

**AL YUSR LEASING AND FINANCING COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE THREE-MONTH  
PERIOD ENDED MARCH 31, 2025 (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL YUSR LEASING AND FINANCING COMPANY**  
(A Saudi Closed Joint Stock Company)  
**Condensed interim consolidated financial statements (Unaudited)**  
**For the three-month period ended March 31, 2025**

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## *Report on review of condensed interim consolidated financial statements*

To the shareholders of Al Yusr Leasing and Financing Company  
(A Saudi Closed Joint Stock Company)

### **Introduction**

We have reviewed the accompanying condensed interim consolidated statement of financial position of Al Yusr Leasing and Financing Company (the “Company”) and its subsidiary (together the “Group”) as of March 31, 2025 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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, 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

**PricewaterhouseCoopers**

Ali H. Al Basri  
License Number 409

April 30, 2025



**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
<sup>(All amounts in Saudi Riyals unless otherwise stated)</sup>

Notes	As at March 31, 2025		As at December 31, 2024	
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
Cash at banks	5	<b>66,336,032</b>	48,161,424	
Prepayments, advances and other receivables		<b>100,977,889</b>	111,829,976	
Repossessed assets held for sale		<b>762,000</b>	90,000	
Margin deposit – restricted	6	<b>-</b>	7,240,756	
Due from related parties	7	<b>561,388,896</b>	568,100,138	
Investment in Islamic financings, net	8	<b>1,812,495,434</b>	1,844,282,391	
Investment in equity instruments carried at fair value through other comprehensive income ("FVOCI")	9	<b>34,975,643</b>	34,975,643	
Intangible assets		<b>17,568,202</b>	18,837,061	
Right-of-use assets		<b>14,415,434</b>	15,136,528	
Property and equipment		<b>3,981,111</b>	4,154,373	
<b>Total assets</b>		<b>2,612,900,641</b>	2,652,808,290	
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Trade payable		<b>13,378,402</b>	16,869,179	
Accruals, provisions and other liabilities		<b>46,138,601</b>	44,925,366	
Due to related parties	7	<b>11,915,092</b>	1,689,183	
Zakat payable	10	<b>16,213,297</b>	15,301,665	
Lease liabilities		<b>14,544,623</b>	14,676,510	
Employees' end of service benefits		<b>9,842,000</b>	9,712,000	
Borrowings	11	<b>1,674,533,583</b>	1,726,807,958	
<b>Total liabilities</b>		<b>1,786,565,598</b>	1,829,981,861	
<b>Equity</b>				
Share capital		<b>500,000,000</b>	500,000,000	
Statutory reserve		<b>123,715,275</b>	123,715,275	
Retained earnings		<b>190,256,313</b>	186,747,699	
Fair value reserve on investments		<b>5,957,730</b>	5,957,730	
Employees' end of service benefits reserve		<b>6,405,725</b>	6,405,725	
<b>Total equity</b>		<b>826,335,043</b>	822,826,429	
<b>Total liabilities and equity</b>		<b>2,612,900,641</b>	2,652,808,290	

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

  
 Eng. Abdulmohsen  
 Abdullatif Alisa  
 Chairman

  
 Mr. Mohammed  
 Saleh AlDowesh  
 Chief Executive Officer

  
 Abdullah Abdulkarim  
 Almuhana  
 Chief Financial Officer

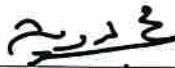
AL YUSR LEASING AND FINANCING COMPANY  
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)  
(All amounts in Saudi Riyals unless otherwise stated)

Notes	For the three-month period ended March 31,	
	2025	2024
<b>Revenue</b>		
Income from investment in Islamic financings, net	12	81,122,748
Other income	13	9,729,523
<b>Total revenue</b>		<b>90,852,271</b>
<b>Operating expenses</b>		
Salaries, wages and other employee related costs		(25,975,896)
Depreciation and amortisation		(2,657,562)
Other operating expenses	14	(18,166,497)
Charge for expected credit loss ("ECL") on financial assets, net	8.6	(3,872,812)
<b>Total operating expenses</b>		<b>(50,672,767)</b>
<b>Operating profit</b>		
Finance costs, net		40,179,504
		(35,759,258)
<b>Profit / (loss) before zakat</b>		<b>4,420,246</b>
Zakat expense	10	(911,632)
<b>Net profit / (loss) for the period</b>		<b>3,508,614</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income for the period		-
<b>Total comprehensive income / (loss) for the period</b>		<b>3,508,614</b>
		(4,779,005)

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

  
Eng. Abdulmohsen  
Abdullatif Alisa  
Chairman

  
Mr. Mohammed  
Saleh AlDowesh  
Chief Executive Officer

  
Abdullah Abdulkarim  
Almuhana  
Chief Financial Officer

AL YUSR LEASING AND FINANCING COMPANY  
 (A Saudi Closed Joint Stock Company)  
 CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 (All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve on investments	Employees' end of service benefits reserve	Total equity
<b>Balance as at January 1, 2024 (Audited)</b>	500,000,000	123,715,275	217,214,638	-	6,350,070	847,279,983
Loss for the period	-	-	(4,779,005)	-	-	(4,779,005)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,779,005)	-	-	(4,779,005)
<b>Balance as at March 31, 2024 (Unaudited)</b>	500,000,000	123,715,275	212,435,633	-	6,350,070	842,500,978
<b>Balance as at January 1, 2025 (Audited)</b>	500,000,000	123,715,275	186,747,699	5,957,730	6,405,725	822,826,429
Profit for the period	-	-	3,508,614	-	-	3,508,614
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,508,614	-	-	3,508,614
<b>Balance as at March 31, 2025 (Unaudited)</b>	500,000,000	123,715,275	190,256,313	5,957,730	6,405,725	826,335,043

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

✓.✓.✓.✓.

Eng. Abdulmohsen Abdullatif Alisa  
 Chairman

Mr. Mohammed Saleh AlDowesh  
 Chief Executive Officer

✓.✓.✓.✓.

Abdullah Abdulkarim Almuham  
 Chief Financial Officer

✓.✓.✓.✓.

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
(All amounts in Saudi Riyals unless otherwise stated)

Notes	For the three-month period ended March 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Profit / (loss) before zakat	<b>4,420,246</b>	(4,779,005)
Adjustments to reconcile profit / (loss) before zakat to net cash flows generated from operating activities:		
Depreciation and amortisation	<b>2,657,562</b>	2,392,440
Charge for ECL on financial assets, net	<b>14,102,551</b>	44,488,230
Finance income on present value of margin deposits	<b>(30,879)</b>	-
Finance income on due from related parties	<b>(4,876,067)</b>	(684,993)
Finance costs, net	<b>35,759,258</b>	37,332,240
Provision for employees' end of service benefits	<b>1,377,837</b>	525,250
	<b>53,410,508</b>	79,274,162
Changes in working capital:		
Prepayments, advances and other receivables	<b>10,852,089</b>	(1,883,027)
Repossessed assets held for sale	<b>(672,000)</b>	60,000
Margin deposits – restricted	<b>7,271,634</b>	-
Due from related parties	<b>7,451,993</b>	22,841,182
Investment in Islamic financings, net	<b>17,684,404</b>	117,772,938
Trade payable	<b>(3,490,774)</b>	6,397,367
Accruals, provisions and other liabilities	<b>1,213,232</b>	1,220,863
Due to related parties	<b>14,361,223</b>	-
<b>Cash generated from operating activities before zakat and employees' end of service benefits paid</b>	<b>108,082,309</b>	225,683,485
Zakat paid	<b>-</b>	(6,550,344)
Employees' end of service benefits paid	<b>(1,247,837)</b>	(752,758)
<b>Net cash generated from operating activities</b>	<b>106,834,472</b>	218,380,383
<b>Cash flows from investing activities</b>		
Investment in equity instruments carried at FVOCI	<b>-</b>	(21,616,350)
Purchase of property and equipment	<b>(291,267)</b>	(337,296)
Purchase of intangible assets	<b>(203,080)</b>	-
<b>Net cash used in investing activities</b>	<b>(494,347)</b>	(21,953,646)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>155,000,000</b>	26,800,000
Repayments of borrowings	<b>(196,038,074)</b>	(155,043,170)
Repayments of lease liabilities	<b>(131,886)</b>	(230,928)
Finance costs paid	<b>(38,876,480)</b>	(38,902,883)
<b>Net cash used in financing activities</b>	<b>(80,046,440)</b>	(167,376,981)
<b>Net change in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	<b>26,293,685</b>	29,049,756
<b>Cash and cash equivalents at the end of the period</b>	<b>5 20,109,195</b>	(24,431,383)
	<b>46,402,880</b>	4,618,373
<b>Non-cash transactions</b>		
Investment in Islamic financing held for sale	7.2.1 (b)	-
Due from related parties	7.2.1 (b)	-
		120,362,243
		(120,362,243)

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**  
<sup>(All amounts in Saudi Riyals unless otherwise stated)</sup>

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**1 Legal status and operations**

Al-Yusr Leasing and Financing Company (the “Company”) is a Saudi Closed Joint Stock Company registered in Riyadh in the Kingdom of Saudi Arabia under commercial registration (“CR”) number 1010192058 issued on Shawal 20, 1424H corresponding to December 14, 2003.

The main activities of the Company are to engage in Islamic finance lease, financing of small and medium-sized enterprises, financing of productive assets and consumer finance under the Saudi Central Bank (“SAMA”) license No. (10/AO/201403) issued on Rabi’ al-Thani 27, 1435H corresponding to February 28, 2014.

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

Salah Uddin Ayubi Street, Al Malaz  
P.O. Box 25773  
Riyadh 11476  
Kingdom of Saudi Arabia

On Shawwal 26, 1444H (corresponding to May 16, 2023) the Company incorporated its subsidiary, Manasat Alraqamiah for Information Technology Company (“the Subsidiary”), a limited liability Company registered in Riyadh with CR number 1010881199. The Subsidiary is owned 100% by the Company.

The Subsidiary is licensed to involve in

- wholesale, retail trade and repair of motor vehicles and motorcycles and
- information and communications.

These condensed interim consolidated financial statements comprise the condensed interim financial statements of the Company along with its branches and its Subsidiary (collectively referred to as “the Group”).

These condensed interim consolidated financial statements were authorised for issue by the Group’s Board of Directors on April 29, 2025.

The Group has the following active branches and the results thereof are included in these condensed interim consolidated financial statements:

<b>Branch name</b>	<b>CR number</b>	<b>Date of issuance of CR</b>	<b>Status of branch as at</b>	
			<b>March 31, 2025</b>	<b>December 31, 2024</b>
Head Office Branch	7014828904	Shawwal 20, 1424H	Active	Active
Exit -10 Branch- Riyad	7007215747	Rajab 13, 1443 H	Active	Active
Al Jouf Branch	7012361163	Jumada al-Ula 9, 1443H	Active	Active
Hail Branch	7012824483	Safar 19, 1443H	Active	Active
Hafer Al Batin Branch	7013913566	Safar 22, 1443H	Active	Active
Tabuk Branch	7014185297	Jumada al-Ula 9, 1443H	Active	Active
Dammam Branch	7012370198	Jumada al-Ula 9, 1443H	Active	Active
Jeddah Branch	7011801359	Thul-Qi`dah 7, 1443H	Active	Active
Madinah Branch	7011313850	Jumada al-Ula 9, 1443H	Active	Active
Abaha Branch	7014490317	Jumada al-Ula 9, 1443H	Active	Active
Jezan Branch	7012395286	Jumada al-Ula 9, 1443H	Active	Active
Al Hassa Branch	7012243411	Muharram 6, 1445H	Active	Active

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**  
(All amounts in Saudi Riyals unless otherwise stated)

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**2 Basis of preparation**

**2.1 Statement of compliance**

These condensed interim consolidated financial statements of the Group as at and for the three-month period ended March 31, 2025 have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” (“IAS-34”), as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IAS-34 as endorsed in KSA”).

The condensed interim consolidated statement of financial position is stated in order of liquidity.

These condensed interim consolidated financial statements do not include all the notes, information and disclosures of the type normally required and included in the annual audited consolidated financial statements. Accordingly, these condensed interim consolidated financial statements are to be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2024.

The results of operations for the interim period reported are not necessarily indicative of results expected for the year ending December 31, 2025.

**2.2 Basis of measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Investment in equity instruments carried at fair value through other comprehensive income – measured at fair value;
- Assets held for sale – measured at the lower of carrying amount and fair value less costs to sell; and
- Employees’ end of service benefits - measured using Projected Unit Credit Method under IAS-19.

**2.3 Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Saudi Riyal (“SR”) which is the Group's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

**2.4 Going concern**

The Group has performed its assessment on its ability to continue as going concern that the Group will continue its operations for the foreseeable future and be able to meet its obligations as they become due. As part of its periodic assessment, the Group focuses on its core business, i.e. investment in Islamic financings, in particular on its non-performing receivables.

The management has undertaken various measures and specific actions with respect to its receivables, including repossession of vehicles, legal actions to liquidate collaterals and rescheduling of certain financing exposures, in order to improve the recoverability cycle of those receivables. In addition, management has established a centralised collection center with dedicated team duly serviced by an automated collection system.

With regards to its funding capacity, the management continues to focus on improving its cash flows and diversification of its funding sources to ensure sufficient liquidity is available to support its future plans.

Based on the above analysis and assessment, the Group's management is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the condensed interim consolidated financial statements continue to be prepared on a going concern basis.

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**  
(All amounts in Saudi Riyals unless otherwise stated)

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**3 Consistent application of accounting policies**

The accounting policies and methods used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2024 except for the new accounting policies introduced as adoption of the following amendments to IFRS explained below which became applicable for annual reporting periods commencing on or after January 1, 2025. The management has assessed that the below amendments have no significant impact on the Group's condensed interim consolidated financial statements.

**New standards, interpretations and amendments adopted by the Group**

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2025:

<b>Standards, interpretations or amendments</b>	<b>Description</b>	<b>Effective date</b>
Amendment to IFRS 21 – Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations	January 1, 2025

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**  
(All amounts in Saudi Riyals unless otherwise stated)

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**3 Consistent application of accounting policies** (continued)

**New standards, interpretations and amendments issued but not yet effective**

The following standards and interpretations had been issued but were not mandatory for annual reporting periods commencing on or after January 1, 2025.

<b>Standards, interpretations, amendments</b>	<b>Description</b>	<b>Effective date</b>
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.  The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
IFRS 18 – Presentation and disclosure in financial statements	IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.  IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes for many entities.	January 1, 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

The Group's management has not opted for earlier adoption of any of the above-mentioned standards, interpretations and amendments issued but not yet effective. The Group's management is currently in process of assessing the impact of these pronouncements on the consolidated financial statements.

**AL YUSR LEASING AND FINANCING COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**  
<sup>(All amounts in Saudi Riyals unless otherwise stated)</sup>

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**4 Critical accounting judgments, estimates and assumptions**

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The actual results may differ from these estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. The interim results may not represent a fully accurate indication of the annual results of operations. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2024.

**5 Cash at banks**

	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
Cash at banks – current accounts	<b>66,336,032</b>	48,161,424

The Group does not earn profits on current accounts with banks in accordance with Sharia rules and principles.

*Cash and cash equivalents - For the purpose of the condensed interim consolidated statement of cash flows:*

	As at March 31, 2025	As at March 31, 2024
	Unaudited	Unaudited
Cash at banks – current accounts	<b>66,336,032</b>	32,689,864
Less: bank overdrafts (note 11)	<b>(19,933,152)</b>	(28,071,491)
	<b>46,402,880</b>	4,618,373

**6 Margin deposit – restricted**

Notes	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
Margin deposits with banks	6.1	- 7,271,634
Less: Effect of discounting	6.2	- (30,878)
		- 7,240,756

6.1 This amount represents the margin deposits placed by the Group according to certain securitisation and agency agreements entered into with banks.

6.2 The movement in the effect of discounting in respect of present value margin deposit is as follow:

	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
<b>Opening balance</b>	<b>30,878</b>	30,878
Finance income during the period / year	<b>(30,878)</b>	-
<b>Ending balance</b>	<b>-</b>	30,878

**AL YUSR LEASING AND FINANCING COMPANY****(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**7 Related parties' balances and transactions**

Related parties represent associated companies, major shareholders, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties.

**7.1 Related parties' balances**

In the ordinary course of the Group's activities, the Group enters into business transactions with related parties. The following balances are outstanding as at the respective periods ended March 31, 2025 and December 31, 2024, in relation to transactions with related parties:

	<b>Nature of relationship</b>	<b>As at</b>	
		<b>March 31, 2025</b>	<b>December 31, 2024</b>
		<b>Unaudited</b>	<b>Audited</b>
<b>7.1.1 Due from related parties</b>			
- Abdullatif Alissa Group Holding Company	Parent Company	<b>491,929,068</b>	492,801,631
- National Automotive Trading Company	Affiliate	<b>264,651</b>	264,651
- Alissa Universal Motor Company	Affiliate	<b>70,059,828</b>	75,898,507
- General Automotive Company (GACO)	Affiliate	<b>1,491,032</b>	1,491,032
Expected credit losses on due from related parties		<b>563,744,579</b>	570,455,821
		<b>(2,355,683)</b>	(2,355,683)
		<b>561,388,896</b>	568,100,138
<b>7.1.2 Due to related parties</b>			
- Abdullatif Alissa Group Holding Company	Parent Company	<b>11,444,428</b>	1,218,519
- Aqar and Memar Real Estate Company	Affiliate	<b>470,664</b>	470,664
		<b>11,915,092</b>	1,689,183
<b>7.1.3 Key management personnel (KMP)*</b>			
<i>(No. of KMP during the three-month period ended March 31, 2025: 7; 31 December 31, 2024: 12)</i>			
Accruals, provisions, and other liabilities	Accrued directors' meeting attendance fee	<b>972,992</b>	-
Long term benefits payables	ESOB Obligation	<b>969,415</b>	1,929,232

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**7 Related parties' balances and transactions (continued)**

**7.2 Related parties' transactions made during the period**

<b>Name of related party</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>For the three-month period ended March 31,</b>	
			<b>2025 Unaudited</b>	<b>2024 Unaudited</b>
Abdullatif Alissa Group Holding Company	Parent Company	Collections against the portfolio sold to Parent Company	<b>14,964,310</b>	15,428,926
		Portfolio sold to Parent Company during the period (note 7.2.1)	-	120,362,243
		Installment repaid	<b>1,000,000</b>	12,000,000
		Expense recharged by the Parent Company	<b>3,000,000</b>	1,950,000
		Finance income on sold portfolio	<b>4,876,067</b>	2,859,048
		Expenses charged to the Parent Company	<b>2,734,896</b>	7,734,272
Alissa Universal Motor Company	Affiliate	Finance income earned	<b>394,713</b>	458,598
		Installment repaid	<b>6,233,391</b>	2,000,000
Key management personnel*	-	Directors' meeting attendance fee	<b>1,000,000</b>	600,000
		Salaries and other benefits	<b>1,546,812</b>	2,172,824

\* Key management personnel of the Group include all members of the Board of Directors, chief executive officer and senior management. Short-term employee benefits of the Group's key management personnel include salaries, allowances, cash and non-cash benefits, bonuses, and contributions to the General Organisation for Social Insurance.

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**7 Related parties' balances and transactions (continued)**

**7.2 Related parties' transactions made during the period (continued)**

**7.2.1 Portfolio sold to Parent Company**

- a) During the year ended December 31, 2020, the Company sold Islamic financing receivables with no recourse to Abdullatif Alissa Group Holding Company (the "Parent Company") amounting to the net of SR 536 million (gross receivables sold amounted to SR 903 million less provision of ECL allowance against the sold portfolio of SR 362 million). As per the agreement, the Parent Company is required to settle SR 536 million over ten monthly instalments starting from March 2021 over a period of five years. On March 26, 2025, the Group rescheduled this agreement by modifying the repayment terms and deferring a portion of the earlier payments to later periods while keeping the overall loan tenure unchanged. This restructuring resulted in an increase in the Group's expected future profits by SR 9.3 million with no significant impact on the modification results.
- b) On February 4, 2024, the Group entered into agreement with Parent Company to sell the investment in Islamic financings portfolio amounting to the net of SR 120.4 million (gross Islamic financing receivables amounting to SR 239.4 less portfolio written off SR 39.4 million less ECL provision amounting to SR 79.6 million) against consideration of SR 120.4 million. As per the agreement, Parent Company is required to settle the purchase consideration of SR 120.4 million over sixteen semi-annual installments starting from July 2024 over a period of eight years at an initial preferred profit rate of 0.75% per annum which was finally agreed at 7% per annum pursuant negotiation between the Group and its Parent Company. On March 26, 2025, the Group rescheduled this agreement by modifying the repayment terms and deferring a portion of the earlier payments to later periods while keeping the overall loan tenure unchanged. This restructuring resulted in an increase in the Group's expected future profits by SR 11.3 million with no significant impact on the modification results.

**8 Investment in Islamic financings, net**

Note		As at	
		March 31, 2025 Unaudited	December 31, 2024 Audited
	Gross investment in Islamic financings	<b>2,564,605,386</b>	2,631,345,162
	Unearned Islamic financing income	<b>(649,594,913)</b>	(679,350,728)
	Deferred origination expenses net of unearned origination fee	<b>21,372,388</b>	19,758,403
8.1		<b>1,936,382,861</b>	1,971,752,837
	Less: Provision for ECL allowance	<b>(123,887,427)</b>	(127,470,446)
		<b>1,812,495,434</b>	1,844,282,391

**8.1 Portfolio expected credit losses analysis for investment in Islamic financings:**

<b>March 31, 2025 – Unaudited</b>	<b>Investment in Islamic financings</b>	<b>Provision for ECL allowance</b>	<b>Expected loss rates</b>
Not yet due	<b>1,514,164,649</b>	<b>16,106,308</b>	1%
1-90 days	<b>186,389,526</b>	<b>17,135,870</b>	9%
91-180 days	<b>38,807,032</b>	<b>12,617,315</b>	33%
181-365 days	<b>49,049,201</b>	<b>16,062,486</b>	33%
Above 365 days	<b>147,972,453</b>	<b>61,965,448</b>	42%
	<b>1,936,382,861</b>	<b>123,887,427</b>	6%

<b>December 31, 2024 – Audited</b>	<b>Investment in Islamic financings</b>	<b>Provision for ECL allowance</b>	<b>Expected loss rates</b>
Not yet due	<b>1,578,442,831</b>	<b>15,419,018</b>	1%
1-90 days	<b>153,148,127</b>	<b>18,109,868</b>	12%
91-180 days	<b>37,013,246</b>	<b>13,471,677</b>	36%
181-365 days	<b>67,229,264</b>	<b>25,752,358</b>	38%
Above 365 days	<b>135,919,369</b>	<b>54,717,525</b>	40%
	<b>1,971,752,837</b>	<b>127,470,446</b>	6%

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**8 Investment in Islamic financings, net (continued)**

**8.2 Stage-wise breakup of investment in gross Islamic financing receivables is as follows:**

	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
Performing (stage 1)	1,614,009,874	1,674,151,455
Under-performing (stage 2)	86,544,301	57,439,503
Non-performing (stage 3)	235,828,686	240,161,879
	<b>1,936,382,861</b>	1,971,752,837

**8.3 The movement in investment in Islamic financing receivables is as follows:**

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
<b>As at January 1, 2025</b>	<b>1,674,151,455</b>	<b>57,439,503</b>	<b>240,161,879</b>	<b>1,971,752,837</b>
Transfers from performing	(94,527,958)	83,488,843	11,039,115	-
Transfers from				
under- performing	6,959,293	(31,250,869)	24,291,576	-
Transfer from non-performing	3,658,267	290,695	(3,948,962)	-
Financial assets settled	(214,991,945)	(24,484,723)	(16,120,199)	(255,596,867)
Financial assets originated	239,846,767	-	-	239,846,767
Transfers from financial assets originated	(1,086,005)	1,060,852	25,153	-
Financial assets - written off	-	-	(19,619,876)	(19,619,876)
<b>As at March 31, 2025 – Unaudited</b>	<b>1,614,009,874</b>	<b>86,544,301</b>	<b>235,828,686</b>	<b>1,936,382,861</b>
<b>As at January 1, 2024</b>	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
Transfers from performing	1,891,703,431	92,074,502	388,200,508	2,371,978,441
Transfers from				
under- performing	(99,414,805)	23,004,345	76,410,460	-
Transfer from non-performing	15,242,193	(37,254,553)	22,012,360	-
Financial assets settled	4,346,424	512,956	(4,859,380)	-
Financial assets originated	(925,124,505)	(59,788,718)	(68,334,811)	(1,053,248,034)
Transfers from financial assets originated	850,674,883	-	-	850,674,883
Financial assets - written off	(63,276,166)	38,890,971	24,385,195	-
<b>As at December 31, 2024</b>	<b>1,674,151,455</b>	<b>57,439,503</b>	<b>240,161,879</b>	<b>1,971,752,837</b>

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**8 Investment in Islamic financings, net (continued)**

**8.4 The movement in allowance for ECL for Islamic financing receivables is as follows:**

	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>As at January 1, 2025</b>	<b>18,991,839</b>	<b>14,537,047</b>	<b>93,941,560</b>	<b>127,470,446</b>
Transfer from performing	(2,035,952)	1,425,455	610,497	-
Transfer from under-performing	1,695,143	(8,598,536)	6,903,393	-
Transfer from non-performing	1,316,880	98,253	(1,415,133)	-
Financial assets - settled	(2,500,617)	(5,428,726)	(6,895,236)	(14,824,579)
Financial assets originated	3,108,850	-	-	3,108,850
Transfers from financial assets originated	(246,868)	238,311	8,557	-
Changes in PDs/LGDs/EADs	(1,479)	10,642,579	5,613,571	16,254,671
Financial assets – written off	-	-	(19,619,876)	(19,619,876)
Additional ECL on financial assets written-off	-	-	11,127,285	11,127,285
Reversal of ECL on income in suspense	-	-	370,630	370,630
<b>As at March 31, 2025 – Unaudited</b>	<b>20,327,796</b>	<b>12,914,383</b>	<b>90,645,248</b>	<b>123,887,427</b>
	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>As at January 1, 2024</b>	<b>29,291,234</b>	<b>28,409,870</b>	<b>122,115,462</b>	<b>179,816,566</b>
Transfer from performing	(1,779,298)	298,349	1,480,949	-
Transfer from under-performing	3,520,716	(12,166,431)	8,645,715	-
Transfer from non-performing	1,895,503	202,440	(2,097,943)	-
Financial assets - settled	(8,229,354)	(16,073,443)	(10,894,240)	(35,197,037)
Financial assets originated	29,607,838	-	-	29,607,838
Transfers from financial assets originated	(20,222,913)	10,877,978	9,344,935	-
Changes in PDs/LGDs/EADs	(15,091,887)	2,988,284	39,194,260	27,090,657
Financial assets – written off	-	-	(197,652,453)	(197,652,453)
Additional ECL on financial assets written-off	-	-	123,755,385	123,755,385
ECL on income in suspense	-	-	49,491	49,491
<b>As at December 31, 2024 – Audited</b>	<b>18,991,839</b>	<b>14,537,047</b>	<b>93,941,560</b>	<b>127,470,446</b>

**8.5 Write-offs**

The Group writes off a financial asset when it has no reasonable expectations of recovering such a financial asset in its entirety or a portion thereof. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

During the period, the Board of Directors has approved the write-off of investment in Islamic financings amounting to SR 19.6 million (three-month period ended March 31, 2024: SR 11.7 million).

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**8 Investment in Islamic financings, net** (continued)

**8.6 ECL allowance on investment in Islamic financings during the period, net**

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
	Unaudited	Unaudited
Charge for ECL allowance - investment in Islamic financings	(2,975,266)	(40,719,542)
Additional ECL on financial assets written off	(11,127,285)	(3,768,688)
Recoveries against written off financial assets	10,229,739	13,140,313
Net charge for the period	(3,872,812)	(31,347,917)

**8.7 Assignment of Islamic financing receivables**

The Group assigned Islamic financing receivables amounting to SR 1,860 million as of March 31, 2025 (December 31, 2024: SR 1,840 million) to local commercial banks for obtaining Islamic bank financing. These Islamic financing receivables have not been derecognised from the condensed interim consolidated statement of financial position as the Group retains substantially all the risks and rewards, primarily credit risk. The Group is liable to the repayments of its assigned receivables to local commercial banks in case of customers' default in accordance with the terms of the agreement. The amount received on assignment of Islamic financing receivables has been recognized as Islamic bank financing in the statement of financial position.

Pursuant to the terms of the transfer agreement, the Group is not allowed to repledge those receivables and the financial institution has recourse only to the receivables in the event the Group defaults its obligation. The carrying value of these receivables and its liabilities ("the related liabilities") approximate their fair value.

**8.8 Changes in assumptions including incorporation of forward-looking information**

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has used GDP and Crude Oil growth rates as key macroeconomic factors giving a weight of 42% to GDP growth rate and 58% to Crude Oil growth rate factors. The macroeconomic factors have been updated based on the latest available information (as issued by IMF October'24 forecasts), where the average GDP and Crude Oil growth rates for the next three years are expected to be 0.78% and -2.07% respectively. The Group has incorporated the forecasts from IMF which are representatives of the current and projected macro-economic outlook.

Further, the Group has also considered different scenarios with the different weightage for macroeconomic scenarios as adopted by SAMA for IFRS9 ECL computation, where scenario weightages of 40% to baseline scenario, 30% to upturn scenario and 30% to downturn scenario were considered.

Sensitivity analysis:

The increase or decrease of 10% change in macroeconomic factors will result in decrease of SR 1.13 million (March 31, 2024: SR 1.82 million) or increase of SR 10.10 million (March 31, 2024: SR 6.72 million) in the ECL provision, respectively.

The increase or decrease of 10% change in loss rates (PDs and LGDs) assuming macroeconomic factors remain the same will result in increase of SR 9.25 million (March 31, 2024: SR 22.73 million) or a decrease of SR 9.06 million (March 31, 2024: SR 24.63 million) in the ECL provision, respectively.

**9 Investment in equity instruments carried at FVOCI**

Name of the equity investments	Notes	As at March 31, 2025	As at December 31, 2024
		Unaudited	Audited
Saudi Financial Lease Contract Registry Company	9.1	892,875	892,875
HyperPay Inc.	9.2	33,883,695	33,883,695
Car Switch Ltd.	9.3	199,073	199,073
		<b>34,975,643</b>	<b>34,975,643</b>

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**9 Investment in equity instruments carried at FVOCI (continued)**

**9.1** In 2017, in accordance with instructions issued by Saudi Central Bank (“SAMA”), the Group has made an investment of SR 892,875 in 89,288 shares of Saudi Financial Lease Contract Registry Group (SIJIL) at the rate of SR 10 per share. This investment is not held for trading. Instead, it is held for the medium to long-term purposes. Accordingly, the Group has elected to designate this investment in equity instruments as at FVOCI.

**9.2** On August 8, 2023, the Subsidiary of the Group entered into an agreement with HyperPay Inc. to subscribe 10,294 preferred A shares against consideration of USD 3,500,000. On same date, the Subsidiary of the Group entered into shares sale and purchase agreement with the following parties as follows:

<b>Name of seller</b>	<b>No of shares</b>		<b>Purchase consideration in USD</b>
	<b>Preferred A</b>	<b>Common</b>	
HyperPay Inc.	1,167	-	338,430
Abdulrahman Abdulaziz Alali	1,056	-	306,240
ACP Investments 1 LP	3,542	319	1,119,690
Integrated Networks Company	4,804	1,181	1,735,650
	<b>10,569</b>	<b>1,500</b>	<b>3,500,010</b>

On December 31, 2023, the Subsidiary purchased 5,675 preferred A shares amounting to USD 1.67 million (SR equivalent: 6.5 million) from HyperPay Inc., Abdulrahman Abdulaziz Alali and made a partial purchase from ACP Investment 1 LP.

This investment is not held for trading, instead, it is held for the medium to long-term purposes. Accordingly, the Group has elected to designate this investment in equity instruments at FVOCI.

**9.3** The Subsidiary of the Group entered into an agreement with Car Switch Ltd. to subscribe 165 Series B preferred shares against consideration of USD 500,000 (equivalent to SR 1,875,000), the shares were purchased in February 19, 2024. This investment is not held for trading, instead, it is held for the medium to long-term purposes. Accordingly, the Group has elected to designate this investment in equity instruments at FVOCI.

**9.4** The movement of investment in equity instruments carried at FVOCI is as follows:

	<b>Investments</b>			<b>Total</b>
	<b>Saudi Financial Lease Contract Registry Company</b>	<b>HyperPay Inc.</b>	<b>Car Switch Ltd.</b>	
<b>Balance as of January 1, 2024</b>	892,875	6,508,688	-	7,401,563
Investments made during the year	-	19,741,350	1,875,000	21,616,350
Fair value gain / (loss) during the year	-	7,633,657	(1,675,927)	5,957,730
<b>Balance as of December 31, 2024</b>	<b>892,875</b>	<b>33,883,695</b>	<b>199,073</b>	<b>34,975,643</b>
<b>Balance as of March 31, 2025</b>	<b>892,875</b>	<b>33,883,695</b>	<b>199,073</b>	<b>34,975,643</b>

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**10 Zakat payable**

	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
Balance at the beginning of the period / year	<b>15,301,665</b>	23,693,039
Charge for the period / year	<b>911,632</b>	-
Reversal for prior period / years	-	-
Zakat expense for the period / year	<b>911,632</b>	-
Payment during the period / year	-	(8,391,374)
Balance at the end of the period / year	<b>16,213,297</b>	15,301,665

**10.1 Status of zakat assessments**

The Zakat, Tax and Customs Authority (“ZATCA”) has finalised the assessments for the years till 2013, and there are no outstanding zakat dues. In 2018, the Group received zakat assessments from ZATCA for the years 2014 to 2017, claiming zakat differences totaling SR 170.45 million as compared to zakat paid for those years.

The Group objected to those assessments and filed an appeal letter in due time. Early 2019, the Group has entered into a settlement agreement with ZATCA whereby ZATCA has reduced the assessed zakat liability for 2013 until 2017 (as mentioned above) to SR 41.6 million. This amount, as per a settlement agreement, is agreed to be paid in installments with 1st installment, being 20% of the above agreed amount due within 5 days of the settlement agreement while rest of the amount is payable in 5 equals annually installments. All the amounts have been paid by February 27, 2024.

The Group has filed the zakat return with ZATCA for the year ended December 31, 2024 on April 29, 2025.

**11 Borrowings**

	As at March 31, 2025	As at December 31, 2024
	Unaudited	Audited
Bank borrowings	<b>1,651,784,210</b>	1,694,045,019
Bank overdrafts (note 5)	<b>19,933,152</b>	28,052,229
Accrued finance costs	<b>4,899,068</b>	8,016,291
Net present value gain on profit free borrowings	<b>(2,082,847)</b>	(3,305,581)
	<b>1,674,533,583</b>	1,726,807,958
<i>Borrowings:</i>		
Current portion	<b>687,763,021</b>	710,878,937
Non-current portion	<b>986,770,562</b>	1,015,929,021
Total borrowings	<b>1,674,533,583</b>	1,726,807,958

The Group has long-term financing facilities with banks, to finance current and long-term funding needs, primarily to finance Islamic finance receivables, original facilities amounting to SR 2,699 million as of March 31, 2025 (December 31, 2024: SR 2,699 million). These financing facilities are repayable over a period of three to five years in monthly, quarterly or nine-monthly installments.

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**12 Income from investment in Islamic financings, net**

	For the three-month period ended March 31, <b>2025</b>	For the three-month period ended March 31, <b>2024</b>
	Unaudited	Unaudited
Income from Murabaha	300,771	980,132
Income from Ijara	546,491	3,768,875
Income from Tawarruq	75,399,419	86,318,495
Income on receivables against portfolio sold to Parent Company	4,876,067	3,544,041
	<b>81,122,748</b>	94,611,543

**13 Other income**

	For the three-month period ended March 31, <b>2025</b>	For the three-month period ended March 31, <b>2024</b>
	Unaudited	Unaudited
Vehicle servicing fees *	4,326,695	863,790
Recovery against legal expenses and charges, net	967,873	1,954,359
Commission on transfer of vehicles ownership	1,664,149	614,817
Administration fee on additional services to customers, net	40,199	69,620
Income from margin deposits (note 6.2)	30,879	-
Additional other insurance income / (cost), net of collections	2,699,728	4,431,133
	<b>9,729,523</b>	7,933,719

\* Vehicle servicing fees include miscellaneous fee income such as vehicles valuation fee, vehicle insurance fee and ownership transfer fee.

**14 Other operating expenses**

	For the three-month period ended March 31, <b>2025</b>	For the three-month period ended March 31, <b>2024</b>
	Unaudited	Unaudited
Insurance cost / (income), net	2,695,423	(931,926)
Repair and maintenance	1,396,203	1,737,839
Legal, VAT and consultancy fees, net	2,309,790	(383,225)
Audit fee	155,000	117,000
Telephone and postage	946,625	1,494,322
Professional expenses	764,399	3,352,166
Outsourcing - security & others	444,767	362,388
IT cost allocation	3,000,000	1,950,000
Rent expense	301,624	362,959
Advertising expenses	1,707,551	56,340
Stationery and printing	25,939	46,579
Donations	1,100,000	1,205,241
Other operating expenses*	3,319,176	2,041,577
	<b>18,166,497</b>	11,411,260

\* Others include entertainment expenses and other miscellaneous expenses.

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**15 Contingency and commitments**

**Contingency**

The Group has certain legal cases pending in courts against it. However, based on management's best estimate, the recorded provision of SR 0.43 million as at March 31, 2025 (December 31, 2024: SR 0.98 million) is sufficient to cover liabilities that might result for the legal cases.

**Capital commitments**

The Group has commitments for short term leases amounts to SR 2.9 million as at March 31, 2025 (December 31, 2024: SR 3.1 million). There are no other significant capital commitments at the condensed interim consolidated statement of financial position date.

**16 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 between market participants at the measurement date. 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 the Group.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash at banks, short term deposit, investment in Islamic financings, due from related parties, investment in equity instruments and other receivables. Financial liabilities consist of account payables, borrowings, due to related parties and other payables. Fair value of all financial assets and financial liabilities that are measured at amortised cost approximate their fair value.

For financial assets and financial liabilities that are recognised in the condensed interim consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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**16 Fair value of financial instruments (continued)**

**Fair value hierarchy (continued)**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying value	Fair value			Total		
		Level 1	Level 2	Level 3			
<b>March 31, 2025 – Unaudited</b>							
<i>Financial assets at amortised cost:</i>							
Cash at banks	66,336,032	-	-	66,336,032	66,336,032		
Advances and other receivables	78,667,946	-	-	78,667,946	78,667,946		
Due from related parties	561,388,896	-	-	561,388,896	561,388,896		
Investment in Islamic financings, net	1,812,495,434	-	-	1,812,495,434	1,812,495,434		
<i>Financial assets at fair value:</i>							
Investment in equity instruments carried at FVOCI	34,975,643	-	-	34,975,643	34,975,643		
	<b>2,553,863,951</b>	-	-	<b>2,553,863,951</b>	<b>2,553,863,951</b>		
<i>Financial liabilities at amortised cost:</i>							
Trade payable	13,378,402	-	-	13,378,402	13,378,402		
Accruals, and other liabilities	18,317,615	-	-	18,317,615	18,317,615		
Due to related parties	11,915,092	-	-	11,915,092	11,915,092		
Lease liabilities	14,544,623	-	-	14,544,623	14,544,623		
Borrowings	1,674,533,583	-	-	1,674,533,583	1,674,533,583		
	<b>1,732,689,315</b>	-	-	<b>1,732,689,315</b>	<b>1,732,689,315</b>		
	Carrying value	Fair value			Total		
		Level 1	Level 2	Level 3			
<b>December 31, 2024 -Audited</b>							
<i>Financial assets at amortised cost:</i>							
Cash at banks	48,161,424	-	-	48,161,424	48,161,424		
Margin deposit – restricted	7,240,756	-	-	7,240,756	7,240,756		
Advances and other receivables	111,829,976	-	-	111,829,976	111,829,976		
Due from related parties	568,100,138	-	-	568,100,138	568,100,138		
Investment in Islamic financings, net	1,844,282,391	-	-	1,844,282,391	1,844,282,391		
<i>Financial assets at fair value:</i>							
Investment in equity instruments carried at FVOCI	34,975,643	-	-	34,975,643	34,975,643		
	<b>2,614,590,328</b>	-	-	<b>2,614,590,328</b>	<b>2,614,590,328</b>		
<i>Financial liabilities at amortised cost:</i>							
Trade payable	16,869,179	-	-	16,869,179	16,869,179		
Accruals and other liabilities	44,925,366	-	-	44,925,366	44,925,366		
Due to related parties	1,689,183	-	-	1,689,183	1,689,183		
Lease liabilities	14,676,510	-	-	14,676,510	14,676,510		
Borrowings	1,726,807,958	-	-	1,726,807,958	1,726,807,958		
	<b>1,804,968,196</b>	-	-	<b>1,804,968,196</b>	<b>1,804,968,196</b>		

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**16 Fair value of financial instruments** (continued)

**16.1** The Group measures certain equity investments at fair value. These investments are classified within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs in the valuation process.

**Valuation technique and significant unobservable inputs**

The fair value of Level 3 equity investments is determined using the following valuation techniques and significant unobservable inputs:

**Discounted Cash Flow (DCF) Method:** The DCF method involves projecting the expected future cash flows of the investee and discounting them to present value using a discount rate that reflects the risks associated with the investment.

**Key Inputs in DCF Method:**

Projected cash flows are estimated based on historical performance and management's expectations of market conditions, discount rate which reflects the cost of capital and specific risks related to the investee, and terminal growth rate which reflects long-term growth expectations beyond the forecast period.

**Market Multiples Method:** This method involves applying multiples derived from comparable market transactions to the investee's financial metrics.

**Key Inputs in Market Multiple Method:**

Comparable multiples: Companies are selected based on industry and market data.

**Unobservable Inputs**

The unobservable inputs used in the valuation of Level 3 equity investments include the discount rate, terminal growth rate, discounted cash flows and market multiples. These inputs are based on management's best estimates and are subject to change based on evolving market conditions and specific investee circumstances.

**16.2 Sensitivity analysis**

<b><u>Key assumption</u></b>	<b>Change</b>	<b>Impact on fair value</b>
Discount rate and terminal growth rate	+1% and -0.5%	2,677,076
	-1% and +0.5%	3,492,660

**16.3 Reconciliation of level 3 fair values held as FVOCI**

The following table provides a reconciliation of the opening and closing balances of Level 3 equity investments:

	<b>For the three-month period ended March 31, 2025</b>	<b>For the three-month period ended March 31, 2024</b>
Opening balance - audited	34,975,643	7,401,563
Purchases	-	21,616,350
Closing balance - unaudited	<b>34,975,643</b>	<b>29,017,913</b>