

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

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

For the three-month period ended 31 March 2025

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMA UNITED FINANCING COMPANY (A CLOSED JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of NAMA United Financing Company (a Closed Joint Stock Company) (the "Company") as at 31 March 2025, and the related interim condensed statement of comprehensive income, the related interim condensed statements of changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with *International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other matters

The comparative information presented in the interim condensed statement of comprehensive income, interim condensed statement of changes in equity, interim condensed statement of cash flows and related notes for the three-month period ended 31 March 2025 were not reviewed by us and is presented for comparative purpose only.

for Ernst & Young Professional Services



Hussain Saleh Asiri
Certified Public Accountant
License No. (414)



Jeddah: 11 Jumada Al-Ula 1447H
(2 November 2025G)

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the three-month period ended 31 March 2025

	<i>Note</i>	<i>For the three-month period ended 31 March 2025 Unaudited SR</i>	<i>For the three-month period ended 31 March 2024 Unaudited SR</i>
OPERATING (EXPENSES) / INCOME			
General and administrative expenses	3	(5,335,709)	(6,308,896)
Depreciation of property and equipment		(33,800)	(3,607)
Depreciation of right of use assets		(96,015)	-
Amortization of intangible assets		(154,050)	(938)
Finance cost		(32,728)	(1,736,043)
Income from short term investments		574,924	2,201,089
		<u>(5,077,378)</u>	<u>(5,848,395)</u>
LOSS FOR THE PERIOD BEFORE ZAKAT		(5,077,378)	(5,848,395)
Zakat	10	(47,044)	(47,044)
		<u>(5,124,422)</u>	<u>(5,895,439)</u>
NET LOSS FOR THE PERIOD		(5,124,422)	(5,895,439)
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(5,124,422)	(5,895,439)
		<u><u>(5,124,422)</u></u>	<u><u>(5,895,439)</u></u>

The attached notes 1 to 14 form an integral part of these unaudited interim condensed financial statements.

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 March 2025

	<i>Note</i>	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
ASSETS			
Cash and bank balance	4	7,751,140	90,304,986
Short term investments	5	180,000,000	100,000,000
Accrued income		221,344	1,267,077
Prepayments, advance payments and other receivables		442,897	259,474
Net investment in Islamic financing	6	365,873	-
Intangible assets		2,300,858	2,453,812
Right of use assets	7.1	1,059,331	-
Property and equipment		472,900	453,942
TOTAL ASSETS		192,614,343	194,739,291
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	8	200,000,000	200,000,000
Accumulated losses		(13,875,334)	(8,750,912)
TOTAL SHAREHOLDERS' EQUITY		186,124,666	191,249,088
LIABILITIES			
Accounts payables, accrued and other liabilities		4,998,617	2,307,140
Due to related parties	9	-	994,887
Zakat payable		235,220	188,176
Lease liabilities	7.2	978,699	-
Employees' post-employment benefits		277,141	-
TOTAL LIABILITIES		6,489,677	3,490,203
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		192,614,343	194,739,291

The attached notes 1 to 14 form an integral part of these unaudited interim condensed financial statements.

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the three-month period ended 31 March 2025

	<i>Share Capital</i>	<i>Accumulated losses</i>	<i>Total</i>
Balance as at 1 January 2025	200,000,000	(8,750,912)	191,249,088
Loss for the period	-	(5,124,422)	(5,124,422)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(5,124,422)	(5,124,422)
Balance as at 31 March 2025 (Unaudited)	200,000,000	(13,875,334)	186,124,666
Balance as at 1 January 2024	200,000,000	-	200,000,000
Loss for the period	-	(5,895,439)	(5,895,439)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(5,895,439)	(5,895,439)
Balance as at 31 March 2024 (Unaudited)	200,000,000	(5,895,439)	194,104,561

The attached notes 1 to 14 form an integral part of these unaudited interim condensed financial statements.

NAMA UNITED FINANCING COMPANY
(A closed joint stock company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three-month period ended 31 March 2025

	<i>Note</i>	<i>For the three-month period ended 31 March 2025 Unaudited SR</i>	<i>For the three-month period ended 31 March 2024 Unaudited SR</i>
OPERATING ACTIVITIES			
Profit for the period before zakat		(5,077,378)	(5,848,395)
<i>Adjustments for:</i>			
Depreciation of property and equipment		33,800	3,607
Amortization of right of use assets		96,015	938
Amortization of intangibles		154,050	-
Provision of employees' post-employment benefits		277,141	-
Finance cost		32,728	1,736,043
Operating loss before changes in operating assets and liabilities		(4,483,644)	(4,107,807)
<i>Changes in operating assets and liabilities</i>			
Accrued income		1,045,733	-
Prepayments, advance payments and other receivables		(183,423)	(2,266,147)
Net investment in Islamic financing		(365,873)	-
Accounts payables, accrued and other liabilities		2,691,477	336,800
Due to related parties		(994,887)	794,437
Cash used in operations		(2,290,617)	(5,242,717)
Finance costs paid		(173)	(1,736,043)
Net cash used in operating activities		(2,290,790)	(6,978,760)
INVESTING ACTIVITIES			
Purchase of property and equipment		(52,758)	(341,168)
Purchase of intangibles		(1,096)	(1,269,034)
Purchase of short-term investment		(50,000,000)	(150,000,000)
Proceeds from disposal of short-term investment		100,000,000	-
Net cash generated from / (used in) investing activities		49,946,146	(151,610,202)
FINANCING ACTIVITIES			
Payment against principal portion of lease liabilities	7.2	(209,202)	-
Net cash used in financing activities		(209,202)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at the beginning of the period		90,304,986	200,000,000
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	4	137,751,140	41,411,038

The attached notes 1 to 14 form an integral part of these unaudited interim condensed financial statements.

NAMA UNITED FINANCING COMPANY

(A closed joint stock company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 31 March 2025

1 ORGANIZATION AND ACTIVITIES

NAMA United Financing Company, (the “Company”) is a Closed Joint-Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial registration No. 4030535994 and unified No.7037557605. The Company was established on 04 Jumada Al-Thani 1445H (corresponding to 17 December 2023) having obtained the necessary approval from the Ministry of Commerce (“MOC”) and the Notary Public.

On 1 Rajab 1446H (corresponding to 1 January 2025) the Company received a license from the Saudi Central Bank (‘SAMA’) to conduct real estate financing, financing productive assets, financing small and medium sized enterprises, financial leasing and consumer financing activities in the Kingdom of Saudi Arabia. The Finance Companies Control Law was issued by the Saudi Council of Ministers through its publication No. 259 dated 12 Sha ban 1433H (corresponding to 2 July 2012) and the Royal Decree No. 51 dated 13 Sha ban 1433H (corresponding to 3 July 2012) and its implementing regulations were issued by SAMA for conducting lease financing business in the Kingdom of Saudi Arabia. On 1 Muharram 1439H (corresponding to 21 Sep 2017).

The registered address of the Company is located at:

Building number 9166,
Al Madinah Al Munawarah Branch Road,
Al Andalus district,
P.O. Box 23326

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Basis of measurement

These interim condensed financial statements are prepared under the historical cost method.

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

2.2 Statement of compliance

The interim condensed financial statements of the Company as at and for the period ended 31 March 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed statement of financial position is presented in descending order of liquidity, as this presentation is more appropriate to the Company’s operations.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the period ended from 17 December 2023 to 31 December 2024.

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

The corresponding numbers in the interim condensed statement of comprehensive income, interim condensed statement of changes in equity, interim condensed statement of cash flows, and related notes for the three-month period ended 31 March 2024, are presented for comparative purposes only and are neither reviewed nor audited.

2.3 Functional and presentational currency

These interim condensed financial statements have been presented in Saudi Riyals (“SR”), which is also the functional and presentation currency of the Company, except as otherwise indicated.

NAMA UNITED FINANCING COMPANY

(A closed joint stock company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

At 31 March 2025

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.4 Significant accounting judgments, estimates and assumptions

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

In preparing these interim condensed financial statements, 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 applied to the annual financial statements as at and for the period ended from 17 December 2023 to 31 December 2024 except for those mentioned below:

2.4.1 Leases - the Company as a lessee

(i) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful lives and the lease terms and are subject to impairment. If ownership of the leased assets transfers to the Company at the end of the lease term, depreciation is calculated using the estimated useful life of the asset.

(ii) *Lease liabilities*

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a reassessment, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.4.2 Ijarah receivables

Ijarah finance is an agreement wherein gross amounts due under originated Ijarah (finance) includes the total of future payments on Ijarah finance, plus estimated residual amounts receivable (by an option to purchase the asset at the end of the respective financing term through an independent sale contract). The difference between the Ijarah contracts receivable and the cost of the Ijarah assets is recorded as unearned Ijarah finance income and for presentation purposes, is deducted from the gross amounts due under Ijarah finance.

2.5 New standards, interpretations and amendments

The accounting policies, estimates and assumptions adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the period ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025, which is explained in note below. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NAMA UNITED FINANCING COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

At 31 March 2025

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.5 New standards, interpretations and amendments (continued)

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the interim condensed financial statements:

<i>Standard, interpretation or amendments</i>	<i>Description</i>	<i>Effective date</i>
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

2.6 Standards issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the interim condensed financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the interim condensed financial statements on adopting the standards, interpretations and amendments if applicable

<i>Standard, interpretation or amendments</i>	<i>Description</i>	<i>Effective date</i>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

NAMA UNITED FINANCING COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

3 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the three-month period ended 31 March 2025 Unaudited SR</i>	<i>For the three-month period ended 31 March 2024 Unaudited SR</i>
Salaries, wages and other benefits	3,905,301	4,070,081
Rent	-	503,232
Customer digital verification cost (note 3.1)	115,611	-
Legal and professional charges	82,713	662,916
Withholding tax expense	17,228	-
Board and committee	172,500	125,000
Information technology support and licenses	825,211	64,134
Other operating expenses	217,145	883,533
	5,335,709	6,308,896

3.1 In compliance with the regulations set forth by the Saudi Central Bank (SAMA), the Company incurs costs related to the digital verification of customers. This verification process is conducted through various online platforms.

4 CASH AND CASH EQUIVALENTS

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Cash and bank balance	7,751,140	90,304,986
Add: Time deposits - original maturity less than three-months (note 5)	130,000,000	-
	137,751,140	90,304,986

4.1 As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Company's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

NAMA UNITED FINANCING COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

5 SHORT TERM INVESTMENTS

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Time deposits		
- Original maturity – less than three months	130,000,000	-
- Original maturity – more than three months	50,000,000	100,000,000
	180,000,000	100,000,000

5.1 These time deposits carry profit rates ranging from 4.71% to 5.45% per annum (31 December 2024: 5.41% to 5.90% per annum). The Company has placed these time deposits with Arab National Bank and Riyadh Bank.

6 NET INVESTMENT IN ISLAMIC FINANCING

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<i>Financial assets carried at amortized cost – secured</i> Ijarah	365,873	-

6.1 Details of net investment in Islamic financing:

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Gross investment in Islamic financing	490,849	-
Less: unearned Islamic financing income	(124,976)	-
Net investment in Islamic financing	365,873	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

6 NET INVESTMENT IN ISLAMIC FINANCING (continued)

6.1 Details of net investment in Islamic financing: (continued)

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Current portion	<u>41,055</u>	<u>-</u>
Non-current portion	<u>324,818</u>	<u>-</u>

6.2 The Company in the ordinary course of its business holds collateral in respect of Islamic financing (being the title of assets leased out) in order to mitigate the credit risk associated with them. These collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.

6.3 The Company's Islamic financing arrangements do not include variable payments.

7 LEASES

7.1 Right of use assets

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Costs:		
At the beginning of the period	-	-
Addition during the period	<u>1,155,346</u>	<u>-</u>
At the end of the period	<u>1,155,346</u>	<u>-</u>
Accumulated depreciation:		
At the beginning of the period	-	-
Depreciation for the period	<u>96,015</u>	<u>-</u>
At the end of the period	<u>96,015</u>	<u>-</u>
Carrying amount at the end of the period	<u><u>1,059,331</u></u>	<u><u>-</u></u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

7 LEASES (continued)

7.2 Lease liabilities

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
At the beginning of the period	-	-
Addition during the period	1,155,346	-
Accretion of interest cost	32,555	-
Payment against principal portion of lease liabilities	(209,202)	-
At the end of the period	978,699	-
Current portion	391,928	-
Non-current portion	586,771	-

7.3 The Company has lease contract for head office premises which has lease term of 3 years. The lease payments for the office are discounted using an incremental rate of borrowing of 7%.

8 SHARE CAPITAL

The Company's subscribed, issued and paid-up share capital of SR 200,000,000 (31 December 2024: SR 200,000,000) is divided into 20,000,000 equity shares (31 December 2024: 20,000,000 equity shares) of SR 10 each which are fully subscribed, issued and paid, and are distributed among shareholders as follows:

	<i>No. of shares of SR 10 each</i>	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>	<i>Percentage of ownership %</i>
Omar Kassem International Sons Company Limited	10,000,000	100,000,000	100,000,000	50
Omar Kassem Alesayi Trading Industrial Investment Company Limited	10,000,000	100,000,000	100,000,000	50
	20,000,000	200,000,000	200,000,000	100

9 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties (other related parties). Related party transactions are undertaken at mutually agreed terms and conditions and approved by the Company's management.

<i>Names of Related Party</i>	<i>Nature of Relationship</i>	<i>Country of incorporation</i>	<i>Aggregate % of shareholding in the Company</i>
Omar Kassem Alesayi Holding Group Company	Affiliate	Saudi Arabia	35%
Omar Kassem International Sons Company Limited	Shareholder	Saudi Arabia	50%

NAMA UNITED FINANCING COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

9.1 Following are the details of major related party transactions entered during the period:

<i>Related party</i>	<i>Nature of transaction</i>	<i>For the three-month period ended 31 March 2025 Unaudited SR</i>	<i>For the three-month period ended 31 March 2024 Unaudited SR</i>
Omar Kassem Alesayi Holding Group Company	Expenses on behalf of company Repayment during the period	- 900,012	7,241,894 6,447,457
Omar Kassem International Sons Company Limited	Expenses on behalf of company Repayment during the period	- 94,875	- -

9.2 Due to related parties comprise the following:

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Omar Kassem Alesayi Holding Group Company	-	900,012
Omar Kassem International Sons Company Limited	-	94,875
	-	994,887

Key management Remuneration

Remuneration of the key management personnel of the Company is as follows:

	<i>For the three-month period ended 31 March 2025 Unaudited SR</i>	<i>For the three-month period ended 31 March 2024 Unaudited SR</i>
Short term employee benefits	1,086,903	914,403
	1,086,903	914,403

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

10 ZAKAT

The movement in the provision for zakat is as follows:

	<i>31 March 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
At the beginning of the period	188,176	-
Charge for the period	47,044	188,176
At the end of the period	235,220	188,176

Status of assessments

Company submitted Zakat return for the first long period ended December 31, 2024 and obtained Zakat certificate valid till 30 April 2026. ZATCA did not finalize the review of the Company's Zakat return for the said period to date.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company. The Company's financial assets consist of cash and cash equivalents, short term investment, net investment in Islamic financing and other receivables. Its financial liabilities consist of accounts payables, due to related parties, lease liabilities and other liabilities.

The fair values of financial assets and liabilities carried at amortized cost are not materially different from their carrying values at the statement of financial position date.

12 FINANCIAL RISK MANAGEMENT

Credit Risk

It is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company has established procedures to manage credit exposure including, credit approvals, credit limits, collateral and guarantee requirements. These procedures are based on the Company's internal guidelines. The carrying amount of financial assets recorded in the interim condensed financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NAMA UNITED FINANCING COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

At 31 March 2025

12 FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, profit rate risk and other price risk, such as equity price risk and commodity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, the management manages assets with liquidity in mind, maintaining an appropriate balance of cash and cash equivalents and credit lines and monitors future cash flows and liquidity on regular basis.

Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide adequate return to its shareholders through the optimization of the capital structure. The Company manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. No changes were made in objectives, policies or processes for managing capital during the three-month period ended 31 March 2025.

The Company monitors capital on the basis of the regulatory requirements of Regulations for Companies and SAMA minimum capital requirements for financing companies. Capital adequacy ratio is calculated by dividing net investment in Islamic financing by total equity. As per SAMA regulations, the capital adequacy ratio of the Company must not exceed 3 times of equity.

***31 March
2024
Unaudited***

Capital adequacy ratio

0.002 Time

13 SUBSEQUENT EVENTS

There have been no significant subsequent events since the period-end that would require additional disclosure or adjustment in these interim condensed financial statements.

14 BOARD OF DIRECTORS' APPROVAL

These interim condensed financial statements were approved by the Board of Directors on 2 November 2025G (corresponding to 11 Jumada Al-Ula 1447H).