

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2025
together with the
INDEPENDENT AUDITORS' REVIEW REPORT

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2025

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KPMG Professional Services Company

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Dar Al Tamleek Company

Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial statements of **Dar Al Tamleek Company ("the Company")**, which comprises:

- the condensed statement of financial position as at 30 June 2025;
- the condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed statement of changes in shareholders' equity for the six-month period ended 30 June 2025;
- the condensed statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Dar Al Tamleek Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed interim financial statements of **Dar Al Tamleek Company** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 28 July 2025
Corresponding to 3 Safar 1447H



DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	391,471,684	163,993,748
Accounts receivable and other assets		13,109,139	11,587,175
Properties for sale under finance leases		29,529,353	19,237,278
Net investment in finance leases	5	405,397,455	323,823,702
Servicing rights under agency arrangements	6	483,615,544	505,797,607
Equity investment at fair value through other comprehensive income		892,850	892,850
Right-of-use assets		4,205,328	5,235,344
Property and equipment		3,148,821	2,355,436
Intangible assets		585,840	794,184
TOTAL ASSETS		1,331,956,014	1,033,717,324
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Accounts payable and accruals	7	202,796,700	253,440,901
Payable for properties for sale under finance leases		22,719,317	18,229,968
Loans and borrowings	10	505,812,001	151,833,767
Employees' end of service benefits		13,894,223	13,464,379
Lease liability		4,282,164	6,014,283
Total liabilities		749,504,405	442,983,298
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	8	358,750,000	358,750,000
Statutory reserve		70,107,954	70,107,954
Retained earnings		153,593,655	161,876,072
Total shareholders' equity		582,451,609	590,734,026
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,331,956,014	1,033,717,324

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Income					
Income from finance leases		8,767,144	7,900,025	17,806,712	16,424,917
Income from agency arrangements		30,035,880	39,612,746	57,055,456	79,452,620
Gain from sale of portfolio		2,400,383	1,793,047	2,400,383	2,061,044
Total income		41,203,407	49,305,818	77,262,551	97,938,581
Amortization of servicing rights under agency arrangements	6	(12,331,840)	(18,524,460)	(32,961,249)	(37,155,122)
Gross profit		28,871,567	30,781,358	44,301,302	60,783,459
Operating expenses					
Selling and marketing expenses		(8,447,530)	(10,860,249)	(17,363,332)	(21,148,563)
General and administrative expenses		(14,027,051)	(11,258,091)	(26,337,800)	(22,305,985)
Reversal / (charge) for expected credit losses provision	5.2	358,819	3,699,089	(1,148,177)	4,077,786
Net operating income / (loss)		6,755,805	12,362,107	(548,007)	21,406,697
Financial charges		(5,828,983)	(3,543,676)	(10,011,079)	(6,458,041)
Finance income		1,110,137	893,318	2,176,294	1,886,312
Other income		65,139	576,628	100,375	639,536
Profit / (loss) before Zakat		2,102,098	10,288,377	(8,282,417)	17,474,504
Zakat charge	9	--	(1,060,807)	--	(1,801,749)
Profit / (loss) for the period		2,102,098	9,227,570	(8,282,417)	15,672,755
Other comprehensive income for the period		--	--	--	--
Total comprehensive profit / (loss) for the period		2,102,098	9,227,570	(8,282,417)	15,672,755
Basic and diluted earnings / (loss) per share (expressed in SR per share)	11	0.06	0.26	(0.23)	0.44

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 31 December 2024 (audited)	358,750,000	70,107,954	161,876,072	590,734,026
<u>Total comprehensive loss</u>				
Loss for the period	--	--	(8,282,417)	(8,282,417)
Other comprehensive income	--	--	--	--
	--	--	(8,282,417)	(8,282,417)
Balance as at 30 June 2025 (unaudited)	<u>358,750,000</u>	<u>70,107,954</u>	<u>153,593,655</u>	<u>582,451,609</u>
Balance as at 31 December 2023 (audited)	358,750,000	70,107,954	149,647,703	578,505,657
<u>Total comprehensive income</u>				
Profit for the period	--	--	15,672,755	15,672,755
Other comprehensive income	--	--	--	--
			15,672,755	15,672,755
<u>Transactions with owners of the Company</u>				
Dividends distribution	--	--	(24,000,000)	(24,000,000)
Balance as at 30 June 2024 (unaudited)	<u>358,750,000</u>	<u>70,107,954</u>	<u>141,320,458</u>	<u>570,178,412</u>

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

DAR AL TAMLEEK COMPANY
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CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Notes</u>	30 June 2025	30 June 2025
Cash flows from operating activities			
(Loss) / profit before Zakat		(8,282,417)	17,474,504
<i>Adjustments:</i>			
Depreciation on property and equipment		430,530	434,717
Depreciation on right-of-use assets		1,030,017	1,151,946
Amortization of intangible assets		208,344	208,344
Amortization of servicing rights under agency arrangements	6	32,961,249	37,155,122
Charge / (reversal) of allowance for excepted credit losses	5.2	1,148,177	(4,077,786)
Income from servicing rights under agency arrangements	6	(10,779,174)	(34,552,854)
Finance charges		10,011,079	6,330,863
Provision for employees' defined benefit obligations		665,154	349,998
		27,392,959	24,474,854
<u>Changes in operating assets and liabilities</u>			
Accounts receivable and other assets		(1,521,964)	14,274,549
Properties for sale under finance leases		(10,292,075)	12,095,525
Net investment in finance leases		(268,403,631)	(74,475,460)
Accounts payable and other liabilities		(46,838,197)	43,263,311
Payable for properties for sale under finance leases		4,489,349	(11,976,850)
Cash (used in) / generated from operations		(295,173,559)	7,655,929
Employees' defined benefit obligations paid		(235,310)	(1,118,072)
Finance charges paid		(5,918,518)	(5,032,511)
Zakat paid		(3,806,005)	(3,580,832)
Net cash used in operating activities		(305,133,392)	(2,075,486)
Cash flows from investing activities			
Purchase of property and equipment		(1,223,915)	(169,658)
Net cash used in investing activities		(1,223,915)	(169,658)
Cash flows from financing activities			
Proceeds from disposal of net investment in finance lease		185,681,702	21,563,955
Proceeds from loans and borrowings		550,049,088	268,413,177
Repayments of loans and borrowings		(200,049,088)	(198,000,000)
Repayments of lease liabilities		(1,846,459)	(1,411,808)
Net cash generated from financing activities		533,835,243	90,565,324
Net increase in cash and cash equivalents during the period		227,477,936	88,320,180
Cash and cash equivalents at the beginning of the period		163,993,748	127,678,250
Cash and cash equivalents at the end of the period		391,471,684	215,998,430
<u>Significant non-cash transactions:</u>			
Financing activities			
Dividends distribution		--	24,000,000

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. GENERAL INFORMATION

Dar Al Tamleek Company (“the Company”) is a Saudi Closed Joint Stock Company, incorporated under the Ministerial Resolution No. 155 dated 11 May 2008 (corresponding to 05 Jumada Awal 1429H). The Company is registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030180844 and unified number 7001562953 dated 12 July 2008 (corresponding to 09 Rajab 1429H) and fully owned by Saudi shareholders.

Pursuant to the promulgation of Real Estate Finance Law (“Real Estate Finance Law”) in the Kingdom of Saudi Arabia, the Company applied for and received a license from the Saudi Central Bank (“SAMA”) to operate as a leasing entity under the Real Estate Finance Law on 31 December 2013 (corresponding to 28 Safar 1435H).

The Company is authorized to operate in the Kingdom of Saudi Arabia on the purchase, sale and ownership of land and real estate and real estate units for the purpose of financing. The company is also working on the management of real estate financing programs to others.

The Company’s core operating activities comprise of the following:

- a) Originating real estate financing.
- b) Arranging real estate financing on behalf of third parties under a Program Management arrangement.
- c) Sale of originated portfolio of real estate financing to third parties.
- d) Serving real estate financing on behalf of third parties.

The Company operates through its following registered branches:

<u>Branch location</u>	<u>Date</u>	<u>Commercial Registration No</u>
Riyadh	27 December 2009 (Corresponding to 10 Muharram 1431H)	1010278650
Jeddah	22 January 2014 (Corresponding to 21 Rabi Al-Awwal 1435H)	4030263817
Al-Madinah al-Munawwarah	16 February 2021 (Corresponding to 4 Rajab 1442H)	4650227996
Dammam	1 May 2011 (Corresponding to 27 Jumada Al-Awwal 1432H)	2050075914
Hafr Albatin	16 February 2021 (Corresponding to 4 Rajab 1442H)	2511120119
Jeddah	17 November 2009 (Corresponding to 29 Dhul Qadah 1430H)	4030194954
Makkah	16 February 2021 (Corresponding to 4 Rajab 1442H)	4031247300
Tabuk	16 February 2021 (Corresponding to 4 Rajab 1442H)	3550136777
Taif	16 February 2021 (Corresponding to 4 Rajab 1442H)	4032247739
Abha	16 February 2021 (Corresponding to 4 Rajab 1442H)	5850130565

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. GENERAL INFORMATION (continued)

The Company's head office is located at the following address:

Building No. 2904, Burj Al-Makhmal,
Prince Saud Al Faisal Street,
Al Khalidiyah District
Jeddah 23422,
Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia as well as other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company prepares its financial statements to comply with SAMA regulations applicable to Real Estate Finance Entities, the Regulation for Companies in the Kingdom of Saudi Arabia and the Company's By-laws. These interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024.

The Company owned a dormant immaterial subsidiary called Sukuk Dar Al Tamleek Company ("a fully owned subsidiary") with share capital amounting to SR 50,000.

2.2 Basis of measurement

The financial statements have been prepared under historical cost convention except for financial assets which are classified as fair value through other comprehensive income (FVOCI), and the employees' benefits which are recognised at the present value of future obligations using the projected credit method.

These condensed interim financial statements have been prepared on going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Arabian Riyals ("SR") which is the functional and presentation currency of the Company, except as otherwise indicated.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION (continued)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected by the revision. The key areas requiring significant management judgements and estimates are consistent with those disclosed in the annual financial statements for the year ended 31 December 2024.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES OF THE COMPANY

The material accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024.

New IFRS pronouncements, effective 1 January 2025 (refer to note 15), did not have any effect on the condensed interim financial statements.

At the date of authorization of these condensed interim financial statements, various Standards and Interpretations (including amendments thereto) were in issue but not yet effective. The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on these condensed interim financial statements (refer to note 15).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash in hand	30,234	21,218
Cash at bank (note 4.1)	391,441,450	163,972,530
	<u>391,471,684</u>	<u>163,993,748</u>

- 4.1 Cash at bank include an amount of SR 7.24 million (31 December 2024: SR 4.12 million) representing cheques issued for the transfer of legal title of properties under finance leases and shall be adjusted upon completion of such transfer.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

5. NET INVESTMENT IN FINANCE LEASES

5.1 At period / year end the net investment in finance leases comprise of the following:

	30 June 2025	31 December 2024
Gross investment in finance leases	701,872,669	570,544,950
Less: unearned finance income and other related credits	(288,061,051)	(238,975,669)
Present value of minimum lease payments	413,811,618	331,569,281
Less: allowance for expected credit losses on finance leases	(8,414,163)	(7,745,579)
Net investment in finance leases	405,397,455	323,823,702

30 June 2025	Years	Gross investment	Unearned finance income and other related credits	Net investment (before allowance for expected credit losses)
Current portion	2025 – 26	64,072,208	(34,910,208)	29,162,000
Non-current portion	2026 – 27	67,605,823	(33,138,529)	34,467,294
	2027 – 28	62,708,050	(30,490,376)	32,217,674
	2028 – 29	59,457,840	(26,982,039)	32,475,801
	2029 – 30	55,330,369	(23,989,862)	31,340,507
	2030 and onwards	392,698,379	(138,550,037)	254,148,342
Total non-current portion		637,800,461	(253,150,843)	384,649,618
Total		701,872,669	(288,061,051)	413,811,618
Less: allowance for expected credit losses on finance leases				(8,414,163)
				405,397,455

31 December 2024	Years	Gross investment	Unearned finance income and other related credits	Net investment (before allowance for expected credit losses)
Current portion	2025	49,113,956	(28,768,310)	20,345,646
Non-current portion	2026	52,667,748	(26,831,635)	25,836,113
	2027	46,372,250	(24,332,906)	22,039,344
	2028	44,990,755	(22,222,388)	22,768,367
	2029	42,254,892	(20,082,615)	22,172,277
	2030 and onwards	335,145,349	(116,737,815)	218,407,534
Total non-current portion		521,430,994	(210,207,359)	311,223,635
Total		570,544,950	(238,975,669)	331,569,281
Less: allowance for expected credit losses on finance leases				(7,745,579)
				323,823,702

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

5. NET INVESTMENT IN FINANCE LEASES (continued)

5.2 Movement in allowance for expected credit loss for the period ended 30 June 2025 is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Balance at the beginning of the period	7,745,579	11,053,962
Write off during the period	(479,593)	--
Charge / (reversal) for expected credit losses provision	1,148,177	(4,077,786)
Balance at the end of the period	8,414,163	6,976,176

6. SERVICING RIGHTS UNDER AGENCY ARRANGEMENTS

Movement in the servicing rights under agency arrangements is as follows:

	30 June 2025 (Unaudited)	31 Dec 2024 (Audited)	30 June 2024 (Unaudited)
Balance at the beginning of the period / year	505,797,607	504,895,045	504,895,045
Addition during the period / year	10,779,186	61,932,267	34,552,854
Amortization for the period / year	(32,961,249)	(61,029,705)	(37,155,122)
Balance at the end of the period / year	483,615,544	505,797,607	502,292,777

7. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and accrued liabilities comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accounts payable and other accruals:		
- Related parties	70,788,390	107,869,178
- Third parties	99,953,586	98,833,475
Advances from customers	20,297,648	23,915,712
Employee related payables		
- Key management personnel (note 16.1)	3,678,180	7,627,405
- Others	7,753,083	9,901,315
Accrued Zakat (note 9)	--	3,806,005
Accrued Board Remuneration	325,813	1,487,811
	202,796,700	253,440,901

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

8. SHARE CAPITAL

As at 30 June 2025, the Company's authorised share capital as per its By-Laws is SR 358.75 million (31 December 2024: SR 358.75 million) divided into 35.875 million shares of SR 10 each (31 December 2024: 35.875 million shares of SR 10 each).

9. ZAKAT

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Custom Authority ("ZATCA"). Zakat expense is charged to the statement of profit or loss and other comprehensive income.

Zakat expense is charged to the interim condensed statement of profit or loss and other comprehensive income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat.

The movement in the zakat provision for the periods are as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Balance at the beginning of the period	3,806,005	3,580,948
Zakat charge for the period	--	1,801,749
Payment made during the period	(3,806,005)	(3,580,832)
Balance at the end of the period	--	1,801,865

Status of assessment

The Company filed the Zakat returns for the years 2009 to 2024. The Company's Zakat status is considered finalized for the years 2009 to 2013 and 2018 based on the statute of limitation. Following the issuance of the Zakat rules for financing activities, the Zakat, Tax and Customs Authority (ZATCA) reviewed the Company's accounts for the years 2014 to 2017 and proposed a settlement of SR 13,523,324. The Company accepted the settlement and paid the Zakat differences. The Company filed Zakat returns for the years 2019 to 2024 in line with the settlement of the previous years. ZATCA did not issue any queries or assessment to date to the Company.

10. LOANS AND BORROWINGS

Details of loans and borrowing availed by the Company are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Short term borrowings	505,812,001	151,833,767

DAR AL TAMLEEK COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

10. LOANS AND BORROWINGS (continued)

- 10.1** These represents short term loans from various local banks and financial institutions carrying applicable market rates and repayable in fixed monthly/quarterly instalments with last instalment due in June 2026.

11. RELATED PARTY BALANCES

Related party transactions mainly pertain to finance leases, agency services, real estate development and technical advisory, which are undertaken at mutually agreed terms and conditions and approved by the Company's management.

<u>Name</u>	<u>Relationship</u>
General Organization for Social Insurance (GOSI)	Shareholder
The Company for Cooperative Insurance (Tawuniya)	Associated Company
Sukuk Dar Al Tamleek Company	Subsidiary

11.1 Amount due from related party included in accounts receivable and other assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
The Company for Cooperative Insurance (Tawuniya)	108,687	186,687
	108,687	186,687

11.2 Amount due to related party included in accounts payable and other accruals

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Sukuk Dar Al Tamleek Company	51,614	53,430
The Company for Cooperative Insurance (Tawuniya)	3,255,411	3,029,104
General Organization for Social Insurance (GOSI)	67,481,365	104,786,644
	70,788,390	107,869,178

12. BASIC AND DILUTED EARNINGS PER SHARE

Basis earnings per share is calculated based on distributable profit to shareholders for ordinary shares and using weighted average number of ordinary shares at the date of the financial statements.

During the period, there are no transactions that reduce the earnings (loss) per share and therefore the earnings per diluted share is not different from earnings (loss) of basic shares.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

13. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. As the accompanying condensed interim financial statements are prepared under the historical cost method, except for the investment at fair value through other comprehensive income ("FVOCI"), Servicing rights under agency arrangements, and the employees' end of service benefits, differences may arise between the book values and the fair value estimates. At the reporting date, management believes that the fair values of the Company's financial assets and liabilities are not materially different from their respective carrying values.

14. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; and therefore, should be read in conjunction with the Company's annual financial statements as at 31 December 2024. There have been no changes in the risk management policies since the year end

CAPITAL MANAGEMENT

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, credit and market confidence and to sustain future development of the business of the Company. Capital consists of ordinary shares and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The net debt to equity ratio as at 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025 (unaudited)	31 December 2024 (Audited)
Total liabilities	749,504,405	442,983,298
Less: Cash and cash equivalents	(391,471,684)	(163,993,748)
Adjusted net debt	358,032,721	278,989,550
Total shareholders' equity	582,451,609	590,734,026
Adjusted net debt to equity ratio	61.47%	47.23%

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

15. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

Several amendments and interpretations apply for the first time in 2025, which are effective for annual periods beginning on or after 1 January 2025 which do not have a material effect on these condensed interim financial statements.

<u><i>Standard / amendments / interpretation</i></u>	<u><i>Description</i></u>	<u><i>Effective date</i></u>
Amendments to IAS 21	Lack of exchangeability	1 January 2025

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<u><i>Standard / amendments / interpretation</i></u>	<u><i>Description</i></u>	<u><i>Effective date</i></u>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. Contracts Referencing Nature-dependent Electricity.	01 January 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash flows	01 January 2026
IFRS 18	Presentation and disclosure in financial statements	01 January 2027
IFRS 19	Subsidiaries without public accountability – disclosures	01 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

15. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

<u><i>Standard / amendments / interpretation</i></u>	<u><i>Description</i></u>	<u><i>Effective date</i></u>
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Not yet endorsed by SOCPA
IFRS S2, 'Climate related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Not yet endorsed by SOCPA

The Company is currently assessing the implications for other above-mentioned standards, interpretations and amendments on the Company's financial statements on adoption.

16. SUBSEQUENT EVENTS

No matter has occurred up to and including the date of the approval of these condensed interim financial statements by the management which could materially affect these condensed interim financial statements and the related disclosures for the three-month and six-month periods ended 30 June 2025.

17. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved and authorized for issue by the management on behalf of the Board of Directors on 28 July 2025, corresponding to 3 Safar 1447H.