

1 Legal status and principal activities

Taageer Finance Company SAOG (the Company) is an Omani joint stock company registered with the Ministry of Commerce on 22 October 2005. The Company was incorporated as a closed stock company on 24 December 2000 and was converted to an Omani joint stock company on 21 October 2005 by a resolution of the shareholders passed on 27 August 2005. The Company is engaged in the business of providing leasing, working capital finance and factoring receivables to retail, SME and corporate customers in the Sultanate of Oman. The tenure of such financing generally varies from 6 months up to 10 years at fixed interest rates prevalent in the market at the time of financing. The financing is collateralised against land, equipment and vehicles. The Company manages its liquidity and financing through borrowing from various commercial banks. The Company also accepts corporate deposits and issues non-convertible and perpetual bonds for funding. The Company's shares are listed on Muscat Securities Market. The registered office of the Company is located at Al-Khuwair, Muscat, Sultanate of Oman.

The Company operates in the Sultanate of Oman with a network of eight branches (December 2025 - eight branches) and has employed 212 employees as at 31 March 2026 (December 2025 – 194 employees).

2 Basis of preparation and accounting policies

2.1 Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', the requirements of the Commercial Companies Law of 2019, the disclosure requirements of the Financial Services Authorities (FSA) of the Sultanate of Oman and the applicable regulations of the Central Bank of Oman (CBO).

These condensed interim financial statements have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income, which are measured at fair value.

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

The condensed interim financial statements are presented in Rial Omani ("ر.ع."), rounded to the nearest thousands which is the Company's functional and presentation currency.

The unaudited condensed interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2025.

2.2 Accounting policies and disclosures

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026.

2.3 New standards, implementations and amendments in existing standards

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have a material impact on the condensed interim financial statements of the Company.

2.4 Significant accounting estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2025.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)****3 Financial risk management****3.1 Financial risk factors**

The Company's activities expose it to variety of financial risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Company aims to follow a strategy of minimising risk in order to reduce its vulnerability to adverse market conditions and this is reflected in the risk appetite set by the Board of Directors and implemented by management. The low assumption of risk is mainly achieved through diversification of the asset portfolio.

The Company has risk management function to oversee the risk management programme. In addition, oversight is provided by the Asset Liability Management Committee which includes representation from credit, treasury and risk management function. The Company has independent policies and procedures which address credit risk, liquidity risk and market risk, which arise from the Company's business.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and financing rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

Price risk is a risk that fair value of financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Company is not exposed to price risk as it does not have significant exposure to equity instruments traded in an active market.

(ii) Foreign currency risk

Foreign currency risk is the risk arising from future commercial transactions or recognised financial assets or liabilities being denominated in a currency that is not the Company's functional currency. The majority of the Company's transactions are denominated in the functional currency. Accordingly, foreign exchange risk is considered to be minimal.

(iii) Interest rate risk

Interest rate risk is the uncertainty of future earnings resulting from fluctuations in interest rates. The risk arises when there is a mismatch in the assets and liabilities, which are subject to interest rate adjustment within a specified period. The most important sources of interest rate risk are the Company's borrowings where fluctuations in interest rates, if any, are reflected in the results of operations.

Interest rate gap is a common measure of rate risk. A positive gap occurs when more assets than liabilities are subject to rate change during a prescribed period of time. A negative gap occurs when liabilities exceed assets subject to rate changes during a prescribed period of time. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) *Market risk (continued)*

(iii) *Interest rate risk (continued)*

The Company's leasing activities, working capital finance and factoring receivables, long term deposits, borrowings (loans from commercial banks, corporate deposits and unsecured non-convertible bonds) carry fixed rate of interest; hence, these activities do not expose the Company to interest rate risk. The interest rates on short-term borrowings with banks are subject to change upon re-negotiation of the facilities, which takes place on an annual basis in the case of overdrafts and at more frequent intervals in the case of short-term loans. The Company does not hedge against its cash flow and fair value interest rate risk.

The Company uses sensitivity analysis to analyse cost of borrowings and leasing. Management estimates that the Company's interest costs are sensitive to the extent that a change in 50 basis points in the average funding cost would change interest cost on borrowings by ~~£~~0.283 million (March 2025 - ~~£~~ 0.271 million) and finance income on its leasing, working capital finance and factoring receivables by ~~£~~ 0.436 million (March 2025 - ~~£~~ 0.403 million). The Company's exposure to interest rate risk is shown under note 23(a) to these financial statements.

(b) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is crucial for the Company's business; therefore, management carefully manages its exposure to credit risk.

(i) *Credit risk measurement*

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Company uses a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1

Credit risk has not increased significantly since initial recognition – recognise 12-month expected credit losses.

Stage 2

Credit risk has increased significantly since initial recognition – recognise lifetime expected losses with revenue being calculated based on the gross amount of the asset.

Stage 3

There is objective evidence of impairment as at the reporting date to recognise lifetime expected losses, with revenue being based on the net amount of the asset (that is, based on the impaired amount of the asset).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Credit risk measurement (continued)

The Company has adopted key assumptions and judgements in addressing the requirements of IFRS 9 as given below:

- Significant increase in credit risk (SICR), which includes quantitative criteria such as grouping of contracts, DPD, rating downgrade of customers from initial recognition which is considered significant and qualitative criteria such as restructuring and periodical reviews of the customers;
- Definition of default, staging, rebuttals, SICR, provisioning methodology etc;
- Selection of an appropriate forward-looking model, inputs, correlation and estimations; and
- Information of forward- looking criteria of macro-economic variables incorporated in PIT PD for ECL;
- Grouping of instruments for losses measured on a collective basis.

The Company's credit policy aims to ensure that the target portfolio credit loss will be less than 1% of the portfolio increase for the current year. The Board of Directors periodically reviews this loss norm along with the management.

Significant increase in credit risk (SICR)

To determine whether there has been a significant increase in credit risk, the Company compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. Under IFRS 9, when determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and forward-looking information.

While determining the credit risk of the customer which has increased significantly from the initial recognition, the Company reviews portfolio for Retail and Corporate on different parameters. SICR is done on quantitative and qualitative criteria.

For retail exposures, the Company uses both quantitative and qualitative criteria:

- Adverse findings for an account/borrower as per market information
- Loan rescheduling due to credit reasons
- Accounts overdue between 30 and 90 days

For Corporate, the Company uses both quantitative and qualitative criteria.

- Under quantitative criteria, the Company uses the following SICR triggers:
 - days past due information (i.e. Stage 2 if the days past due is above 30 days) or;
 - change in the rating grade to assess significant increase in credit risk (i.e. 5 notches down for the rating scale of R1, 4 notches down for the rating scale of R2 to R3, 3 notches down for the rating scale of R4, 2 notches down for the rating scale of R5, and one notch down for rating R6).
- Under qualitative criteria, the Company uses following criteria like:
 - restructuring due to credit reasons
 - inadequate or unreliable financial and other information such as unavailability of audited financial statements;
 - non-cooperation by the borrower in matters pertaining to documentation;

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Credit risk measurement (continued)

- Under qualitative criteria, the Company uses following criteria like:(continued)
- borrower is the subject of litigation by third parties that may have a significant impact on his financial position;
- frequent changes in senior management;
- intra-group transfer of funds without underlying transactions;
- deferment/delay in the date for commencement of commercial operations by more than one year;
- modification of terms resulting in concessions granted to the borrower including extension of moratorium, deferment of payment and waiver of covenants;
- a fall of 25 percent or more in the turnover or in the earnings before interest and taxes (EBIT) as compared to the previous year;
- erosion in net worth by more than 20 percent as compared to the previous year end coupled with an increase in leverage; and
- a fall in the debt service coverage ratio to below 1.

The customers' past history and records are reviewed by periodical risk evaluation under SICR triggers.

The Company reviews the existing corporate accounts' (above ~~250~~ 250,000) rating given at initial recognition and assigns the new rating at review dates based on quantitative and qualitative information while assessing significant change or increase in credit risk during annual review or restructuring exercise.

The Company reviews and restructures facilities (retail and corporate) based on review of customers financial and cash flow position to maximize recoveries and collections from the customers and facilitate them to manage their cash flows efficiently to reduce their credit risk. These contracts are marked as restructured and would trigger the SICR if flagged due to credit reasons and would be mapped as qualitative indicator in ECL model and reviewed periodically.

Definition of Default and credit impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired when it meets one or more of the following criteria:

- the borrower is more than 90 days past due on any credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- significant financial difficulty of the borrower; or
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of twelve months (for those that has been downgraded due to qualitative reasons). This period of twelve months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different cure definitions.

Expected Credit Losses (ECL)

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Company: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)****3 Financial risk management (continued)****3.1 Financial risk factors (continued)***(b) Credit risk (continued)**(i) Credit risk measurement (continued)***Expected Credit Losses (ECL) (continued)**

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument's lifetime period. The lifetime period is equal to the remaining contractual period to maturity of financial instruments, adjusted for expected prepayments, if any.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The 12-month ECL, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

Information of forward- looking criteria incorporated in ECL computation

The Company has incorporated forward looking parameters of macro-economic variables using statistical modelling to estimate the 12 months and Lifetime PIT PDs. The key macro-economic variables has been established based on correlation factor to historical PDs. TTC PDs are derived based on Company's historical performance and are roll rate-based approach for Retail while rating migration for corporate portfolio. Internal rating for Corporates is derived based on various parameters on quantitative and qualitative factors which is aggregated to obtain a score for a particular rating level.

The judgement to use macroeconomic variable is based on impact of macroeconomic variable on business, customer behavior, repayment pattern and eventually default. The macroeconomic variables used are derived based on the relationship that can be established with the relevant variables and the underlying default behavior of the credit portfolios. The Company based on its assessment of various macro-economic variables has determined that oil prices to be the key macro-economic variable for its portfolio due to major business dominant factor.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Credit risk measurement (continued)

Important accounting judgements and estimations

The calculation of the ECL allowance for finance lease, working capital and factoring receivables requires the use of statistical models and use of assumptions with respect to forecasted micro-economic conditions, external ratings and credit risk behaviour and changes which may result in the likeness of the contracts defaulting and resulting in losses.

Grouping of related financial assets for calculating ECL allowance

The related financial assets are grouped in the calculating the ECL based on the asset type product in the model which are retail and corporate.

In case of the portfolio of exposure to corporate, the credit risk for individual counterparties are assessed at inception of the lease through a grading methodology based on repayment history along with financial evaluation of borrowers as per risk grading model as approved by the board of directors of the Company.

Credit risk in the case of the retail portfolio is assessed at the inception of the lease on the basis of the net disposable income of the counterparty, stability of employment in case of salaried clients and income levels from business /other sources for other categories of customers.

(ii) Credit risk control and mitigation policies

The Company has established credit policies and procedures to manage credit exposure including evaluation of lease, credit worthiness, credit approvals, assigning credit limits, obtaining securities such as lien on title on leased assets, security deposits, personal guarantees and mortgages over properties.

The overall decision to provide leasing to a particular customer is based on the following key parameters:

1. Internal credit rating of the customer based on the qualitative assessment of credit risk
2. Minimum income level and maximum debt burden of the customer
3. Loan repayment history with other financial institution sourced from Mala'a report/BSCB
4. Level of collaterals provided by the customer

Exposure to credit risk is managed through regular analysis of the ability of lessees to meet repayment obligations.

Working capital finance and factoring receivables includes amounts advanced to clients in respect of debts factored interest on the amounts advanced and related charges. In the event of default in settlement of debts factored by customers of the client, the Company has recourse to the client.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Credit risk control and mitigation policies (continued)

The Company does not have significant concentration of credit risk since it enters into leasing and financing contracts with various small individual, retail and corporate customers. At the inception of the contract, internal credit risk ratings are allocated to each exposure. These credit risk grades are defined using a variety of qualitative and quantitative factors including income levels, employment segment, nationality etc.

The Company generally receives repayments through variable channels such as cheques and bank transfers. The Company also has an effective rental instalment and rental monitoring system which allows it to identify potential problem accounts. The Company has approved collection policies and procedures establishing a collection strategy to follow up with the delinquent customers. In order to monitor exposure to credit risk, reports are reviewed by the risk committee on a quarterly basis. The Company seeks necessary legal assistance from external law firms in order to be actively involved in the collection process of delinquent customers. The Company also appropriately assesses the collateral requirements for particular leasing and financing to minimise its credit risk emanating from such leasing and financing. An allowance for ECL is maintained at a level which, in the judgment of management, is adequate to provide for potential losses that can be reasonably anticipated.

The Company has clear policies in place to identify early warning signals and to initiate appropriate and timely remedial actions. Some of the early warning indicators are listed below:

- frequent dishonour of cheques;
- inability to reach the customer over phone or in person;
- lack of response to written communications;
- utilised limits in excess of authorised limits as disclosed by Mala'a reports;
- inability to obtain current financials; and
- adverse market feedback.

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Mar-2026	Mar-2025	Dec-2025
	Un-Audited	Un-Audited	Audited
	₹ 000	₹ 000	₹ 000
Exposure			
Bank balances	13,570	17,156	19,270
Statutory deposit	250	250	250
Net investment in finance leases, Working capital finance and factoring receivables	300,710	283,111	296,135
Total exposure	314,530	300,517	315,655

The Company holds enforceable collaterals against net investments in finance lease to mitigate credit risk exposure. For bank balances the Company deals with reputed banks in the Sultanate of Oman and ECL has been recorded as per the model. Security deposit is held with Central Bank of Oman.

(iii) Concentration of credit risk

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Concentration of credit risk (continued)

Concentrations of credit risk (whether on or off statement of financial position) that arise from financial instruments exist for groups of counter-parties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Company has established robust credit risk management policies and procedures and a risk grading system for analysing the risk associated with credit. This facilitates the approving authorities in making their credit decision. In addition, Risk Management Department (RMD) assists/ reviews grading of obligors, conducts regular macro analysis of the credit portfolio and monitors credit concentration limits.

The analysis of credit risk is given below:

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Customer concentration			
Gross investment in finance leases:			
Retail	118,678	108,969	118,725
Corporate	151,082	144,658	144,269
	269,760	253,627	262,994
Working capital finance and factoring receivables:			
Corporate	79,097	68,734	76,611

Economic sector concentration of gross investment in finance leases, working capital finance and factoring receivables:

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Gross investment in finance leases:			
Manufacturing	23,466	26,587	22,716
Trading and construction	37,022	37,274	36,470
Services	90,594	80,797	85,083
Individuals	118,678	108,969	118,725
	269,760	253,627	262,994
Working capital finance and factoring receivables:			
Manufacturing	14,032	8,218	13,380
Trading and construction	31,352	28,306	30,131
Services	33,713	32,210	33,100
	79,097	68,734	76,611

Geographical concentration

The Company only carries out business within the Sultanate of Oman and geographical exposure is within the country.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk (continued)*

(iii) Concentration of credit risk (continued)

(1) Assessment of SICR

The assessment of Significant Increase in Credit risk (SICR) and the measurement of ECLs are based on reasonable and supportable information that is available. The Company has also considered additional ECL to address significant increase in credit risk in certain accounts based on its judgment and experience.

This has resulted in staging downgrade of certain exposures and recognition of additional ECL provisions and allowance for expected credit losses. As part of the Company's credit evaluation process especially given the current economic situation, the Company obtained further information from the customer to understand their financial position and ability to repay the amount and in case where indicators of significant deterioration were noted, the customers' credit ratings and accordingly exposure staging were adjusted, where applicable.

The Company's model has been constructed and calibrated using historical trends, asset correlations and forward-looking economic scenarios. The severity of the current macro-economic projections and the added complexity caused by the various support schemes and regulatory guidance across the main regions in which the Company operates could not be reliably modelled for the time being. Consequently, the existing model may generate results that are either overly conservative or overly optimistic depending on the specific portfolio / segment. As a result, post-model adjustments are needed. Given model changes take a significant amount of time to develop and test and the data limitation issues noted above, the Company expects that post-model adjustments will be applied for the foreseeable future.

(2) Post-model adjustments (PMA) and management overlays

Post-model adjustments (PMAs) and management overlays made in estimating the reported ECL as at 31 March 2026 are set out as follows:

PMAs and management overlays

The Company's ECL model continues to be sensitive to the assumptions and areas continually reassessed as part of its usual model refinement exercise. Other than changes in the macro-economic indicators and recalibration of its PD and LGD models, the Company has not considered any other change in ECL model. As with any forecasts, the projections and likelihoods of occurrence are underpinned by significant judgement and uncertainty and therefore, the actual outcomes may be different to those projected. To meet any additional challenge, the Company has also considered additional customer specific overlays, based on the management experience and close monitoring of the customers with significant increase in credit risk. Since, the models may not always capture all the stressed events, it is therefore prudent to incur additional ECL based on the management experience and current uncertain situation in the economy.

As on the reporting date the provisions held by the Company includes customer specific management overlays of ~~₹~~ 4.518 million (March 2025: ~~₹~~ 4.192 million), representing 9.38% (March 2025: 10.68%) of accumulated impairment.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**3 Financial risk management (continued)****3.1 Financial risk factors (continued)***(c) Liquidity Risk*

Liquidity risk is the risk that the Company will be unable to meet its net funding requirements. Liquidity risk can arise by market disruptions or credit downgrades, which may result in unavailability of certain sources of funding.

Sources of funding are regularly reviewed by the management, diversification through long-term and short-term borrowings, increasing the number of lenders, developing additional products like corporate deposits, seeking fixed interest rates for longer tenure, etc.

Funds management is carried out by the treasury function. It includes managing and monitoring day to day cash flows and funding needs. This is achieved through maintaining approved credit facilities to cover net future funding needs and monitoring cash flows projections. The maturity profile of the Company's financial liabilities is set out under note 23(b) to these interim financial statements.

Net debt reconciliation

Refer below for the analysis of net debt and the movements in net debt:

Particulars (Un-Audited)	Cash flows from short term loans ₹ 000	Cash flows from long term loans ₹ 000	Cash flows from Unsecured non- convertible bonds ₹ 000
At 1 January 2026	65,111	78,715	15,004
Additions during the period (cash changes)	29,527	4,000	-
Repayments during the period (cash change)	(33,500)	(7,831)	-
Non-cash changes	80	-	276
At 31 March 2026	61,218	74,884	15,280
Change in cash flows – net	(3,973)	(3,831)	-

Particulars (Un-Audited)	Cash flows from short term loans ₹ 000	Cash flows from long term loans ₹ 000	Cash flows from Unsecured non- convertible bonds ₹ 000
At 1 January 2025	62,728	74,120	14,938
Additions during the period (cash changes)	11,100	13,000	-
Repayments during the period (cash change)	(15,000)	(8,316)	-
Non-cash changes	72	(151)	293
At 31 March 2025	58,900	78,653	15,231
Change in cash flows – net	(3,900)	4,684	-

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) *Liquidity Risk (continued)*

(d) *Operational risk*

The operational risk is defined as the risk of direct or indirect loss which may arise due to several reasons associated with the operations of the Company such as internal processes, individuals, infrastructure and technology, and due to reasons arising out of external factors other than Company's credit processes, market and liquidity risks. Operational risks arise from all of the Company's operations and external factors and are faced by the business entity.

The Company's primary objective is to put in place the necessary internal controls, periodic internal audits, checks and controls, technology updates and reviews to minimise operational risk. Specific audits are conducted by the Company's internal auditors and reports directly to the Audit and Risk Committee members.

The Company undertakes responsibility to implement internal checks and controls to mitigate operational risk by the following;

- (i) Adherence to maker checker policy and delegation of powers by having proper approval matrix;
- (ii) Timely reconciliations and regular reviews of accounts;
- (iii) Documentation of policies, controls, procedures and manuals;
- (iv) Compliance with legal, statutory requirements and corporate governance; and
- (v) Develop business ethics and standards.

3.2 Fair values estimation

The carrying amounts, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year approximate their fair values. The fair values of long-term bank borrowings is considered to approximate their carrying amounts as these carry interest rates in line with current market rates. The fair value of fixed deposits is not considered to be materially different from their carrying amount in view of the duration of these deposits which does not exceed 4 years and interest resetting. Carrying amounts of fixed deposits reasonably approximates fair value. Refer to note 21 for fair value information in respect of the Company's net investment in finance leases, working capital finance and factoring receivables.

Except for financial assets at fair value through other comprehensive income, the Company's financial instruments are not carried at fair value in the statement of financial position. All financial assets (other than financial assets at fair value through comprehensive income) and financial liabilities of the Company are carried at amortised cost in the statement of financial position.

3.3 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Company also has the objective with respect to meeting the capital requirements of the Central Bank of Oman, the regulatory authority. The Company has complied with CBO requirements of maintaining minimum paid up capital of ~~25~~ 25 million.

In accordance with the provisions of the Commercial Companies Law of Oman, annual appropriations of 10% of the profit for the year are made to the legal reserve until the accumulated balance of the reserve is equal to at least one third of the Company's paid-up share capital. This reserve is not available for distribution.

The Company monitors its gearing ratio in order to maintain it within the limits prescribed by the regulatory authority.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

3 Financial risk management (continued)

3.3 Capital management (continued)

Gearing ratio

The Company's Board Executive Committee reviews the capital structure on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a limit of gearing ratio of 5 times of net-worth as stipulated by the Capital Adequacy norms specified by the Central Bank of Oman. The gearing ratio for the period is as follows:

	Mar-2026 Un-Audited	Mar-2025 Un-Audited	Dec-2025 Audited
Total liabilities (₹ 000)	238,768	223,803	237,998
Net equity (₹ 000)	78,047	78,034	78,989
Total liabilities to net equity ratio (times)	3.06	2.87	3.0

4 Cash and bank balances

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Term Deposits	346	2,378	343
Current and call accounts	13,269	14,823	18,972
Cash in hand	113	11	165
Expected Credit Loss	(45)	(45)	(45)
	13,683	17,167	19,435

Cash and cash equivalents include cash on hand, all bank balances, including deposits with a maturity of three months or less from the date of placement. The deposits carry interest rate between 3.25% to 4.30% (March 2025: 3.5 % to 4.0 %).

The Company applies the three-stage model under IFRS 9 to measure the expected credit losses for cash and cash equivalents. Under the three-stage model, management analyses the credit quality of cash and cash equivalents. The financial assets that do not have a significant increase in credit risk since the initial recognition are considered as stage 1 assets and management follows the 12 months expected credit loss method for recognising the loss allowance. When there is a significant increase in credit risk noted since the initial recognition, those assets are considered under stage 2 and lifetime expected credit loss is followed. Financial assets that have objective evidence of impairment at reporting stage (stage 3), lifetime expected credit loss is followed. Closing ECL on bank balance is ₹ 45,000 (December 2025: ₹ 45,000) and the ECL charge for the period is Nil (March 2025: Nil).

(i) Reconciliation to statement of cash flows

The above figures reconcile to the amount of cash shown in the statement of cashflows at the end of the period as follows:

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Cash and bank balances	13,683	17,167	19,435
Deposits which have original maturity of more than 3 months	(346)	(2,378)	(343)
Expected credit losses	45	45	45
Cash and cash equivalents	13,382	14,834	19,137

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

4 Cash and bank balances (continued)

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5 Net investment in finance leases, working capital finance and bills discounting

	Mar-2026 Un-Audited ₪ 000	Mar-2025 Un-Audited ₪ 000	Dec-2025 Audited ₪ 000
Gross investment in finance lease	383,623	357,822	378,959
Working capital finance and factoring receivables *	79,097	68,733	76,611
Unearned finance income (refer 'b')	(113,863)	(104,194)	(115,965)
	348,857	322,361	339,605
Allowance for expected credit losses (ECL) **	(48,147)	(39,250)	(43,470)
	<u>300,710</u>	<u>283,111</u>	<u>296,135</u>

* The above figure does not include future interest income of ₪ 45.081 million (December 2025: ₪ 45.960 million)

** Includes reserve interest of ₪ 13.645 million (December 2025- ₪ 11.700 million)

(a) The table below represents analysis of gross lease receivables and present value of lease receivables for each of the following periods:

	Up to 1 year ₪ 000	1 year to 2 years ₪ 000	2 years to 3 years ₪ 000	3 years to 4 years ₪ 000	4 years to 5 years ₪ 000	>5 years ₪00 0	Total ₪000
At 31 March 2026 (Un-Audited)							
Gross investment in finance lease	95,357	61,639	54,493	46,100	39,271	86,763	383,623
Present value of gross investment in finance lease	67,071	38,278	35,486	31,519	27,640	69,766	269,760
At 31 March 2025 (Un-Audited)							
Gross investment in finance lease	92,747	57,268	51,133	43,189	34,900	78,585	357,822
Present value of gross investment in finance lease	65,125	35,548	33,634	29,967	25,384	63,969	253,627

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

5 Net investment in finance leases, working capital finance and factoring receivables (continued)

(b) The movement of unearned finance income during the period was as follows:

	Mar-2026 Un-Audited S 000	Mar-2025 Un-Audited S 000	Dec-2025 Audited S 000
At 1 January	115,965	100,690	100,690
Additions during the period	4,614	9,564	42,591
Recognised during the period	(6,716)	(6,060)	(27,316)
At 31 March	113,863	104,194	115,965

(c) The movement in the provision and reserve interest for impairment of net investment in finance lease, working capital finance and factoring receivables during the period was as follows:

The loss allowances for ECL as at 31 March reconcile to the opening loss allowances as follows:

As at 31 March (Un-Audited)

	Net investment in finance leases, working capital finance and factoring receivables		Other assets and financial guarantees		Total	
	Mar-26 S 000	Mar-25 S 000	Mar-26 S 000	Mar-25 S 000	Mar-26 S 000	Mar-25 S 000
At 1 January	43,470	36,177	2,205	1,992	45,675	38,169
Charge for the period	2,822	2,010	100	-	2,922	2,010
Reserve interest	1,945	1,063	-	-	1,945	1,063
Write off during the period	(90)	-	(8)	-	(98)	-
At 31 March	48,147	39,250	2,297	1,992	50,444	41,242

The most significant changes in the ECL of the Company arise from the net investment in finance leases, working capital finance and factoring receivables. The changes in the ECL on other financial assets at amortised cost are not significant.

As to net investments in finance leases, working capital finance and factoring receivables, the ECL changes primarily relate to the corporate portfolio and were due to the downward movement of exposures to non-performing grades. The subsequent remeasurement of these exposures post stage transfer is reflected in the charge for the period.

As a matter of policy, the Company considers waiver / write-off or settlement only in such cases where it is satisfied that the recovery of the full outstanding liabilities from the borrower is not possible in the normal course of business or out of the securities realisation or through enforcement of the guarantee (wherever available) and that legal action will not yield higher recoveries after considering the time and costs involved.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

5 Net investment in finance leases, working capital finance and factoring receivables (continued)

- (c) The movement in the provision and reserve interest for impairment of net investment in finance lease, working capital finance and factoring receivables during the year was as follows: (continued)

Proposals for waivers / write-offs are not formula driven and are decided on a case by case basis after weighing all pros and cons. The rationale is invariably documented. In all cases, the Company aims to recover the maximum value through enforcement of collaterals / guarantees of guarantors. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is reasonable expectation of recovery.

At 31 March 2026, stage 3 lease contract receivables and working capital receivables on which interest has been reserved or on which interest is not being accrued amount to RO 91.016 million (March 2025 - RO 56.890 million). Interest is reserved by the Company against net investment in finance leases, working capital finances and factoring receivables, which are under stage 3, to comply with the rules, regulations and guidelines issued by the CBO.

- (d) An analysis of portfolio under different stages of net investment in finance leases, working capital finance and factoring receivables is summarised below:

	Mar-2026 Un-Audited RO 000	Mar-2025 Un-Audited RO 000	Dec-2025 Audited RO 000
<i>Portfolio under stages</i>			
Stage 1	184,715	179,878	188,211
Stage 2	73,126	85,593	77,884
Stage 3	91,016	56,890	73,510
Gross investment in finance leases, working capital finance and factoring receivables	348,857	322,361	339,605
Allowance for expected credit losses	(48,147)	(39,250)	(43,470)
Net investment in finance leases, working capital finance and factoring receivables	300,710	283,111	296,135

- (e) Allowance for ECL on net investment in finance leases, working capital finance and factoring receivables

	Mar-2026 Un-Audited RO 000	Mar-2025 Un-Audited RO 000	Dec-2025 Audited RO 000
Stage 1	898	1,566	1,798
Stage 2	6,365	9,365	8,083
Stage 3	40,884	28,319	33,589
	48,147	39,250	43,470

- (f) Net investment in finance leases, working capital finance and factoring receivables rescheduled / restructured

Restructuring activities include extended payment arrangements, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria, which, in the judgment of the management, indicate that payment will most likely continue. These policies are continuously reviewed.

	Mar-2026 Un-Audited RO 000	Mar-2025 Un-Audited RO 000	Dec-2025 Audited RO 000
Stage 1	795	-	891
Stage 2	32,685	11,120	39,142
Stage 3	14,543	2,439	7,015
	48,023	13,559	47,048

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

6 Other receivables and prepayments

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Prepaid expenses	1,157	357	166
Other receivables	2,297	2,115	2,205
	3,454	2,472	2,371
Allowance for ECL against other receivables [refer 6(a)]	(2,297)	(1,992)	(2,205)
	1,157	480	166

- (a) Allowance for ECL for impairment against other receivables includes provision held against legal fee and other charges recoverable from various individual and corporate parties under litigations.

7 Financial assets at fair value through other comprehensive income

The Company has investment in a foreign unquoted equity security which is classified as financial asset at fair value through other comprehensive income. The FVOCI designation was made because the investment is expected to be held for long-term. The fair value of this investment has been assessed as Nil and a fair value reserve was created (net of tax) of ₹ 441,000 (31 March 2025 – ₹ 441,000).

8 Vehicles, equipment and right-of-use assets

Un-Audited	Motor Vehicles ₹ 000	Office and computer equipment ₹ 000	Furniture and fixtures ₹ 000	Work in progress ₹ 000	Right-of- use assets ₹ 000	Total ₹ 000
Cost						
At 1 January 2026	129	706	719	-	1,062	2,616
Additions	-	41	3	74	-	118
Sale of assets	-	-	-	-	-	-
At 31 March 2026	129	747	722	74	1,062	2,734
Accumulated depreciation						
At 1 January 2026	129	472	446	-	670	1,717
Charge for the period	-	27	32	-	43	102
Sale of assets	-	-	-	-	-	-
At 31 March 2026	129	499	478	-	713	1,819
Net book value						
At 31 March 2026	-	248	244	74	349	915

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

8 Vehicles, equipment and right-of-use assets (continued)

	Motor Vehicles Oman 000	Office and computer equipment Oman 000	Furniture and fixtures Oman 000	Work in progress Oman 000	Right-of- use assets Oman 000	Total Oman 000
Un-Audited Cost						
At 1 January 2025	191	583	543	-	769	2,086
Additions	-	17	4	53	2	76
Sale of assets	(62)	-	-	-	-	(62)
At 31 March 2025	129	600	547	53	771	2,100
Accumulated depreciation						
At 1 January 2025	144	336	317	-	510	1,307
Charge for the period	3	43	28	-	42	116
Sale of assets	(18)	-	-	-	-	(18)
At 31 March 2025	129	379	345	-	552	1,405
Net book value						
At 31 March 2025	-	221	202	53	219	695

9 Statutory deposit

The Company is required to maintain a deposit of OMR 250,000 (March 2025 - OMR 250,000) with the Central Bank of Oman, which is restricted in nature, in accordance with the applicable licensing regulations. During the period, the deposit earned interest at the rate of 1.5% (March 2025 - 1.5%) per annum.

10 Creditors, accruals and other liabilities

	Mar-2026 Un-Audited Oman 000	Mar-2025 Un-Audited Oman 000	Dec-2025 Audited Oman 000
Leased assets payable	6,235	3,921	1,786
Accruals for expenses	1,818	835	2,806
Lease liability	276	54	305
Dividend Payable	1,787	-	-
Other liabilities	974	443	679
	11,090	5,253	5,576

10.1 Provision for employees' end of service benefits

	Mar-2026 Un-Audited Oman 000	Mar-2025 Un-Audited Oman 000	Dec-2025 Audited Oman 000
At 1 January	331	318	318
Charge for the period (note 17.2)	12	8	70
Paid during the period	(61)	-	(57)
At 31	282	326	331

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

11 Short-term loans

The Company availed short-term borrowing facilities from various commercial banks. The contractual limits of these borrowings are ~~₹~~ 105.5 million (March 2025 - ~~₹~~ 63.5 million). These loans are secured by a pari-passu charge over the total assets of the Company. Maturities of the short-term loans are disclosed in note 23 (b) to these interim financial statements.

12(a) Long-term loans

The Company has entered into long term loan facility agreements with commercial banks. The aggregate contractual limit of long-term loans is ~~₹~~ 106.596 million (March 2025 - ~~₹~~ 98.378 million). These loans are secured by a pari-passu charge over the total assets of the Company. The maturity dates of the aforementioned facilities range from April 2026 to June 2030.

Total outstanding long-term loans at 31 March 2026 amount to ~~₹~~ 74.884 million (March 2025 - ~~₹~~ 78.653 million) out of which current portion of long-term loans as at 31 March 2026 amounted to ~~₹~~ 27.281 million (March 2025 - ~~₹~~ 32.063 million).

12(b) Unsecured non-convertible bonds

The Company issued unsecured non-convertible bonds for an amount of RO 14.956 million in 2023 for a period of 3 years which is outstanding as at March 31, 2026. The coupon rate on this bond is 7.5% per annum.

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Un-Audited ₹ 000
Bonds	15,280	15,231	15,004
	<u>15,280</u>	<u>15,231</u>	<u>15,004</u>

13 Corporate and security deposits

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000	Dec-2025 Audited ₹ 000
Corporate deposits	75,078	64,188	72,474
Security deposits	32	32	32
	<u>75,110</u>	<u>64,220</u>	<u>72,506</u>

The Company accepts term deposits from corporate customers in accordance with the Central Bank of Oman guidelines for a minimum period of 3 months. The interest rates on corporate and security deposits range between 4.5% to 7.5% per annum (March 2025 - 5.5% to 7.5% per annum). Maturity profile is included under note 23.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

14 Shareholders' equity

(a) Share capital

The authorised share capital comprises 300,000,000 ordinary shares (March 2025 - 300,000,000 ordinary shares) with a par value of ~~OMR~~ 0.100 per share (March 2025: ~~OMR~~ 0.100 per share). All issued ordinary shares are fully paid. The Company's issued and fully paid-up share capital comprises of 283,690,784 ordinary shares (March 2025 - 279,223,213 ordinary shares). Central Bank of Oman's requirement related to minimum paid up capital is set out under note 3.3 to these interim financial statements. on 31 March, the shareholders who own 10% or more of the Company's share capital were:

	Mar-2026 (Un-Audited)		Mar-2025 (Un-Audited)	
	Shareholding %	Shares held	Shareholding %	Shares Held
Oman Investment Authority	34.99%	99,266,367	34.99%	97,703,118
Arab Investment Company S.A.A	18.79%	53,292,556	18.79%	52,453,304
Iran Foreign Investment Company	12.49%	35,446,321	12.49%	34,888,112

(b) Legal reserve

In accordance with article 274 of the Commercial Companies Law of 2019, annual appropriations of 10% from the profit for the period are made to this legal reserve until the accumulated balance of the reserve is equal to one third of the Company's paid up share capital. This reserve is not available for distribution.

(c) Impairment reserve

Impairment reserve net of tax is created by appropriation from retained earnings when the calculated provision as per CBO norms is higher than IFRS9 ECL.

As of March 2026, the Company holds an impairment reserve of ~~OMR~~ 2.222 million net of tax for the difference that existed on 31 March 2026 (March 2025: ~~OMR~~ 2.222 million).

(d) General reserve

The Board of Directors of the Company resolved to transfer an additional amount. The reserve has been created for any one-off contingency in future, by transfer of 5% of net profit for the year after appropriation towards legal reserve as approved by Board of Directors. This reserve will not be available for future distribution once created.

(e) Dividend

Dividend is not accounted for until it has been approved at the Annual General Meeting (AGM). The AGM has approved a cash dividend of 6.4% and stock dividend of 1.6% for the year ended 31 December 2025 (2024- cash dividend of 8% and stock dividend of 3%). The dividend per share for the year ended 31 December 2025 is amounting to 8 baizas (2024- amounting to 11 baizas).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

14 Shareholders' equity (continued)

(f) Perpetual bonds

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. The Company's perpetual bonds are not redeemable by holders and bear an entitlement to distribution that is non-cumulative and it is governed by the terms and conditions of the instrument. The payment of interest and/or principal is solely at the discretion of the Company. Accordingly, they are presented within equity. Distributions thereon are recognised in equity.

In 2024, the Company issued perpetual bonds of **£** 25.0 million through private placement. The bonds carry interest rate of 7.5% per annum, payable semi-annually in arrears. The bonds have no fixed or final redemption date. The issuer has an option to redeem the bonds on the call date. The first call date is in October 2029 and prior approval of the CBO is required before redemption.

15 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the equity holders of the Company at the year-end by the number of shares outstanding:

	Mar-2026 Un-Audited	Mar-2025 Un-Audited	Dec-2025 Audited
Net equity (£ '000)	53,047	53,034	53,989
Number of ordinary shares outstanding at 31 March (Numbers 000)	283,691	279,223	279,223
Net assets per share (baizas)	187	190	193

16 Other operating income

	Mar-2026 Un-Audited £ 000	Mar-2025 Un-Audited £ 000
Insurance commission	291	427
Services charges	318	387
Foreclosure charges	65	69
Loss on sale of assets	-	(14)
	674	869

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

17.1 Other expenses

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
Professional fees and subscriptions	74	100
Communication costs	94	63
Travelling expenses	13	12
Fuel cost	24	23
Directors' remuneration and sitting fees (note 20)	43	51
Advertising and sales promotion	34	28
IT maintenance and license fees	29	7
Printing and stationery expenses	15	22
Utility costs	6	7
Annual general meeting expenses	3	-
Insurance	4	6
Donations	10	16
Other office expenses	182	177
	531	512

17.2 Staff costs

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
Wages and salaries	1,155	1,054
Other benefits	115	149
Contribution to defined contribution plan*	82	72
Charge for end of service benefits (note 10.1)	12	8
	1,364	1,283

* Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 and its subsequent amendments are recognised as an expense in the statement of comprehensive income as incurred.

18 Taxation

(a) Components of tax expense:

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
<i>Current tax</i>		
- current period	149	237
	149	237

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

18 Taxation (continued)

(b) Reconciliation of tax expense

The Company has provided for taxation in accordance with the income tax laws of the Sultanate of Oman at the rate of 15% (March 2025 - 15%) of taxable profits. The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rates with the income tax expense for the period:

	Mar-2026 Un-Audited S 000	Mar-2025 Un-Audited S 000
Accounting profit before taxation	994	1,577
Income tax expense computed at applicable tax rates	149	237
	149	237

(c) The movement in taxation liability is as follows:

	Mar-2026 Un-Audited S 000	Mar-2025 Un-Audited S 000
At 1 January	755	983
Current tax for the period	149	237
At 31 March	904	1,220

(d) Status of the tax assessments

The tax returns of the Company for the tax years 2022 to 2024 have not yet been agreed with the Secretariat General for Taxation at the Ministry of Finance. The management is of the opinion that any other additional taxes, if any, related to the open tax years would not be material to the Company's financial position as at 31 March 2026.

(e) VAT assessments

The company filed VAT returns for the financial years 2023, 2024 and 2025 and the Secretary General of Tax is yet to take up the assessment.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

18 Taxation (continued)

(f) Deferred tax asset

Deferred income taxes are calculated on all taxable temporary differences using a principal tax rate of 15% (March 2025 - 15%). Deferred tax assets and the deferred tax charge in the statement of profit or loss and other comprehensive income are as follows:

	1 January 2026 <u>₪</u> 000	Recognised in the statement of profit or loss and other comprehensive income <u>₪</u> 000	31 March 2026 Un-Audited <u>₪</u> 000
Deferred tax asset			
Vehicles and equipment	16	-	16
Fair value change of financial assets at fair value through other comprehensive income	78	-	78
Right-of-use assets and lease liabilities	(15)	-	(15)
Deferred tax asset – net	<u>79</u>	<u>-</u>	<u>79</u>

	1 January 2025 <u>₪</u> 000	Recognised in the statement of profit or loss and other comprehensive income <u>₪</u> 000	31 March 2025 Un-Audited <u>₪</u> 000
Deferred tax asset			
Vehicles and equipment	9	1	10
Fair value change of financial assets at fair value through other comprehensive income	78	-	78
Right-of-use assets and lease liabilities	(8)	(1)	(9)
Deferred tax asset – net	<u>79</u>	<u>-</u>	<u>79</u>

19 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to shareholders by the weighted average number of shares during the period.

	Mar-2026 Un-Audited	Mar-2025 Un-Audited
Profit for the period (<u>₪</u> 000)	<u>845</u>	1,340
Weighted average number of shares during the period (Numbers 000)	<u>283,691</u>	279,223
Basic and diluted earnings per share (baizas)	<u>11.91</u>	19.20

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

20 Related party transactions

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. Pricing policies and terms of these transactions are approved by the Company's Board of Directors.

The following were the transactions and balances which are with those related parties which meet the definition of a related party under IAS 24. The Company has entered into these transactions in the ordinary course of business and the terms and conditions of these transactions are mutually agreed.

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
Transactions with related party:		
Interest on corporate and security deposits (shareholder)	79	69
Finance income (key management personnel)	-	1
Directors' remuneration and sitting fees	155	175

The Company maintains the following balances with these related parties which arise in the normal course of business.

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
Balances with related party:		
Corporate and security deposits (shareholder)	5,400	5,073
Net investment in finance leases (key management personnel)	11	20

The following are the related party transactions/balances where the Company have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity. These related parties are outside the scope of IAS 24. However, those are disclosed in line with the local regulations. The Company has entered into these transactions in the ordinary course of business and the terms and conditions of these transactions are mutually agreed.

	Mar-2026 Un-Audited ₹ 000	Mar-2025 Un-Audited ₹ 000
Transactions with other related parties:		
Interest on bank loans	416	101
Interest on corporate and security deposits	250	214
Balances with other related parties:		
Bank borrowings	44,225	5,625
Corporate and security deposits	13,400	12,790

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

21 Fair value information

Based on the valuation methodology outlined below, the fair value of all financial instruments at 31 March 2026 is considered by the management not to be materially different from their carrying values except for net investment in finance leases, working capital finance and factoring receivables.

Fair value of net investment in finance leases, working capital finance and factoring receivables is calculated based on discounted expected future principal and interest cash flows. Repayments are assumed to occur at contractual repayment dates, where applicable. For finances that do not have fixed repayment dates or that are subject to repayment risk, repayments are estimated based on experience in previous periods when interest rates were at levels similar to current levels, adjusted for any differences in interest rate outlook. Expected future cash flows are estimated considering credit risk and any indication of impairment. Expected future cash flows for homogeneous categories of finances are estimated on a portfolio basis and discounted at current rates offered for similar loans to new borrowers with similar credit profiles. The estimated fair values of finances reflect changes in credit status since the finances were made and changes in interest rates in the case of fixed rate leases.

The estimated fair value of other financial instruments is based on discounted cash flows using rates currently offered for deposits of similar remaining maturities. As other financial instruments are either short term in nature or subject to repricing at the market rates on regular intervals, the fair value approximates to the carrying value.

Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22 Business analysis

The financial information that can be separately recognised for retail and corporate portfolios are as follows:

	Mar-2026 Un-Audited ₹ 000			Mar-2025 Un-Audited ₹ 000		
	Retail	Corporate	Total	Retail	Corporate	Total
Income						
Finance income	3,677	5,046	8,723	3,391	4,780	8,171
Interest expense			(3,482)			(3,544)
Net income from financing activities			5,241			4,627
Other operating income			674			869
Total income			5,915			5,496
Expenses						
General and administrative expenses			(1,895)			(1,795)
Depreciation and amortization			(104)			(114)
Allowance for ECL	(498)	(2,424)	(2,922)	(261)	(1,749)	(2,010)
Profit before taxation			994			1,577
Taxation			(149)			(237)
Profit for the period			845			1,340

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

22 Business analysis (continued)

Assets

Net investment in finance

leases, working capital

finance and factoring

receivables 109,754 190,956 300,710

Other assets 16,105

Total assets 316,815

Total liabilities 238,768

100,723 182,388 283,111

18,726

301,837

223,803

All Company's leasing activities are carried out in the Sultanate of Oman.

23 Financial instruments and financial risk management

(a) Interest rate risk

The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as on 31 March 2026 and 2025:

	0 - 30 days ₹ 000	31 - 180 days ₹ 000	181 - 365 days ₹ 000	1 - 3 years ₹ 000	Over 3 years ₹ '000	Non interest rate sensitive ₹ 000	Total ₹ 000
31 March 2026 (Un-Audited)							
Financial assets							
Cash and bank balances	13,224	-	-	-	346	113	13,683
Net investment in finance leases, Working capital finance and factoring receivables	29,602	15,976	21,191	77,323	156,618	-	300,710
Statutory deposit	-	-	-	-	250	-	250
Total financial assets	42,826	15,976	21,191	77,323	157,214	113	314,643
Financial liabilities							
Short-term loans	27,218	34,000	-	-	-	-	61,218
Creditors, accruals and other liabilities	-	-	-	-	-	11,090	11,090
Corporate and security deposits	8,722	24,229	24,627	15,993	1,539	-	75,110
Unsecured non-convertible bonds	-	-	15,280	-	-	-	15,280
Long term loans	2,309	12,400	12,572	39,166	8,437	-	74,884
Total financial liabilities	38,249	70,629	52,479	55,159	9,976	11,090	237,582
Interest rate sensitive gap	4,577	(54,653)	(31,288)	22,164	147,238	(10,977)	77,061
Cumulative gap	4,577	(50,076)	(81,364)	(59,200)	88,038	77,061	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

23 Financial instruments and financial risk management (continued)

(a) Interest rate risk (continued)

	0 - 30 days	1 - 180 days	181 - 365 days	1 - 3 years	Over 3 years	Non interest rate sensitive	Total
	<u>₹</u> 000	<u>₹</u> 000	<u>₹</u> 000	<u>₹</u> 000	<u>₹</u> 000	<u>₹</u> 000	<u>₹</u> 000
31 March 2025 (Un-Audited)							
Financial assets							
Cash and bank balances	14,808	-	2,020	-	339	-	17,167
Net investment in finance leases, Working capital finance and factoring receivables	28,152	15,598	18,884	72,046	148,431	-	283,111
Statutory deposit	-	-	-	-	250	-	250
Total financial assets	42,960	15,598	20,904	72,046	149,020	-	300,528
Financial liabilities							
Short-term loans	39,100	19,800	-	-	-	-	58,900
Creditors, accruals and other liabilities	-	-	-	-	-	5,253	5,253
Corporate and security deposits	3,482	16,566	15,335	27,331	1,506	-	64,220
Unsecured non-convertible bonds	-	-	-	15,231	-	-	15,231
Long term loans	2,621	14,163	15,279	38,788	7,802	-	78,653
Total financial liabilities	45,203	50,529	30,614	81,350	9,308	5,253	222,257
Interest rate sensitive gap	(2,243)	(34,931)	(9,710)	(9,304)	139,712	(5,253)	78,271
Cumulative gap	(2,243)	(37,174)	(46,884)	(56,188)	83,524	78,271	

Net investment in finance leases, working capital finance and factoring receivables carry interest rates ranging between 8% to 16% (March 2025 – 8% to 16%) per annum. Interest rates for all other interest-bearing financial assets and financial liabilities are disclosed in the respective notes to these interim financial statements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations regarding its financial liabilities when they fall due under normal and stress circumstances. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Liquidity risk can also be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management manages assets with liquidity in mind, maintaining an appropriate balance of cash and cash equivalents and monitors future cash flows and liquidity on a daily basis to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also has revolving credit facilities from commercial banks that it can access to meet future liquidity needs.

The Company expects to have adequate liquid funds to settle its current liabilities through close monitoring of both current assets and current liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. The effect of discounting of liabilities with contractual maturity of less than 1 year is not considered material. Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring the statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

23 Financial Instruments and financial risk management (continued)

(b) Liquidity risk (continued)

The amounts disclosed in table below analyses the Company's assets and liabilities as on 31 March 2026 and 2025 into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	0 - 30 Days ₹ 000	31 - 180 days ₹ 000	181 - 365 days ₹ 000	1 - 3 years ₹ 000	Over 3 years ₹ 000	Non-fixed maturity ₹ 000	Total ₹ 000
March 2026 (Un-Audited)							
Financial assets							
Cash and bank balances	13,337	-	-	-	390	-	13,727
Net investment in finance leases, Working capital finance and factoring receivables	37,069	35,009	43,008	147,728	244,987	-	507,801
Statutory deposit	-	-	-	-	-	250	250
Total	50,406	35,009	43,008	147,728	245,377	250	521,778
Financial liabilities							
Short-term loans	27,287	34,294	-	-	-	-	61,581
Lease liabilities	72	40	56	97	-	-	265
Creditors, accruals and other liabilities (excluding lease liabilities)	10,814	-	-	-	-	-	10,814
Corporate and security deposits	8,737	24,695	25,676	17,543	1,900	-	78,551
Unsecured non-convertible bonds	-	556	15,521	-	-	-	16,077
Long term loans	2,996	14,762	14,824	43,554	8,743	-	84,879
Non-financial liabilities							
Provision for employees' end of service benefits	-	-	-	-	-	282	282
Tax payable	755	-	-	149	-	-	904
Total liabilities	50,661	74,347	56,077	61,343	10,643	282	253,353
Liquidity gap	(255)	(39,338)	(13,069)	86,385	234,734	(32)	268,425
Cumulative liquidity gap	(255)	(39,593)	(52,662)	33,723	268,457	268,425	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

23 Financial Instruments and financial risk management (continued)

(b) Liquidity risk (continued)

	0 - 30 days ₹ 000	31 - 180 days ₹ 000	181 - 365 days ₹ 000	1 - 3 years ₹ 000	Over 3 years ₹ 000	Non-fixed maturity ₹ 000	Total ₹ 000
March 2025 (Un-Audited)							
Financial assets							
Cash and bank balances	14,808	-	2,067	-	396	-	17,271
Net investment in finance leases, Working capital finance and factoring receivables	35,710	33,050	38,525	135,539	227,064	-	469,888
Statutory deposit	-	-	-	-	-	250	250
Total	50,518	33,050	40,592	135,539	227,460	250	487,409
Financial liabilities							
Short-term loans	39,211	19,985	-	-	-	-	59,196
Lease liabilities	54	-	-	-	-	-	54
Creditors, accruals and other liabilities (excluding lease liabilities)	5,199	-	-	-	-	-	5,199
Corporate and security deposits	3,485	16,963	16,142	30,743	1,979	-	69,312
Unsecured non-convertible bonds	-	464	562	15,953	-	-	16,979
Long term loans	3,101	16,202	17,119	42,194	7,980	-	86,596
Non-financial liabilities							
Provision for employees' end of service benefits	-	-	-	-	-	326	326
Tax payable	983	-	-	237	-	-	1,220
Total liabilities	52,033	53,614	33,823	89,127	9,959	326	238,882
Liquidity gap	(1,515)	(20,564)	6,769	46,412	217,501	(76)	248,527
Cumulative liquidity gap	(1,515)	(22,079)	(15,310)	31,102	248,603	248,527	

The Company has un-utilised credit facilities, including short term loan facilities with rollover option, as at reporting date to mitigate the impact of negative mismatch. Please refer to note 11 and 12 for details of un-utilised credit facilities.

24 Presentation of financial instruments by measurement category

The accounting policies for financial instruments have been applied to the line items below:

March 2026 (Un-Audited)	Financial assets at fair value through other comprehensive income ₹ 000	Amortised cost ₹ 000	Total carrying amount ₹ 000
Financial assets			
Cash and cash equivalents	-	13,683	13,683
Net investment in finance leases, working capital finance and factoring receivables	-	300,710	300,710
Other receivables	-	1,157	1,157
Statutory deposit	-	250	250
Total financial assets	-	315,800	315,800

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)**

24 Presentation of financial instruments by measurement category (continued)

	Total carrying amounts <u>₹</u> 000
Financial liabilities (all at amortised cost)	
Short-term loans	61,218
Creditors, accruals and other liabilities	11,090
Unsecured non-convertible bonds	15,280
Corporate and security deposits	75,110
Long term loans	74,884
Total financial liabilities	237,582

	Financial assets at fair value through other comprehensive income <u>₹</u> 000	Amortised cost <u>₹</u> 000	Total carrying amount <u>₹</u> 000
March 2025 (Un-Audited)			
Financial assets			
Cash and cash equivalents	-	17,167	17,167
Net investment in finance leases, working capital finance and factoring receivables	-	283,111	283,111
Other receivables	-	-	-
Statutory deposit	-	250	250
Total financial assets	-	300,528	300,528

	Total carrying amounts <u>₹</u> 000
Financial liabilities (all at amortised cost)	
Short-term loans	58,900
Creditors, accruals and other liabilities (excluding end of service benefits)	5,253
Unsecured non-convertible bonds	15,231
Corporate and security deposits	64,220
Long term loans	78,653
Total financial liabilities	222,257

25 Presentation of statement of financial position in order of liquidity

The Company does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 23 for analysis of financial instruments by their maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026 (CONTINUED)

25 Presentation of statement of financial position in order of liquidity (continued)

	31 March 2026 Un-Audited			31 March 2025 Un-Audited		
	Amount expected to be settled or recovered			Amount expected to be settled or recovered		
	Within 12 months of reporting period	After 12 months of reporting period	Total	Within 12 months of reporting period	After 12 months of reporting period	Total
ASSETS						
Cash and bank balances	13,337	346	13,683	16,828	339	17,167
Net investment in finance leases, working capital finance and factoring receivables	66,769	233,941	300,710	62,634	220,477	283,111
Other receivables and prepayments	1,157	-	1,157	480	-	480
Deferred tax asset – net	-	79	79	-	79	79
Vehicles, equipment and right-of-use assets	-	915	915	-	695	695
Intangible assets	-	21	21	-	55	55
Statutory deposit	-	250	250	-	250	250
Total	81,263	235,552	316,815	79,942	221,895	301,837
LIABILITIES						
Creditors, accruals and other liabilities	11,090	-	11,090	5,253	-	5,253
Employees' end of service benefits	-	282	282	-	326	326
Short-term loans	61,218	-	61,218	58,900	-	58,900
Unsecured non-convertible bonds	15,280	-	15,280	-	15,231	15,231
Tax payable	904	-	904	1,220	-	1,220
Corporate and security deposits	57,578	17,532	75,110	35,383	28,837	64,220
Long-term loans	27,281	47,603	74,884	32,063	46,590	78,653
Total	173,351	65,417	238,768	132,819	90,984	223,803

26 Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these condensed interim financial statements.