

**RASAN INFORMATION TECHNOLOGY
COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
For the three-month and six-month periods ended 30 June 2024**

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF RASAN INFORMATION TECHNOLOGY COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Rasan Information Technology Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively with the Company referred to as "the Group") as at 30 June 2024, and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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 interim condensed consolidated 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 statement 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Abdulaziz S. Alarifi
Certified Public Accountant
License No. (572)
Riyadh: 2 Safar 1446H
(6 August 2024)



RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
CURRENT ASSETS			
Bank balances and cash	4	371,017,767	116,490,434
Restricted cash		4,318,842	34,317,325
Trade receivables, prepayments, and other current assets		49,846,632	37,177,187
Amounts due from related parties	5	43,300,407	66,795,386
TOTAL CURRENT ASSETS		468,483,648	254,780,332
NON-CURRENT ASSETS			
Property and equipment		16,170,704	16,736,036
Intangible assets		49,984,422	40,576,208
Right-of-use assets		4,540,115	4,845,109
Deferred tax asset	6	223,726	250,000
TOTAL NON-CURRENT ASSETS		70,918,967	62,407,353
TOTAL ASSETS		539,402,615	317,187,685
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables		181,328,068	177,191,083
Amounts due to related parties	5	5,935,808	2,580,077
Lease liability		1,651,044	1,539,486
Zakat and income tax payable	6	5,873,328	5,542,716
TOTAL CURRENT LIABILITIES		194,788,248	186,853,362
NON-CURRENT LIABILITIES			
Employees' defined benefits liabilities		8,407,714	6,982,412
Lease liability		2,201,767	2,358,259
TOTAL NON-CURRENT LIABILITIES		10,609,481	9,340,671
TOTAL LIABILITIES		205,397,729	196,194,033
SHAREHOLDERS' EQUITY			
Share capital	7	75,800,000	70,500,000
Share premium	7	184,759,548	-
Statutory reserve		4,254,385	4,254,385
Retained earnings		66,851,822	47,670,630
Actuarial valuation		(1,702,891)	(1,702,394)
Currency translation reserve		4,042,022	271,031
TOTAL SHAREHOLDERS' EQUITY		334,004,886	120,993,652
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		539,402,615	317,187,685

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Rajaa Khoder
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Chief Executive Officer
Moayad Abdullah AlFallaj

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Chief Financial Officer
Rajaa Radwan Khoder

Signed by:
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Chairman of Board
Majed Abdullah Albawardi

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

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME

For the three-month and six-month periods ended 30 June 2024

	Note	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
		<i>30 June 2024</i> <i>(Unaudited)</i> SR	<i>30 June 2023</i> <i>(Unaudited)</i> SR	<i>30 June 2024</i> <i>(Unaudited)</i> SR	<i>30 June 2023</i> <i>(Unaudited)</i> SR
Revenue from contract with customers	8	63,525,256	52,255,447	130,458,992	108,124,669
Cost of revenue		(26,091,600)	(22,292,929)	(52,983,105)	(45,678,027)
GROSS PROFIT		37,433,656	29,962,518	77,475,887	62,446,642
General and administrative expenses		(19,468,967)	(19,914,954)	(44,386,018)	(44,604,929)
Marketing expenses		(6,206,330)	(3,582,211)	(11,394,294)	(8,375,561)
OPERATING PROFIT		11,758,359	6,465,353	21,695,575	9,466,152
Finance costs		(119,413)	(71,948)	(218,875)	(146,596)
Other income		1,416,895	-	2,714,939	-
INCOME BEFORE ZAKAT AND INCOME TAX		13,055,841	6,393,405	24,191,639	9,319,556
Zakat	6	(3,867,169)	(954,602)	(4,984,173)	(1,719,919)
Income tax	6	(369,626)	-	(915,204)	-
NET INCOME FOR THE PERIOD		8,819,046	5,438,803	18,292,262	7,599,637
<u>OTHER COMPREHENSIVE INCOME:</u>					
<i>Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		(785,860)	965,643	3,770,991	508,551
<i>Other comprehensive income/ (loss) that will not be reclassified to profit or loss in subsequent periods:</i>					
Re-measurements of employees' defined benefit liabilities		20	-	(497)	-
TOTAL COMPREHENSIVE INCOME		8,033,206	6,404,446	22,062,756	8,108,188
Earnings per share					
Earnings per share attributable to ordinary equity holders of the Company (basic and diluted)					
	9	0.12	0.08	0.26	0.11

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Chief Executive Officer
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Chief Financial Officer
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Chairman of Board
Majed Abdullah Albawardi

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RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six-month period ended 30 June 2024

	<i>Share capital</i> SR	<i>Share premium</i> SR	<i>Statutory</i> <i>reserve</i> SR	<i>Retained</i> <i>earnings</i> SR	<i>Actuarial</i> <i>valuation</i> SR	<i>Currency</i> <i>translation</i> <i>reserve</i> SR	<i>Total</i> <i>shareholders'</i> <i>equity</i> SR
As at 1 January 2023 (audited)	25,500,000	-	7,680,000	41,520,693	-	(229,852)	74,470,841
Net income for the period	-	-	-	7,599,637	-	-	7,599,637
Other comprehensive income	-	-	-	-	-	508,551	508,551
Total comprehensive income	-	-	-	7,599,637	-	508,551	8,108,188
Balance at 30 June 2023 (unaudited)	<u>25,500,000</u>	<u>-</u>	<u>7,680,000</u>	<u>49,120,330</u>	<u>-</u>	<u>278,699</u>	<u>82,579,029</u>
Balance at 1 January 2024 (audited)	70,500,000	-	4,254,385	47,670,630	(1,702,394)	271,031	120,993,652
Net income for the period	-	-	-	18,292,262	-	-	18,292,262
Other comprehensive (loss)/ income	-	-	-	-	(497)	3,770,991	3,770,494
Total comprehensive income	-	-	-	18,292,262	(497)	3,770,991	22,062,756
Issue of share capital (note 7)	5,300,000	190,800,000	-	-	-	-	196,100,000
Transaction costs related to issue of share capital (note 7)	-	(6,040,452)	-	-	-	-	(6,040,452)
Income tax reimbursed by founding non-Saudi shareholder (note 6.1)	-	-	-	888,930	-	-	888,930
Balance at 30 June 2024 (unaudited)	<u>75,800,000</u>	<u>184,759,548</u>	<u>4,254,385</u>	<u>66,851,822</u>	<u>(1,702,891)</u>	<u>4,042,022</u>	<u>334,004,886</u>

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RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	<i>Note</i>	<i>For the six-month period ended 30 June 2024</i> SR	<i>For the six-month period ended 30 June 2023</i> SR
OPERATING ACTIVITIES			
Income before zakat and income tax		24,191,639	9,319,556
<i>Adjustments to reconcile income before zakat and income tax to net cash flows from operating activities:</i>			
Depreciation of property and equipment		1,939,553	1,176,930
Depreciation of right-of-use assets		1,192,497	1,110,917
Gain on disposal of leased asset		-	(5,543)
Amortization of intangible assets		4,156,301	3,924,310
Interest on call deposits		(2,089,454)	-
Government grant		(624,000)	-
Provision for expected credit losses		192,432	1,832,189
Provision for employees' defined benefits liabilities		1,628,646	1,732,920
Finance costs on lease liability		126,417	129,580
<i>Operating cash flows before working capital changes</i>		30,714,031	19,220,859
<i>Working capital changes:</i>			
Trade receivables, prepayments and other current assets		(12,861,878)	(573,024)
Amounts due from related parties		24,383,908	(53,146,205)
Restricted cash related to payment gateways		29,998,483	-
Trade and other payables		4,136,987	50,324,697
Amounts due to related parties		3,355,731	(6,947,714)
Net cash from operating activities		79,727,262	8,878,613
Employees' defined benefits paid		(203,346)	(174,982)
Government grant received		624,000	-
Finance cost paid		(126,417)	(129,580)
Zakat and income tax paid		(5,542,491)	(3,305,091)
Net cash from operating activities		74,479,008	5,268,960
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,559,296)	(5,138,886)
Interest received on call deposits		2,089,454	-
Additions to intangible assets		(13,564,515)	(9,748,298)
Net cash used in investing activities		(13,034,357)	(14,887,184)
FINANCING ACTIVITIES			
Proceeds from issue of share capital through IPO net of transaction cost	7	190,059,548	-
Lease liability paid		(963,731)	(1,301,325)
Cash from (used in) financing activities		189,095,817	(1,301,325)
INCREASE / (DECREASE) IN BANK BALANCES AND CASH		250,540,468	(10,919,549)
Currency translation adjustments		3,986,865	724,607
Bank balances and cash at the beginning of the period		116,490,434	77,397,342
BANK BALANCES AND CASH AT THE END OF THE PERIOD	4	371,017,767	67,202,400

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RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

30 June 2024

1 ORGANIZATION AND ACTIVITIES

Rasan Information Technology (the “Company” or the “Parent Company”) is a joint stock registered in the Kingdom of Saudi Arabia (“KSA”) under commercial registration number 1010476663 dated 5 Sha’ban 1437H (corresponding to 12 May 2016). The Company’s head office is located at Riyadh and its registered address is P.O. Box 13248, Riyadh 3413, Kingdom of Saudi Arabia.

The Company is engaged in online wholesale, electronic publishing, ready software publishing, systems analysis, design and customization of program software’s, software maintenance and web page design, setting up of web page hosting infrastructure, providing SMS design and website design.

Currently, the Company is engaged in providing insurance aggregator, online auto auction and online leasing insurance services. The disaggregation of revenue by product is presented in the note 8.

On 1 November 2022, the shareholders of the Company decided to go for an Initial Public Offering (IPO).

On 25 March 2024, the Capital Market Authority (CMA) Board approved the Company's application for the registration and offering (both primary and secondary) of 22,740,000 shares, representing 30% of the Company’s share capital post-listing on the Saudi Stock Exchange (Tadawul).

On 5 May 2024, the Company announced its intention to proceed with the initial public offering (IPO) and listing of its ordinary shares by issuing 5,300,000 new shares. The allotment of shares to new shareholders was completed on 4 June 2024, and the Company’s ordinary shares began trading on the Saudi Stock Exchange (Tadawul) on 13 June 2024. The shareholdings pre and post offering are as follows:

<i>Shareholders</i>	<i>Pre-Offering</i>			<i>Post-Offering</i>		
	<i>No. of shares</i>	<i>Ownership (%)</i>	<i>Nominal Value SR</i>	<i>No. of shares</i>	<i>Ownership (%)</i>	<i>Nominal Value SR</i>
Founding Shareholders	70,500,000	100%	70,500,000	53,060,000	70%	53,060,000
Public	-	-	-	22,740,000	30%	22,740,000
	<u>70,500,000</u>	<u>100%</u>	<u>70,500,000</u>	<u>75,800,000</u>	<u>100%</u>	<u>75,800,000</u>

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

30 June 2024

1 ORGANIZATION AND ACTIVITIES (CONTINUED)

The unaudited interim condensed consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively with the Company referred to as the “Group”) listed below as at 30 June 2024 and 31 December 2023:

Subsidiary	Country of incorporation	Nature of business	Direct and indirect ownership %	
			30 June 2024	31 December 2023
Rasan Software House LLC	UAE	Computer systems & communication equipment software design.	100%	100%
Rasan LLC	Egypt	Analysis and design of programs, databases and applications and all related services.	100% (*)	100% (*)
Awal Mozawadah Information Technology LLC	KSA	The company is engaged in vehicle’s auctions, towing and storage.	100%	100%
Tameeni Electronic Insurance Brokerage Company	KSA	Electronic insurance brokerage.	100%	100%
Treza LLC	KSA	Design and program special software, interface design & user experience and application development.	100%	100%

(*) 1% of the shareholding in Rasan LLC – Egypt, is held by Mr. Muaiyad Abdullah Suliman Alfallaj (founding shareholder in the Company) in the beneficial interest of the Company.

- Rasan Software House LLC is a limited liability company registered under the United Arab Emirates (“UAE”) Federal Law No. 2 of 2015 (UAE Companies Law), Dubai, UAE with registration number 779139 issued on 26 March 2020 by the Department of Economic Development – Government of Dubai. The registered address of the company is office 1102, Midas REF Limited, Business Bay, Dubai, UAE
- Rasan LLC is a limited liability company registered under the Egyptian Law No. 159 of 1981 (Egyptian Companies Law), Cairo, Arab Republic of Egypt (“Egypt”) with registration number 137619 issued on 18 July 2020 by Ministry of Supply & Internal Trading – Egypt. The registered address of the company is ground floor, Concord, Building 334 90th South Street, 5th Settlement, New Cairo.
- Awal Mozawadah Information Technology LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010627669 issued on 24 Jumad Thani 1441H (corresponding to 18 February 2020). The registered address of the company is building No. 3413, Al Thumama Road, Qurtubah, Riyadh, Saudi Arabia, 13248.
- Tamini Electronic Insurance Brokerage Company is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010838913 issued on 12 Rabi Al-Thani 1444H (corresponding to 6 November 2022). The registered address of the company is 1st Floor, Argan Building, Al Thumamah Road, Al Munisiyah Dist, Riyadh, Saudi Arabia, 13249.
- Treza LLC is a limited liability company registered in Kingdom of Saudi Arabia under commercial registration number 1010867990 issued on 21 Rajab 1444H (corresponding to 13 March 2023). The registered address of the company is 1st Floor, Argan Building, Al Thumamah Road, Al Munisiyah Dist, Riyadh, Saudi Arabia, 13249.

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

30 June 2024

2 BASIS OF PREPARATION

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Accounting convention

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for the employees’ defined benefit liabilities, which is measured at the present value of the liability using projected unit credit methodology.

Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (“SR”), which is also the Company’s functional currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in KSA and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent other than disclosed below with those followed in preparation of the Group’s consolidated financial statements for the year ended 31 December 2023.

New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any new standard, interpretation or amendments that have been issued but which are not yet effective. Standards, interpretations or amendments issued but not effective are not expected to have a significant impact on the interim condensed consolidated financial statements of the Group.

The following standard and amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s unaudited interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group’s unaudited interim condensed consolidated financial statements.

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

30 June 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's unaudited interim condensed consolidated financial statements.

Significant judgment, estimates and assumptions

The preparation of the Group's unaudited interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key source of estimation uncertainty other than the change in the useful life of intangible assets were the same as those described in the latest annual consolidated financial statements.

On 1 April 2024, the management conducted a comprehensive review to reassess the useful life of intangible assets, taking into account economic, operational, performance, and other relevant factors. Based on this analysis, it was concluded that the useful life of the intangible assets was longer than previously estimated due to a change in the consumption pattern of the future economic benefits embodied in the assets. Consequently, management decided to extend (treated as a change in accounting estimates) the useful life of all classes of intangible assets from 5 years to 7 years starting from 1 April 2024. This change resulted in a decrease in amortization expense amounting to SR 1,009,281 for the three-months period ending 30 June 2024.

4 BANK BALANCES AND CASH

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Bank balances	371,004,601	116,490,434
Cash in hand	13,166	-
Total bank balances and cash	<u>371,017,767</u>	<u>116,490,434</u>

RASAN INFORMATION TECHNOLOGY COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

30 June 2024

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, and key management personnel of the Group and entities controlled or significantly influenced by such parties. Following is the list of related parties of the Group:

<i>Name of related parties</i>	<i>Nature of relationship</i>
Samer Mohamad Reslan	Non-Saudi founding shareholder
Insurance House Company (“IHC”)	Related party to shareholders
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Related party to shareholders
Thiqah Business Services (Watheq)	Related party to shareholders
Arabian Company for Traveller Services	Related party to shareholders

(a) Related party transactions during the period are as follows:

<i>Related parties</i>	<i>Nature of Transactions</i>	<i>Amount of transactions (unaudited)</i>			
		<i>For the three-months period ended</i>		<i>For the six-months period Ended</i>	
		<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Insurance House Company	Revenue	18,968,298	60,712,848	30,911,186	108,240,937
	Collection against revenue	7,787,248	42,667,732	27,047,550	75,248,906
	Expenses (reimbursed)/ paid by IHC on behalf of the Group		(4,142,073)		1,425,581
Founding Shareholders	Recoverable IPO cost	3,167,242	26,950,000	3,167,242	26,950,000
	Collection against recoverable IPO cost	35,341,452	-	35,341,452	-
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	Legal consultancy expenses	-	915,726	-	915,726
Thiqah Business Services (Watheq)	Data validation cost incurred by the Group	769,499	347,648	1,377,398	1,911,548
Arabian Company for Traveller Services	Travel expenses incurred by the Group	-	326,050	21,642	557,140
Samer Mohamad Reslan	Income tax receivable (note 6.1)	373,571	-	888,930	-

(b) Amount due from related parties:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Insurance House Company	40,639,481	36,775,845
Founding shareholders	-	28,247,545
Samer Mohamad Reslan	2,660,926	1,771,996
	43,300,407	66,795,386

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5 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Amounts due to related parties:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Founding shareholders	3,926,666	-
Thiqah Business Services (Watheq)	1,987,500	2,202,294
Arabian Company for Traveller Services	21,642	-
Abuhimed Alsheikh Alhagbani Law Firm (AS&H)	-	377,783
	5,935,808	2,580,077

(d) Compensation of key management personnel:

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR	30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR
Short term benefits	1,527,022	1,400,730	2,889,742	2,718,420
End of service benefits	106,892	98,051	202,282	190,289
	1,633,914	1,498,781	3,092,024	2,908,709

Pricing policies and terms of payments of transactions with related parties are approved by the management.

6 ZAKAT AND INCOME TAX

6.1 Amounts recognized in statement of comprehensive income for the six-month period ended:

	30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR
Zakat expense:		
Charge for the period	4,984,173	1,719,919
	4,984,173	1,719,919
Tax expense:		
Charge for the period	888,930	
Deferred tax expense - Current period	26,274	-
	915,204	-
Zakat and income tax expense	5,899,377	1,719,919

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6 ZAKAT AND INCOME TAX (CONTINUED)

6.2 Amounts recognized in statement of comprehensive income for the three-month period ended:

	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>30 June 2023</i> <i>(Unaudited)</i> <i>SR</i>
Zakat expense:		
Charge for the period	3,867,169	954,602
	<u>3,867,169</u>	<u>954,602</u>
Tax expense:		
Charge for the period	373,571	-
Deferred tax income - Current period	(3,945)	-
	<u>369,626</u>	<u>-</u>
Zakat and income tax expense	<u>4,236,795</u>	<u>954,602</u>

6.3 Zakat and current tax provision during the period

The movement in the zakat and income tax provision for the period/year is as follows:

	<i>Zakat payable</i> <i>SR</i>	<i>Income tax payable</i> <i>SR</i>	<i>Total</i> <i>SR</i>
30 June 2024 (Unaudited)			
At 1 January	3,770,720	1,771,996	5,542,716
Charge for the period (6.1)	4,984,173	888,930	5,873,103
Payment during the period	(3,770,495)	(1,771,996)	(5,542,491)
At 30 June	<u>4,984,398</u>	<u>888,930</u>	<u>5,873,328</u>
30 June 2023 (Unaudited)			
At 1 January	3,323,091	-	3,323,091
Charge for the period (note 6.1)	1,719,919	-	1,719,919
Payment during the period	(3,305,091)	-	(3,305,091)
Zakat adjustment	(18,000)	-	(18,000)
At 30 June	<u>1,719,919</u>	<u>-</u>	<u>1,719,919</u>

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6 ZAKAT AND INCOME TAX (CONTINUED)

6.3 Zakat and current tax provision during the period (continued)

	<i>Zakat payable</i> SR	<i>Income tax payable</i> SR	<i>Total</i> SR
<i>31 December 2023 (Audited)</i>			
At 1 January	3,323,091	-	3,323,091
Charge for the year	3,770,720	1,771,996	5,542,716
Payments during the year	(3,305,316)	-	(3,305,316)
Zakat adjustment	(17,775)	-	(17,775)
At 31 December	<u>3,770,720</u>	<u>1,771,996</u>	<u>5,542,716</u>

6.4 Deferred tax

The movement in the deferred tax asset for the period/year as follows:

	30 June 2024 <i>(Unaudited)</i> SR	31 December 2023 <i>(Audited)</i> SR
At 1 January	250,000	-
Deferred tax (expense) / income recognized during the period/year	(26,274)	250,000
At the end of the period/year	<u>223,726</u>	<u>250,000</u>

Deferred tax relates to the following:

	<i>Statement of financial position</i>	
	30 June 2024 <i>(Unaudited)</i> SR	31 December 2023 <i>(Audited)</i> SR
Property and equipment	130,415	142,904
Provision for impairment of trade receivable	31,279	41,054
Employees' defined benefits liabilities	55,025	56,030
Re-measurements of employees' defined benefit liabilities	7,007	10,012
Deferred tax asset	<u>223,726</u>	<u>250,000</u>

Status of assessments

The Group submit zakat return on standalone basis for Company and local subsidiaries separately. Below is the status of assessment of the Company and its subsidiaries:

Rasan Information Technology Company

The Company has submitted its Zakat return for all prior years up to 31 December 2023 to Zakat, Tax and Custom Authority ("ZATCA"). Zakat returns up to year ended 31 December 2021 is finalized by ZATCA.

Rasan Software House LLC

The company is not subject to income tax in United Arab Emirates.

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6 ZAKAT AND INCOME TAX (CONTINUED)

Tamini Electronic Insurance Brokerage Company

The company has submitted its first Zakat return for the year ended 31 December 2023 to Zakat, Tax and Custom Authority (“ZATCA”).

Awal Mozawadah LLC

The company has submitted its Zakat return for all prior years up to 31 December 2023 to ZATCA. Zakat assessment for all years is yet to be reviewed by ZATCA.

Rasan Egypt

The company has submitted its Tax returns for all prior years up to 31 December 2021 to Egyptian Tax Authority. Tax assessment is yet to be reviewed by Egyptian Tax Authority.

Treza LLC

The company was registered in March 2023 and as at period ended 30 June 2024 has not filed Zakat return to ZATCA.

7 SHARE CAPITAL

Share capital is divided into 75,800,000 shares (31 December 2023: 70,500,000 shares) of SR 1 each, divided among the shareholders as follows:

	<i>30 June 2024</i>		<i>31 December 2023</i>	
	<i>Number of shares</i>	<i>Ownership %</i>	<i>Number of Shares</i>	<i>Ownership %</i>
Founding Shareholders	53,060,000	70%	70,500,000	100%
Public	22,740,000	30%	-	-
	75,800,000	100%	70,500,000	100%

As a result of IPO (Note 1), The Company issued 5,300,000 new shares at an offer price of SR 37. The differential of offer price over the nominal value of SR 1 has been recorded as share premium amounting to SR 190.8 million, after offsetting the issuance cost amounting to SR 6 million.

8 REVENUE FROM CONTRACT WITH CUSTOMERS

Below is the disaggregation of revenue by product:

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>
Tameeni	45,176,111	38,001,855	92,872,537	80,498,084
Treza Leasing	17,427,944	13,324,057	35,547,706	25,556,494
Awal Mazad	513,216	929,535	1,264,590	2,070,091
R Solutions	325,000	-	650,000	-
Medical Malpractice	77,361	-	118,535	-
Travel insurance	5,624	-	5,624	-
	63,525,256	52,255,447	130,458,992	108,124,669

Tameeni gross revenue for the six-month period ended before discounts amounts to SR 99,592,270 (30 June 2023: SR 83,975,811).

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8 REVENUE FROM CONTRACT WITH CUSTOMERS (CONTINUED)

Timing of revenue recognition

All of the Group's operations are in the Kingdom of Saudi Arabia and all revenue is recognized at a point in time.

9 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>
Net income for the period	8,819,046	5,438,803	18,292,262	7,599,637
Weighted average number of shares for basic and diluted EPS	72,031,111	70,500,000	71,265,556	70,500,000
Earnings per share	0.12	0.08	0.26	0.11

10 SEGMENT INFORMATION

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

For management purposes, the Group is organised into the following primary operating segments:

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2024 (Unaudited) SR</i>	<i>30 June 2023 (Unaudited) SR</i>
Tameeni - Motors	34,388,171	27,743,686	73,765,133	58,698,397
Tameeni - Health	10,787,940	10,258,169	19,107,404	21,799,687
Leasing	17,427,944	13,324,057	35,547,706	25,556,494
Awal Mazad	513,216	929,535	1,264,590	2,070,091
R Solutions	325,000	-	650,000	-
Medical Malpractice	77,361	-	118,535	-
Travel insurance	5,624	-	5,624	-
Total revenue	63,525,256	52,255,447	130,458,992	108,124,669
Cost of revenue	(26,091,600)	(22,292,929)	(52,983,105)	(45,678,027)
Expenses	(25,794,710)	(23,569,113)	(55,999,187)	(53,127,086)
Other Income	1,416,895	-	2,714,939	-
Segment profit before zakat	13,055,841	6,393,405	24,191,639	9,319,556

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10 SEGMENT INFORMATION (CONTINUED)

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Total assets		
Tameeni	140,619,238	128,488,949
Leasing	15,644,554	10,769,599
Awal Mazad	3,486,119	3,216,346
R Solution	1,363,369	1,484,514
Medical Malpractice	2,082,859	-
Travel Insurance	1,030,287	-
VAS	509,348	-
Unallocated	374,666,841	173,228,277
	<u>539,402,615</u>	<u>317,187,685</u>
	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Total liabilities		
Unallocated	205,397,729	196,194,033
	<u>205,397,729</u>	<u>196,194,033</u>

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances and cash, accounts receivable, restricted cash, other current assets and amounts due from related parties.

Financial liabilities consist of trade and other payables, lease liabilities and amounts due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

12 CONTINGENCIES AND COMMITMENTS

As at 30 June 2024, the Group has letter of guarantee amounting to SR1,500,000 (31 December 2023: SR 1,500,000) There are no other contingencies and commitments reported as at the date of the unaudited interim condensed consolidated statement of financial position except as reported above.

13 EVENTS AFTER REPORTING PERIOD

No events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which requires adjustment to, or disclosure, in these interim condensed consolidated financial statements.

14 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by Board of Directors on 5 August 2024 (corresponding to 1 Safar 1446H).