International Company	-	-	20,267,306
Taajeer National Company	-	-	1,546,525
	<u>-</u>	<u>-</u>	<u>21,813,831</u>

Trade payables to related parties comprise of following:

	31 March 2025	31 December 2024	31 March 2024
Taajeer Global Company	<u>6,481,385</u>	<u>640,457</u>	<u>-</u>

- These balances are presented under trade payables and other accruals (note 6)

Loan from a related party comprise the following:

	31 March 2025	31 December 2024	31 March 2024
Al Awwal Capital	<u>4,000,000</u>	<u>-</u>	<u>2,802,198</u>

- The loans from a related party is presented under loans (note 8).

Compensation of key management personnels the Company

	For the three-month period ended	
	31 March 2025	31 March 2024
Short-term employee benefits	<u>1,449,182</u>	<u>2,168,637</u>
Termination benefits paid	<u>-</u>	<u>-</u>
Total compensation of key management personnel	<u>1,449,182</u>	<u>2,168,637</u>

During the three-month period ended 31 March 2025, the Company paid SR Nil as remuneration to its directors (period ended 31 March 2024: SR 1,525,000).

15 EARNINGS PER SHARE

The basic and diluted earnings per share from net profit is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. The weighted average number of outstanding shares for the period ended 31 March 2025 was 50 million shares. (31 December 2024 and 31 March 2024: 50 million shares).

There was no dilutive component affecting the weighted average number of ordinary shares.

16 COMMITMENTS AND CONTINGENCIES

As at 31 March 2025, the Company has no material contingent liabilities and commitments. (As at 31 December 2024 and 31 March 2024 :SR Nil)

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets consist of bank balances, financing, equity investment at FVTOCI, and due from the related parties. Its financial liabilities consist of trade payables and loans.

The fair values of the financial instruments are not materially different from their carrying amounts except for financing.

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18 RESTATEMENT OF CORRESPONDING FIGURES

In the course of preparing the financial statements for the year ended 31 December 2024, a reassessment was conducted in light of evolving interpretations and practices related to securitisation arrangements. This reassessment considered the Company's historical securitisation transactions that had recently matured, with particular attention to the criteria for derecognition of receivables under prevailing accounting standards.

Based on this reassessment, it was determined that the Company continues to retain substantially all risks and rewards associated with the securitised receivables. Accordingly, the comparative figures as at 31 March 2024 and for the three-month period then ended, and as at 1 January 2024 have been restated to reflect the continued recognition of these receivables.

The impact of this restatement on the statement of financial position as at 1 January 2024 was as follows:

	As previously reported	Reclass- ification	Restatem- ent	After restatement
ASSETS				
Cash and cash equivalents	241,629,091	-	-	241,629,091
Prepayments and other receivables	4,205,843	-	-	4,205,843
Fianancing, net	1,079,344,608	-	297,324,708	1,376,669,316
Net deferred consideration receivable	66,256,472	-	(66,256,472)	-
Net servicing asset	441,761	-	(441,761)	-
Due from related parties	9,890,922	-	-	9,890,922
Motor vehicles inventory	5,626,466	-	-	5,626,466
Equity instruments at FVOCI	892,850	-	-	892,850
Profit rate swap contract assets	6,655,089	-	-	6,655,089
Property, plant and equipment	4,598,699	-	-	4,598,699
Right-of-use assets	1,321,487	-	-	1,321,487
Intangible assets	2,660,205	-	-	2,660,205
TOTAL ASSETS	1,423,523,493	-	230,626,475	1,654,149,968
LIABILITIES AND EQUITY				
Liabilities				
Trade payables and other accruals	156,011,978	-	(16,935,066)	139,076,912
Due to related parties	16,592,642	-	-	16,592,642
Lease liabilities	1,188,645	-	-	1,188,645
Zakat payable	11,455,783	-	-	11,455,783
Long-term borrowings	639,890,942	-	253,752,623	893,643,565
Employee termination benefits	4,998,597	-	-	4,998,597
Total liabilities	830,138,587	-	236,817,557	1,066,956,144
Equity				
Capital	500,000,000	-	-	500,000,000
Discretionary / statutory reserve	21,144,701	-	-	21,144,701
Retained earnings	65,585,116	-	(6,191,082)	59,394,034
Profit rate swap hedge reserve	6,655,089	-	-	6,655,089
Total equity	593,384,906	-	(6,191,082)	587,193,824
TOTAL LIABILITIES AND EQUITY	1,423,523,493	-	230,626,475	1,654,149,968

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18 RESTATEMENT OF CORRESPONDING FIGURES (CONTINUED)

The impact of this restatement on the interim condensed statement of financial position as at 31 March 2024 was as follows:

	<u>As previously reported</u>	<u>Reclass-ification</u>	<u>Restatement</u>	<u>After restatement</u>
ASSETS				
Cash and cash equivalents	235,618,452	-	-	235,618,452
Prepayments and other receivables	5,609,775	-	-	5,609,775
Financing, net	1,103,052,880	-	269,605,960	1,372,658,840
Net deferred consideration receivable	37,555,185	-	(37,555,185)	-
Net servicing asset	365,078	-	(365,078)	-
Due from related parties	10,227,373	-	-	10,227,373
Motor vehicles inventory	6,944,943	-	-	6,944,943
Equity instruments at FVOCI	892,850	-	-	892,850
Profit rate swap contract assets	6,135,574	-	-	6,135,574
Property, plant and equipment	4,356,024	-	-	4,356,024
Right-of-use assets	1,241,993	-	-	1,241,993
Intangible assets	2,589,888	-	-	2,589,888
TOTAL ASSETS	<u>1,414,590,015</u>	<u>-</u>	<u>231,685,697</u>	<u>1,646,275,712</u>
LIABILITIES AND EQUITY				
Liabilities				
Trade payables and other accruals	161,415,432	-	(14,263,311)	147,152,121
Due to related parties	21,813,831	-	-	21,813,831
Lease liabilities	1,210,009	-	-	1,210,009
Zakat payable	13,063,939	-	-	13,063,939
Long-term borrowings	603,099,374	-	245,305,702	848,405,076
Employee termination benefits	5,510,780	-	-	5,510,780
Total liabilities	<u>806,113,365</u>	<u>-</u>	<u>231,042,391</u>	<u>1,037,155,756</u>
Equity				
Capital	500,000,000	-	-	500,000,000
Discretionary / statutory reserve	21,144,701	-	-	21,144,701
Retained earnings	81,196,375	-	643,306	81,839,681
Profit rate swap hedge reserve	6,135,574	-	-	6,135,574
Total equity	<u>608,476,650</u>	<u>-</u>	<u>643,306</u>	<u>609,119,956</u>
TOTAL LIABILITIES AND EQUITY	<u>1,414,590,015</u>	<u>-</u>	<u>231,685,697</u>	<u>1,646,275,712</u>

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(All amounts in Saudi Riyals unless otherwise stated)

18 RESTATEMENT OF CORRESPONDING FIGURES (CONTINUED)

The impact of the adjustments above on the interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024 is as follows:

	As previously reported	Reclass- ification	Restatem- ent	After restatement
Finance income	31,995,949	-	8,152,151	40,148,100
Finance costs	(12,019,261)	-	(4,323,441)	(16,342,702)
Net finance income	19,976,688	-	3,828,710	23,805,398
Net gain on securitization of receivables	-	-	-	-
Net change in deferred consideration receivables	1,718,713	-	(1,718,713)	-
Net change in net servicing asset and liability	2,085,581	-	(2,085,581)	-
Other operating income, net	16,752,616	-	4,822,084	21,574,700
Selling and marketing expenses	(5,123,943)	-	-	(5,123,943)
General and administrative expenses	(11,142,174)	-	-	(11,142,174)
Impairment loss on financing	(5,156,317)	-	808,056	(4,348,261)
Other operating expenses	(1,891,749)	-	1,179,832	(711,917)
Net operating profit	17,219,415	-	6,834,388	24,053,803
Zakat	(1,608,156)	-	-	(1,608,156)
Profit for the period	15,611,259	-	6,834,388	22,445,647
Other Comprehensive Income				
<i>Items that may be reclassified to profit or loss :</i>				
Change in fair value of profit rate swap	(519,515)	-	-	(519,515)
Other comprehensive loss for the period	(519,515)	-	-	(519,515)
Total comprehensive income for the period	15,091,744	-	6,834,388	21,926,132

The impact of the adjustments above on the interim condensed statement of cash flows for the three-month period ended 31 March 2024 is as follows:

	As previously reported	Reclass- ification	Restatem- ent	After restatement
Cash flows from operating activities	31,296,596	-	8,446,921	39,743,517
Cash flows from investing activities	(515,667)	-	-	(515,667)
Cash flows from financing activities	(36,791,568)	-	(8,446,921)	(45,238,489)

19 DATE OF AUTHORIZATION

These interim condensed financial statements were authorized for issue by the Board of Directors on 13 Jumada al-Ula 1447H corresponding to 4 November 2025.