

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 AND
INDEPENDENT AUDITOR'S REVIEW REPORT

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS**

**TO THE SHAREHOLDER OF ALRAEDAH FINANCE COMPANY
A JOINT STOCK COMPANY**

(1/2)

INTRODUCTION

We have reviewed the accompanying 31 March 2026 interim condensed financial statements of Alraedah Finance Company (the "Company") which comprises:

- The interim statement of financial position as at 31 March 2026;
- The interim statement of profit or loss and other comprehensive income for the three-month period then ended;
- The interim statement of changes in equity for the three-month period then ended;
- The interim statement of cash flows for the three-month period then ended; and
- The notes to the interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS

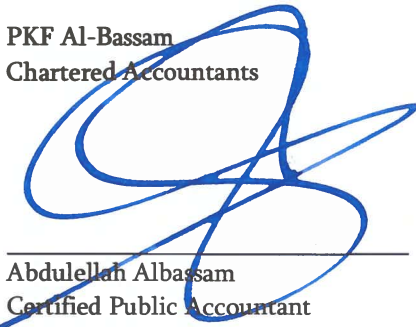
TO THE SHAREHOLDER OF ALRAEDAH FINANCE COMPANY
A JOINT STOCK COMPANY

(2/2)

OTHER MATTER

The interim condensed financial statements of the Company for the three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed financial statements dated 2 Dhul-Qidah 1446H corresponding to 30 April 2025.

PKF Al-Bassam
Chartered Accountants


Abdullellah Albassam
Certified Public Accountant
License No. 703
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ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents		118,746,480	37,893,920
Prepayments and other receivables		46,324,314	36,008,219
Due from related parties	6	31,710,189	31,289,919
Islamic financing receivables	7	928,989,378	1,023,705,616
Investments carried at amortized cost	8	7,445,434	13,130,461
Investment held at fair value through profit or loss ("FVTPL")		4,995,000	5,025,995
Investment carried at fair value through other comprehensive income ("FVOCI")		892,850	892,850
Restricted cash deposit	12	150,000	3,654,250
Repossessed assets held for sale	9	55,710,789	55,710,789
Right-of-use assets		11,481,892	12,178,702
Intangible assets		18,566,457	18,541,747
Property and equipment		778,436	1,084,343
TOTAL ASSETS		1,225,791,219	1,239,116,811
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	150,000,000	150,000,000
Statutory reserve		19,367,226	19,367,226
Retained earnings		119,932,970	116,524,988
Actuarial reserve		(758,296)	(758,296)
TOTAL EQUITY		288,541,900	285,133,918
LIABILITIES			
Accounts payable and accruals		42,920,378	52,116,063
Zakat payable	11	6,496,483	5,644,487
Lease liability		11,775,907	11,566,252
Financial facilities	12	870,758,701	879,992,314
Employees' terminal benefits		5,297,850	4,663,777
TOTAL LIABILITIES		937,249,319	953,982,893
TOTAL EQUITY AND LIABILITIES		1,225,791,219	1,239,116,811
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The accompanying notes 1 to 21 form part of these interim condensed financial statements.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Finance income from Islamic financing receivables		43,379,565	38,933,028
Processing fees from Islamic financing receivables		3,635,013	2,230,661
Finance income from investments carried at amortized cost		19,092	2,442,673
Finance cost	13	(16,933,380)	(15,133,174)
NET FINANCING INCOME		30,100,290	28,473,188
General and administrative expenses		(17,330,975)	(17,944,895)
Selling and marketing expenses		(3,820,896)	(4,579,204)
Impairment losses on financial assets	14	(12,913,715)	(4,000,371)
Other income	15	8,225,274	3,120,153
NET INCOME BEFORE ZAKAT		4,259,978	5,068,871
Zakat	11	(851,996)	(1,000,000)
NET INCOME FOR THE PERIOD		3,407,982	4,068,871
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,407,982	4,068,871

The accompanying notes 1 to 21 form part of these interim condensed financial statements.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

For the three-month period ended

31 March 2026

	Share capital	Statutory reserve	Retained earnings	Actuarial reserve	Total equity
Balance as at 1 January 2026 (Audited)	150,000,000	19,367,226	116,524,988	(758,296)	285,133,918
Total comprehensive income for the period	-	-	3,407,982	-	3,407,982
Balance as at 31 March 2026 (Unaudited)	150,000,000	19,367,226	119,932,970	(758,296)	288,541,900

For the three-month period ended

31 March 2025

	Share capital	Statutory reserve	Retained earnings	Actuarial reserve	Total equity
Balance as at 1 January 2025 (Audited)	150,000,000	19,367,226	94,041,400	(529,989)	262,878,637
Total comprehensive income for the period	-	-	4,068,871	-	4,068,871
Balance as at 31 March 2025 (Unaudited)	150,000,000	19,367,226	98,110,271	(529,989)	266,947,508

The accompanying notes 1 to 21 form part of these interim condensed financial statements.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before zakat		4,259,978	5,068,871
Adjustments for:			
Income from government grant	15	(360,846)	(929,024)
Finance cost	13	16,933,380	15,133,174
Impairment losses on financial assets	14	12,913,715	4,000,371
Finance income from investment carried at amortized cost		(19,092)	(2,442,673)
Depreciation on right-of-use assets		696,810	284,082
Depreciation on property and equipment		319,416	488,593
Amortization of intangible assets		764,117	309,639
Provision for employees' terminal benefits		444,352	990,216
Employees' terminal benefits transferred during the period		406,153	-
Accrued dividend on investment carried at FVTPL	15	(99,800)	(162,328)
Loss / (gain) on the fair valuation of initial recognition of financial assets	15	335,823	(74,108)
Fair value gain on investment held at FVTPL		30,995	-
Gain on disposal of property and equipment		-	(313)
(Increase) / decrease in operating assets			
Islamic financing receivables		83,913,509	(65,852,357)
Due from related parties		(517,079)	(2,656,049)
Prepayments and other assets		(10,316,095)	(2,366,026)
Restricted cash deposits		3,504,250	-
Decrease in operating liabilities			
Accounts payable and accruals		(9,195,685)	(8,062,968)
Cash generated from / (used in) operating activities		104,013,901	(56,270,900)
Employees' terminal benefits paid		(216,432)	(136,137)
Net cash generated from / (used in) operating activities		103,797,469	(56,407,037)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investment carried at amortized cost		3,354,119	38,377,742
Purchase of investment carried at amortized cost		-	(27,289,201)
Purchase of intangible assets		(788,827)	(304,518)
Dividend received from investment carried at FVTPL	15	99,800	162,328
Purchase of property and equipment		(13,509)	(22,050)
Proceeds from the sale of property and equipment		-	17,272
Net cash generated from investing activities		2,651,583	10,941,573
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financial facilities		225,860,613	104,500,000
Repayment of financial facilities		(251,457,105)	(63,569,422)
Net cash (used in) / generated from investing activities		(25,596,492)	40,930,578
Net increase / (decrease) in cash and cash equivalents		80,852,560	(4,534,886)
Cash and cash equivalents at the beginning of the period		37,893,920	22,773,280
Cash and cash equivalents at the end of the period		118,746,480	18,238,394
Supplemental non-cash information			
	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Islamic financing receivables written off	7	3,026,479	3,146,315

The accompanying notes 1 to 21 form part of these interim condensed financial statements.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

Alraedah Finance Company (the "Company") is a Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010314982 and unified number 7001691265 issued in Riyadh on 21 Ramadan 1432H (corresponding to 21 August 2011).

The Company has one branch in Dammam under commercial registration numbered 2050150330 dated 20 Rabi ul Awal 1443H, corresponding to 26 October 2021.

The Company is engaged in providing finance lease, finance for small and medium entities in the form of Ijara and Murabaha, and consumer finance in accordance with the approval of Saudi Central Bank ("SAMA") numbered 43/ASH/201602 issued on 30 Rabi Thani 1437 (H), corresponding to 9 February 2016 (G).

As of the reporting date, the ultimate beneficial owner of Alraedah Finance Company is Mr. Abdullah Nasser Aldawood, who holds 100% indirect ownership in the Company.

The Company's Head Office is located at the following address:

Alraedah Finance Company
Laysen Valley, Building No. 9
West Umm Al Hamam District
King Khaled Street
Riyadh 12329
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2025.

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

2.2. BASIS OF MEASUREMENT

These interim condensed financial statements are prepared under the historical cost method except for the following:

- a) Investment carried at FVOCI and FVTPL is measured at Fair value; and
- b) Assets repossessed held-for-sale measured at the lower of carrying value and fair value less cost to sell.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2025.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements i.e. 31 December 2025.

5. NEW AMENDED STANDARDS AND INTERPRETATIONS

5.1. A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements:

Standard or amendments to standard	Description	Effective for annual years beginning on or after	Summary of amendment	Management's assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	Management has performed a preliminary assessment and concluded that the adoption of these amendments does not have a material impact on the Company's financial statements.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Company's operations and contractual arrangements, management has assessed these amendments to not have a material impact on the Company's financial statements.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2. The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Standard or amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard effects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures.

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

6. RELATED PARTY TRANSACTIONS AND BALANCES

6.1. Transactions during the period

Names of Related Party	Nature of Relationship	Nature of transactions	For the three-month period ended	
			31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Alraedah Digital Solutions Company	Affiliate	Advance paid against digital services	(7,400,000)	(3,950,000)
		Services received from affiliate	2,790,962	3,354,437
		Advance settled against earned wage access	162,221	-
		End of service benefits payable for transferred employees	(152,836)	-
		Advance received against earned wage access	134,280	29,690
		Settlement of deposit for banking services	(2,000)	-
		Expenses paid on behalf of affiliate (note 6.4)	-	(2,166,866)
Alraedah Digital Holding Company	Affiliate	Expenses paid on behalf of affiliate (note 6.4)	-	(234,694)
Iqama Alraedah for Hotel Services Company	Affiliate	Income earned from operating lease	32,609	-
		Deposit for operating expenses	-	(219,000)
Alraedah Digital Services Ltd	Affiliate	Expenses paid on behalf of affiliate (note 6.4)	-	(4,673)
Alraedah Payments Company	Affiliate	End of service benefits receivable for transferred employees	611,366	-
		Expenses paid on behalf of affiliate (note 6.4)	-	(1,127)

	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Remuneration and other long-term benefits		
Key management personnel	274,958	684,523
Board of Directors and other committees	63,750	93,209
	338,708	777,732

6.2. Balances as at period / year-end

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Due from related parties			
Alraedah Digital Solutions Company		9,700,111	9,827,007
Alraedah Digital Holding Company	6.3	8,666,447	8,666,447
Alraedah Investment LLC		5,954,813	5,954,813
Iqama Alraedah for Hotel Services Company		3,658,930	3,626,321
Alraedah Payments Company		3,448,562	2,837,196
Alraedah Investment Company		673,448	673,448
Alraedah Digital Services Ltd		287,541	287,541
		32,389,852	31,872,773
Less: Provision for impairment		(679,663)	(582,854)
		31,710,189	31,289,919

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

6. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- 6.3. During 2024, Alraedah Finance Company (“the Buyer”) transferred an amount of SAR 6,000,000 (“Purchase Price”) to Alraedah Payments in connection with the intended acquisition of 600,000 shares of “Alraedah Payments Company” from Alraedah Digital Holding Company (“the Seller”) under sale and purchase agreement. The payment represents a deposit towards the acquisition of shares.

As at the reporting date:

- The legal transfer of shares has not yet been completed and is subject to the Buyer obtaining non-objection of SAMA for the transfer of ownership of such shares; and
- Legal ownership, voting rights, dividend rights, and control over Alraedah Payments have not passed to the Company.

In the event, SAMA refuses the Buyer's ownership of the payments company's shares, the Seller is obligated to return the Purchase Price amount to the Buyer within a period agreed upon by both parties, without any returns, profits, or compensation for the Purchase Price.

- 6.4. The Company has incurred certain expenses on behalf of related parties. These balances are non-interest bearing and do not carry any finance cost.

7. ISLAMIC FINANCING RECEIVABLES

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Gross receivables	1,185,745,676	1,269,387,636
Unearned finance income	(232,231,578)	(228,787,664)
	953,514,098	1,040,599,972
Deferred transaction cost	1,602,045	1,791,982
	955,116,143	1,042,391,954
Less: Provision for impairment	(26,126,765)	(18,686,338)
Net Islamic financing receivables	928,989,378	1,023,705,616

- 7.1. The Company in the ordinary course of its business holds collateral in respect of Islamic financing receivables including real-estate collaterals, assignment of receivables and Kafalah guarantees in order to mitigate the credit risk associated with them. In case of real estate collaterals, these collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.

- 7.2. Analysis of credit quality of Islamic financing receivables is as follows:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Stage 1	731,732,083	837,774,701
Stage 2	117,522,458	87,705,174
Stage 3	105,861,602	116,912,079
	955,116,143	1,042,391,954

- 7.3. The movement in the provision for impairment of Islamic financing receivables during the period is as follows:

		For the three-month	For the year
		period ended	ended
		31 March 2026	31 December 2025
	Note	(Unaudited)	(Audited)
Balance at beginning of the period / year		18,686,338	15,712,357
Provided during the period / year	7.4	10,466,906	29,504,162
Written off during the period / year		(3,026,479)	(26,530,181)
Balance at the end of the period / year		26,126,765	18,686,338

ALRAEDAH FINANCE COMPANY
(A Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in Saudi Riyals unless otherwise stated)

7. ISLAMIC FINANCING RECEIVABLES (CONTINUED)

- 7.4. During the year, a write-off of gross investment in Islamic financing receivable amounting to SR 3 million (31 December 2025: SR 29.9 million) for certain customers with an existing provision of SR 3 million (31 December 2025: SR 26.5 million). These amounts are subject to enforcement activities.
- 7.5. The Company's Islamic financing arrangements do not include variable payments.
- 7.6. The Company is not exposed to foreign currency risk as a result of the financing arrangements, as all financings are denominated in Saudi Riyals.

8. INVESTMENT CARRIED AT AMORTIZED COST

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
<i>Financial assets carried at amortized cost - unsecured</i>		
Gross investment	14,758,649	69,990,250
Additions during the period / year	-	45,865,575
Income recognized in profit or loss during the period / year	19,092	4,540,761
Matured during the period / year	(6,214,090)	(105,637,937)
	8,563,651	14,758,649
Less: Provision for impairment	(1,118,217)	(1,628,188)
Net investment carried at amortized cost	7,445,434	13,130,461

The Company has invested in financing opportunities offered through Lendo, a Shariah-compliant debt crowdfunding platform licensed by SAMA.

The Company's participation involves providing funds to selected SMEs via the platform, earning returns in the form of profit margins or fees based on agreed terms. These investments are structured as Murabaha-based financing arrangements with repayment over a short-term period up to six months. The Company earns profit at the rate of 11% - 21% annually.

- 8.1. Analysis of credit quality of Investment carried at amortized cost is as follows:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Stage 1	91,889	1,233,451
Stage 2	475,301	1,318,764
Stage 3	7,996,461	12,206,434
	8,563,651	14,758,649

- 8.2. The movement in provision for impairment for investment carried at amortized cost during the period is as follows:

		For the three-month	For the year
		period ended	ended
		31 March 2026	31 December 2025
	Note	(Unaudited)	(Audited)
Balance at the beginning of the period / year		1,628,188	63,124
Provided during the period / year		2,350,000	2,086,840
Written off during the period / year	8.3	(2,859,971)	(521,776)
Balance at the end of the period / year		1,118,217	1,628,188

- 8.3. During the year, a write-off of gross investment in investment carried at amortized cost amounting to SR 2.9 million (31 December 2025: SR 0.5 million) for certain customers with an existing provision of SR 2.9 million (31 December 2025: SR 0.1 million). These amounts are subject to enforcement activities.

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9. ASSETS REPOSSESSED HELD FOR SALE

During 2022, the Company acquired a real estate property (hotel) including its moveable assets against defaulted Islamic financing receivables. The real estate property valuations had been conducted by two independent valuers who hold memberships of Saudi Authority for Accredited Valuers and per both of them the market value of the repossessed assets is more than the carrying value of the related Islamic financing receivables. Accordingly, the repossessed assets had been recognized at the carrying value of Islamic financing receivables amounting to SR 55.7 million.

The Company entered into an operating lease agreement with Iqama Alraedah for Hotel Services, an entity under common control. This related party was established with the primary objective of engaging with the hotel management company to ensure that the hotel remains operational and well-maintained while it is actively marketed for sale. The Company leased this hotel to this related party for a term of three years ending in 2026 at agreed annual lease payments amounting to SR 130,434, which is below market rates. This lease arrangement was not intended to generate a market-based return but rather to preserve the operational status of the hotel, ensuring its attractiveness to potential buyers. The Company acknowledges that the lease agreement does not reflect an arm's length transaction.

The lease arrangement is non-binding in nature, and either party may terminate the agreement at any time without significant penalty. As such, the contractual term does not necessarily represent the enforceable period of the lease.

10. SHARE CAPITAL

The Company's issued, subscribed and paid-up share capital of SR 150,000,000 is divided into 15,000,000 equity shares of SR 10 each fully subscribed and paid, and distributed among shareholders as follows:

Shareholder	31 March 2026		
	Holding %	No. of Shares	Amount (SAR)
Alraedah Digital Holding Company	100	15,000,000	150,000,000

Shareholders	31 December 2025		
	Holding %	No. of Shares	Amount (SAR)
Abdullah Al Dawood	99	14,850,000	148,500,000
Alraedah Investment Company	1	150,000	1,500,000
	100	15,000,000	150,000,000

11. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period / year	5,644,487	9,075,185
Provided during the period / year	1,314,701	5,840,931
Payment during the period / year	-	(9,271,629)
Balance at the end of the period / year	6,959,188	5,644,487

Status of Assessments

The Company duly submitted its zakat returns for the previous periods and has not received any assessment from ZATCA. The Company has submitted its Zakat declaration to ZATCA for the year ended 31 December 2024 and has obtained the certificate valid until 13 Dhu'l-Qi'dah 1447H corresponding to 30 April 2026.

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12. FINANCIAL FACILITIES

The table below shows the details of the financial facilities obtained by the Company:

	Notes	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Murabaha financing	12.3, 12.4	602,939,903	586,335,946
Musharakah financing		183,201,280	204,801,009
Below market rate financing	12.2	84,617,518	88,855,359
		870,758,701	879,992,314

12.1. Maturity profile – long term

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current portion	336,252,631	347,631,664
Non-current portion	534,506,070	532,360,650
	870,758,701	879,992,314

- 12.2.** The Company has signed borrowing agreements with Tourism Development Fund (“TDF”) amounting SR 50 million during July 2024 and SR 50 million during September 2025 respectively. The borrowings carry profit rates that are significantly lower than the prevailing market rate which is discounted using average market prevailing profit rates for similar financing facilities. The difference between financing received and its present value is recorded as a government grant and has been accounted for as per the requirements of IFRS. Such benefit was recognized, on meeting the conditions attached to the grant on a systematic basis against the expense for which such grant is intended to compensate, in profit or loss and other comprehensive income.
- 12.3.** During the period, the Company entered into a financial facility agreement with Small & Medium Enterprises Bank (“SME Bank”) and subsequently obtained financing amounting to SR 200 million. The facility carries a profit rate at prevailing market rates and is secured by an assignment of receivables.
- 12.4.** The Company has obtained financing facilities amounting to SR 25 million from local Islamic banks to support its working capital requirements. These facilities bear finance costs at prevailing market rates. The facilities are secured by an assignment of receivables. In addition, the Company maintains restricted cash deposits as collateral against certain of these facilities.
- 12.5.** Furthermore, the Company maintains a strong liquidity position and has sufficient funding sources to meet its financial obligations.
- 12.6.** During the period, the Company has breached the leverage ratio covenant stipulated in one of its Murabaha financing agreements. However, the Company obtained a formal waiver from the concerned bank in relation to this covenant breach.

13. FINANCE COST

	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Islamic financial facilities:		
- Murabaha	10,960,091	8,791,605
- Musharakah	4,035,743	4,743,221
- Below market rate financing	1,647,038	1,525,899
Lease liabilities	209,655	-
Bank charges	80,853	72,449
	16,933,380	15,133,174

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14. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Note	For the three-month period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Impairment on Murabaha receivables	7.3	10,466,906	4,000,371
Impairment on investment carried at amortized cost	8.2	2,350,000	-
Impairment loss on balances due from related parties	6.2	96,809	-
		12,913,715	4,000,371

15. OTHER INCOME

	Notes	For the three-month period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Write off recoveries		5,985,382	377,521
Agency fee income	17	887,562	887,562
Facility fees from fiduciary activities	17	713,097	489,100
Government grant income	12.2	360,846	848,255
Income from investment held at fair value through profit or loss		99,800	162,328
Others		178,587	355,388
		8,225,274	3,120,154

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial assets consist of cash and bank balances, investment, Islamic financing receivables, restricted cash deposits and other receivables. Its financial liabilities consist of trade payables, financial facilities, and other liabilities.

The Company's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement.

All financial assets and liabilities are measured at amortized cost except investment carried at FVOCI and investment held at fair value through profit or loss. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

31 March 2026 (Unaudited)	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
FVOCI designated				
Investment carried at FVOCI	-	-	892,850	892,850
FVTPL				
Investment held at fair value through profit or loss	-	-	4,995,000	4,995,000
31 December 2025 (Audited)				
FINANCIAL ASSET				
FVOCI designated				
Investment carried at FVOCI	-	-	892,850	892,850
FVTPL				
Investment held at fair value through profit or loss	-	-	5,025,995	5,025,995

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16. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The above financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets / financial liabilities	Valuation technique(s) and key input(s)	Source	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Investment carried at FVOCI	Cost	N/A	N/A	N/A
Investment held at FVTPL	Net Asset Value	Fund Manager Report	N/A	N/A

Investments classified at FVTPL are not quoted in active markets. Accordingly, their fair value is determined using valuation techniques that incorporate unobservable inputs. The valuation is based on the underlying financing assets held by the Fund, for which amortized cost is considered a reasonable proxy for fair value.

As a result, these investments are classified within Level 3 of the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the period.

17. ASSETS HELD UNDER FIDUCIARY CAPACITY

The funds of Alraedah Fund for Financing (the Fund), a closed-end fund managed by Saudi Kuwaiti Finance House (SKFH), are managed in a fiduciary capacity without risk or recourse to the Company. These financings are generated by the Company on behalf of SKFH and do not bear any credit risk to the Company. Accordingly, these assets are considered as off-balance sheet items and do not constitute part of the Company's assets. These represent:

- a) Investment assets of the Fund managed by the Company amounting to SR 199.4 million as at 31 March 2026; and
- b) The Fund's cash account amounting to SR 3.5 million as at 31 March 2026.

The Company also holds an investment in the Fund, which is measured at fair value through profit or loss. As of 31 March 2026, the fair value of this investment amounted to SR 4.995 million (31 December 2025: SR 5.03 million).

The Company earns agency fee income at 1.75% per annum of the fund balance.

The Company also earns application fees under this arrangement which is recognized when the funding has been provided to the customers.

18. RECLASSIFICATION OF PRIOR PERIOD FIGURES

Certain comparative information has been reclassified to conform the current period presentation.

19. CONTINGENCIES AND COMMITMENTS

Commitments

The Company has no material commitments as at 31 March 2026 and 31 December 2025.

Contingencies

The Company has no material contingencies as at 31 March 2026 and 31 December 2025.

20. SUBSEQUENT EVENTS

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

21. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved and authorized for issue on 10 Dhul Qidah 1447H (corresponding to 27 April 2026) by the Board of Directors of the Company.