**ALRAEDAH FINANCE COMPANY**
**(A Joint Stock Company)**
**INTERIM CONDENSED FINANCIAL STATEMENTS**
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2026 AND**
**INDEPENDENT AUDITOR'S REVIEW REPORT**

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PKF Al-Bassam
Chartered Accountants

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

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



## INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of Alraedah Finance Company (the "Company") as of 30 September 2026 which comprise:

- The interim condensed statement of financial position as at 30 September 2026;
- The interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended;
- The interim condensed statement of changes in equity for the nine-month period then ended;
- The interim condensed statement of cash flows for the nine-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.



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PKF Al-Bassam
Chartered Accountants

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

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



## 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.

**PKF Al-Bassam**
**Chartered Accountants**



Abdulelilah Albassam
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Corresponding to: 28 October 2026






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**ALRAEDAH FINANCE COMPANY**
**(A Joint Stock Company)**
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 SEPTEMBER 2026**
**(All amounts in Saudi Riyals unless otherwise stated)**

| | Note | 30 September 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | | **12,032,073** | 37,893,920 |
| Prepayments and other receivables | | **43,107,328** | 36,008,219 |
| Due from related parties | 6 | **30,480,212** | 31,289,919 |
| Net Islamic financing receivables | 7 | **1,026,527,977** | 1,023,705,616 |
| Investment carried at amortized cost | 8 | **394,365** | 13,130,461 |
| Investment held at fair value through profit or loss ("FVTPL") | | **3,386,187** | 5,025,995 |
| Repossessed assets held for sale | 9 | **55,710,789** | 55,710,789 |
| Restricted cash deposit | | **-** | 3,654,250 |
| Right-of-use assets | | **10,065,044** | 12,178,702 |
| Property and equipment | | **510,271** | 1,084,343 |
| Intangible assets | | **19,394,881** | 18,541,747 |
| Investment carried at fair value through other comprehensive income ("FVOCI") | | **892,850** | 892,850 |
| **TOTAL ASSETS** | | **1,202,501,977** | 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 | | **125,338,518** | 116,524,988 |
| Actuarial reserve | | **(758,296)** | (758,296) |
| **TOTAL EQUITY** | | **293,947,448** | 285,133,918 |
| **LIABILITIES** | | | |
| Accounts payable and accruals | | **32,163,887** | 52,116,063 |
| Zakat payable | 11 | **3,897,469** | 5,644,487 |
| Lease liability | | **8,974,064** | 11,566,252 |
| Financial facilities | 12 | **859,048,285** | 879,992,314 |
| Employees' terminal benefits | | **4,470,824** | 4,663,777 |
| **TOTAL LIABILITIES** | | **908,554,529** | 953,982,893 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,202,501,977** | 1,239,116,811 |
| **CONTINGENCIES AND COMMITMENTS** | 21 | **-** | - |

The accompanying notes 1 to 23 form part of these interim condensed financial statements.

**ALRAEDAH FINANCE COMPANY**
**(A Joint Stock Company)**
**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2026**
**(All amounts in Saudi Riyals unless otherwise stated)**

| | Note | For the three-month period ended | | For the nine-month period ended | |
|---|---|---|---|---|---|
| | | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Finance income from net Islamic financing receivables | | **45,522,968** | 48,856,825 | **129,874,261** | 133,706,051 |
| Processing fees from net Islamic financing receivables | | **2,413,112** | 3,699,718 | **9,246,882** | 7,942,832 |
| Finance income from investment carried at amortized cost | | **-** | 644,658 | **19,092** | 4,339,521 |
| Finance cost | 13 | **(16,117,784)** | (17,835,206) | **(48,381,062)** | (48,963,391) |
| **NET FINANCING INCOME** | | **31,818,296** | 35,365,995 | **90,759,173** | 97,025,013 |
| General and administrative expenses | 14 | **(13,554,125)** | (17,125,728) | **(47,573,349)** | (54,394,260) |
| Selling and marketing expenses | 15 | **(2,208,870)** | (4,666,405) | **(9,182,402)** | (13,490,792) |
| Impairment losses on financial assets | 16 | **(9,556,786)** | (7,410,743) | **(45,334,076)** | (16,906,765) |
| Gain on derecognition of financial asset | 17 | **-** | **-** | **17,137,431** | **-** |
| Other income | 18 | **3,148,355** | 5,081,528 | **15,476,906** | 12,202,048 |
| **NET INCOME BEFORE ZAKAT** | | **9,646,870** | 11,244,647 | **21,283,683** | 24,435,244 |
| Zakat | 11 | **(1,642,004)** | (2,253,775) | **(3,970,153)** | (4,490,376) |
| **NET INCOME FOR THE PERIOD** | | **8,004,866** | 8,990,872 | **17,313,530** | 19,944,868 |
| Other comprehensive income for the period | | **-** | - | **-** | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **8,004,866** | 8,990,872 | **17,313,530** | 19,944,868 |

The accompanying notes 1 to 23 form part of these interim condensed financial statements.

**ALRAEDAH FINANCE COMPANY**
**(A Joint Stock Company)**
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2026**
**(All amounts in Saudi Riyals unless otherwise stated)**

**For the nine-month period ended**

**30 September 2026**

| | Share capital | Statutory reserve | Retained earnings | Actuarial reserve | Total equity |
|---|---|---|---|---|---|
| **Balance as at 31 December 2025 (Audited)** | **150,000,000** | **19,367,226** | **116,524,988** | **(758,296)** | **285,133,918** |
| Total comprehensive income for the period | **-** | **-** | **17,313,530** | **-** | **17,313,530** |
| Dividend paid during the period (note 10) | **-** | **-** | **(8,500,000)** | **-** | **(8,500,000)** |
| **Balance as at 30 September 2026 (Unaudited)** | **150,000,000** | **19,367,226** | **125,338,518** | **(758,296)** | **293,947,448** |

**For the nine-month period ended**

**30 September 2025**

| | Share capital | Statutory reserve | Retained earnings | Actuarial reserve | Total equity |
|---|---|---|---|---|---|
| **Balance as at 31 December 2024 (Audited)** | 150,000,000 | 19,367,226 | 94,041,400 | (529,989) | 262,878,637 |
| Total comprehensive income for the period | - | - | 19,944,868 | - | 19,944,868 |
| **Balance as at 30 September 2025 (Unaudited)** | 150,000,000 | 19,367,226 | 113,986,268 | (529,989) | 282,823,505 |

The accompanying notes 1 to 23 form part of these interim condensed financial statements.

**ALRAEDAH FINANCE COMPANY**
**(A Joint Stock Company)**
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2026**
**(All amounts in Saudi Riyals unless otherwise stated)**

| | Note | For the nine-month period ended 30 September 2026 (Unaudited) | 30 September 2025 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Net income before zakat** | | **21,283,683** | 24,435,244 |
| *Adjustments for:* | | | |
| Finance cost | 13 | **48,381,062** | 48,963,391 |
| Impairment losses on financial assets | 16 | **45,334,076** | 16,906,765 |
| Amortization of intangible assets | | **2,279,273** | 1,235,966 |
| Depreciation of right-of-use assets | | **2,113,658** | 1,617,550 |
| Provision for employees' terminal benefits | | **1,275,762** | 1,640,610 |
| Depreciation of property and equipment | | **623,424** | 1,338,978 |
| Fair value loss/(gain) on investment held at fair value through profit or loss | | **200,343** | (39,994) |
| Loss / (gain) on the fair valuation of initial recognition of financial assets | | **101,257** | (1,795,245) |
| Gain on disposal of property and equipment | | **(7,116)** | (313) |
| Finance income from investment carried at amortized cost | 8 | **(19,092)** | (4,339,521) |
| Employees' terminal benefits transferred during the period | | **(406,153)** | - |
| Government grant income | 18 | **(794,524)** | (929,023) |
| **(Increase) / decrease in operating assets** | | | |
| Restricted cash deposit | | **3,654,250** | - |
| Due from related parties | | **676,359** | (9,422,344) |
| Prepayments and other receivables | | **(7,099,109)** | 5,209,979 |
| Net Islamic financing receivables | | **(41,086,617)** | (173,105,221) |
| **Decrease in operating liabilities** | | | |
| Accounts payable and accruals | | **(19,952,176)** | (12,487,356) |
| **Cash generated from / (used in) operations** | | **56,558,360** | (100,770,534) |
| Employees' terminal benefits paid | | **(1,062,562)** | (1,939,195) |
| Zakat paid | 11 | **(5,717,171)** | (9,271,629) |
| **Net cash generated from / (used in) operating activities** | | **49,778,627** | (111,981,358) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from investment carried at amortized cost | 8 | **5,717,459** | 95,664,455 |
| Purchase of investment carried at amortized cost | | **-** | (45,676,932) |
| Proceeds from investment carried at FVTPL | | **1,439,465** | - |
| Proceeds from sale of property and equipment | | **9,918** | 17,272 |
| Purchase of property and equipment | | **(52,154)** | (18,919) |
| Purchase of intangible assets | | **(3,132,407)** | (6,179,296) |
| **Net cash generated from investing activities** | | **3,982,281** | 43,806,580 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from financial facilities | | **377,548,554** | 314,300,000 |
| Lease liabilities paid | | **(3,150,540)** | (3,150,540) |
| Dividend paid | 10 | **(8,500,000)** | - |
| Repayment of financial facilities | | **(445,520,769)** | (221,822,994) |
| **Net cash (used in) / generated from financing activities** | | **(79,622,755)** | 89,326,466 |
| **Net change in cash and cash equivalents** | | **(25,861,847)** | 21,151,688 |
| Cash and cash equivalents at beginning of the period | | **37,893,920** | 22,773,280 |
| **Cash and cash equivalents at end of the period** | | **12,032,073** | 43,924,968 |

| **Supplemental non-cash information** | Note | 30 September 2026 | 30 September 2025 |
|---|---|---|---|
| Net Islamic financing receivables written off | 7.3 | **23,894,750** | 18,721,995 |
| Investment carried at amortized cost written off | 8.2 | **8,270,365** | - |

The accompanying notes 1 to 23 form part of these interim condensed financial statements.

## 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 number 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 by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The results for the nine-month period ended 30 September 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 basis except for the following:

a) Investment carried at FVOCI and FVTPL are measured at Fair value; and
b) Repossessed assets held-for-sale are measured at the lower of carrying amount and fair value less costs 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 for the year ended 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.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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. for the year ended 31 December 2025.

## 5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

**5.1.** A number of new amendments to standards, listed 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. |

## 5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

**5.2.** The Company has not applied the following standards and amendments 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 affects 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 assessing the impact of IFRS 18. The standard is expected to have a material impact on the presentation of the statement of profit or loss and related disclosures, including the classification of income and expenses, required subtotals, and management-defined performance measures. It is not expected to materially affect the recognition or measurement of the Company's assets, liabilities, income or expenses. |

## 6. RELATED PARTY TRANSACTIONS AND BALANCES

### 6.1. Transactions during the period

| Name of related party | Nature of relationship | Nature of transactions | For the nine-month period ended 30 September 2026 (Unaudited) | 30 September 2025 (Unaudited) |
|---|---|---|---|---|
| Alraedah Digital Solutions Company | Affiliate | Advance paid against digital services | **(17,383,000)** | (11,205,000) |
| | | Services received from affiliate | **8,155,750** | 7,076,488 |
| | | Advance settled against earned wage access | **(381,896)** | (306,617) |
| | | Employee's terminal benefits payable for transferred employees | **194,076** | 1,547,021 |
| | | Advance received against earned wage access | **417,922** | 288,012 |
| | | Amount settled by affiliate | **260,000** | - |
| | | Settlement of deposit for banking services | **2,000** | - |
| | | Expenses paid on behalf of affiliate | - | (5,243,677) |
| Alraedah Digital Holding Company | Affiliate | Dividend paid (note 10) | **(8,500,000)** | - |
| | | Amount settled by affiliate | **723,481** | - |
| | | Expenses paid on behalf of affiliate | - | (1,219,497) |
| Iqama Alraedah for Hotel Services Company | Affiliate | Expenses paid on behalf of affiliate | - | (512,844) |
| | | Income earned from operating lease | **65,217** | 97,826 |
| Alraedah Digital Services Ltd | Affiliate | Expenses paid on behalf of affiliate | - | (10,885) |
| | | Furniture transferred to affiliate | - | (10,072) |
| Alraedah Payments Company | Affiliate | End of service benefits receivable for transferred employees | **611,366** | 489,180 |
| | | Expenses paid on behalf of affiliate | - | (354,471) |
| | | Amount paid/settled by affiliate | **528,456** | 137,844 |
| Alraedah Investment L.L.C (UAE) | Affiliate | Amount settled by affiliate | **12,225** | - |
| Alraedah Investment Company | Affiliate | Amount settled by affiliate | **14,600** | - |

| Remuneration and other long-term benefits | For the nine-month period ended 30 September 2026 (Unaudited) | 30 September 2025 (Unaudited) |
|---|---|---|
| Key management personnel | **1,179,009** | 2,060,059 |
| Board of Directors and other committees | **191,250** | 150,000 |
| | **1,370,259** | 2,210,059 |

## 6. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### 6.2. Balances as at period / year-end

| | Note | 30 September 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|---|
| **Due from related parties** | | | |
| Alraedah Digital Solutions Company | | **9,752,827** | 9,827,007 |
| Alraedah Digital Holding Company | 6.4 | **7,942,966** | 8,666,447 |
| Alraedah Investment LLC | | **5,942,588** | 5,954,813 |
| Iqama Alraedah for Hotel Services Company | | **3,691,538** | 3,626,321 |
| Alraedah Payments Company | | **2,920,106** | 2,837,196 |
| Alraedah Investment Company | | **658,848** | 673,448 |
| Alraedah Digital Services Ltd | | **287,541** | 287,541 |
| | | **31,196,414** | 31,872,773 |
| Less: Provision for impairment | | **(716,202)** | (582,854) |
| | | **30,480,212** | 31,289,919 |

**6.3.** The movement in the provision for impairment during the period is as follows:

| | For the nine-month period ended 30 September 2026 (Unaudited) | For the year ended 31 December 2025 (Audited) |
|---|---|---|
| Balance at beginning of the period / year | **582,854** | - |
| Provided during the period / year | **133,348** | 582,854 |
| Balance at the end of the period / year | **716,202** | 582,854 |

**6.4.** This balance includes an amount of SR 6,000,000 relating to a transaction whereby Alraedah Finance Company ("the Buyer") transferred funds to Alraedah Payments Company, on behalf of Alraedah Digital Holding Company ("the Seller"), in connection with the intended acquisition of 600,000 shares in Alraedah Payments Company from Alraedah Digital Holding Company under a Sale and Purchase Agreement. The payment represents a deposit towards the proposed acquisition of the shares.

The legal transfer of the shares was not completed as the required regulatory approval for the transfer of ownership was not obtained.

Due to the Shareholder's intention to acquire the license for the payment activity under Alraedah Finance Company, the Shareholder, in its meeting held on 10 May 2026, approved the termination of the Sale and Purchase Agreement at a General Assembly meeting for the proposed acquisition of shares in Alraedah Payments Company. As a result, the deposited amount will be reimbursed.

On 4 October 2026, Alraedah Finance Company received preliminary regulatory approval to complete the licensing requirements to provide payment services as a Major Payment Institution ("Major PI"). The Company is currently undergoing the process of meeting the requirements to obtain the final license, which include:

a) amendment of the Company's business activity and submission of the related documents to the regulators; and

b) fulfilment of the licensing readiness requirements.

As at the date of these interim condensed financial statements, the final license has not yet been granted.

## 7. NET ISLAMIC FINANCING RECEIVABLES

| | 30 September 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|
| Gross receivables | **1,341,301,824** | 1,269,387,636 |
| Unearned finance income | **(282,534,676)** | (228,787,664) |
| | **1,058,767,148** | 1,040,599,972 |
| Deferred transaction cost | **715,416** | 1,791,982 |
| | **1,059,482,564** | 1,042,391,954 |
| Less: Provision for impairment | **(32,954,587)** | (18,686,338) |
| Net Islamic financing receivables | **1,026,527,977** | 1,023,705,616 |

**7.1.** The Company in the ordinary course of its business holds collateral in respect of net 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 net Islamic financing receivables is as follows:

| | As at 30 September 2026 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Carrying amount before ECL | **870,178,958** | **104,640,143** | **84,663,463** | **1,059,482,564** |
| ECL | **3,687,321** | **1,545,089** | **27,722,177** | **32,954,587** |
| % | **0.42%** | **1.48%** | **32.74%** | **3.11%** |

| | As at 31 December 2025 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Carrying amount before ECL | 837,774,701 | 87,705,174 | 116,912,079 | 1,042,391,954 |
| ECL | 3,953,171 | 850,825 | 13,882,342 | 18,686,338 |
| % | 0.47% | 0.97% | 11.87% | 1.79% |

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

| | Note | For the nine-month period ended 30 September 2026 (Unaudited) | For the year ended 31 December 2025 (Audited) |
|---|---|---|---|
| Balance at beginning of the period / year | | **18,686,338** | 15,712,357 |
| Provided during the period / year | | **38,162,999** | 29,504,162 |
| Written off during the period / year | 7.4 | **(23,894,750)** | (26,530,181) |
| Balance at the end of the period / year | | **32,954,587** | 18,686,338 |

**7.4.** During the period, the company wrote off gross Islamic financing receivables amounting to SR 26.8 million (31 December 2025: SR 29.9 million) approved by the Chief Executive Officer in accordance with the policy approved by the Board of Directors, relating to certain customers with an existing provision of SR 23.9 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

| *Financial assets carried at amortized cost - unsecured* | Note | For the nine-month period ended 30 September 2026 (Unaudited) | For the year ended 31 December 2025 (Audited) |
|---|---|---|---|
| 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 |
| Written off during the period / year | 8.2 | **(8,270,365)** | (521,776) |
| Matured during the period / year | | **(5,717,459)** | (105,116,161) |
| | | **789,917** | 14,758,649 |
| Less: Provision for impairment | | **(395,552)** | (1,628,188) |
| Net investment carried at amortized cost | | **394,365** | 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.

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

| | As at 30 September 2026 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Carrying amount before ECL | **-** | **-** | **789,917** | **789,917** |
| ECL | **-** | **-** | **395,552** | **395,552** |
| % | **-** | **-** | **50.08%** | **50.08%** |

| | As at 31 December 2025 | | | |
|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Carrying amount before ECL | 1,233,451 | 1,318,764 | 12,206,434 | 14,758,649 |
| ECL | 421 | 14,847 | 1,612,920 | 1,628,188 |
| % | 0.03% | 1.13% | 13.21% | 11.03% |

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

| | Note | For the nine-month period ended 30 September 2026 (Unaudited) | For the year ended 31 December 2025 (Audited) |
|---|---|---|---|
| Balance at the beginning of the period / year | | **1,628,188** | 63,124 |
| Provided during the period / year | | **7,037,729** | 2,086,840 |
| Written off during the period / year | 8.3 | **(8,270,365)** | (521,776) |
| Balance at the end of the period / year | | **395,552** | 1,628,188 |

**8.3.** During the period, the Company wrote off gross investment carried at amortized cost amounting to SR 8.3 million (31 December 2025: SR 0.5 million) approved by the Chief Executive Officer in accordance with the policy approved by the Board of Directors, for certain customers with an existing provision of SR 8.3 million (31 December 2025: SR 0.1 million). These amounts are subject to enforcement activities.

## 9. REPOSSESSED ASSETS HELD FOR SALE

During 2022, the Company acquired a real estate property (hotel) including its moveable assets against defaulted net Islamic financing receivables. The real estate property was valued by two independent valuers who hold accreditation by Saudi Authority for Accredited Valuers and according to both valuations the market value of the repossessed assets is more than the carrying value of the related net Islamic financing receivables. Accordingly, the repossessed assets had been recognized at the carrying value of net 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:

| | 30 September 2026 | | |
|---|---|---|---|
| **Shareholder** | **Holding %** | **No. of Shares** | **Amount (SR)** |
| Alraedah Digital Holding Company | **100** | **15,000,000** | **150,000,000** |

| | 31 December 2025 | | |
|---|---|---|---|
| **Shareholders** | **Holding %** | **No. of Shares** | **Amount (SR)** |
| 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 |

Effective 1 February 2026, the Company's ownership structure was reorganized as part of an internal group restructuring. The shares previously held by Mr. Abdullah Al Dawood (99%) and Alraedah Investment Company (1%) were transferred to Alraedah Digital Holding Company, resulting in Alraedah Digital Holding Company becoming the sole shareholder of the Company.

The transaction represents a reorganization within the Group and did not result in a change in the ultimate controlling party. Accordingly, the transfer is considered a common control transaction. The change affected only the Company's legal ownership structure and did not impact its operations, assets, liabilities, or financial position.

During the period, the Board of Directors, at their meeting held on 17 June 2026 recommended a dividend of SR 0.56667 per share amounting to SR 8.5 million which has been duly approved by the shareholder on 21 June 2026 and was paid during the period.

## 11. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

| | **For the nine-month period ended 30 September 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 | **4,093,913** | 5,840,931 |
| Prior period credit | **(123,760)** | - |
| Payment during the period / year | **(5,717,171)** | (9,271,629) |
| Balance at the end of the period / year | **3,897,469** | 5,644,487 |

## 11. PROVISION FOR ZAKAT (CONTINUED)

**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 2025 and has obtained the certificate valid until 23 Dhu'l-Qi'dah 1448H corresponding to 30 April 2027.

## 12. FINANCIAL FACILITIES

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

| | Notes | 30 September 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|---|
| *Financial facilities – Unsecured:* | | | |
| Musharakah financing | | **140,113,745** | 204,801,009 |
| | | **140,113,745** | 204,801,009 |
| *Financial facilities – Secured:* | | | |
| Murabaha financing | 12.3, 12.4 | **643,680,038** | 586,335,946 |
| Below market rate financing | 12.2 | **75,254,502** | 88,855,359 |
| | | **718,934,540** | 675,191,305 |
| | | **859,048,285** | 879,992,314 |

### 12.1. Maturity profile

| | 30 September 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|
| Current portion | **363,818,615** | 347,631,664 |
| Non-current portion | **495,229,670** | 532,360,650 |
| | **859,048,285** | 879,992,314 |

**12.2.** The Company has signed borrowing agreements with Tourism Development Fund ("TDF") amounting to 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. During the period, the Company made payments amounting to SR 16.7 million.

**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. During the period, the Company made payments amounting to SR 6.5 million.

**12.4.** The Company has obtained financing facilities amounting to SR 177.5 million from local Islamic banks to support its working capital requirements. These facilities bear finance costs at prevailing market rates.

**12.5.** Furthermore, management has assessed the Company's liquidity position and available funding sources and concluded that the Company is able to meet its obligations as they fall due.

**12.6.** The facility agreements include covenants which, among other things, require the Company to maintain certain financial ratios. As of 30 September 2026, the Company is in compliance with the covenants for all the financial facilities.

## 13. FINANCE COST

| | For the nine-month period ended | |
|---|---|---|
| | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Islamic financial facilities: | | |
| - Murabaha | **31,634,950** | 30,646,350 |
| - Musharakah | **10,769,624** | 14,238,790 |
| - Below market rate financing | **4,790,741** | 3,454,337 |
| Lease liabilities | **558,352** | 372,714 |
| Bank charges | **627,395** | 251,200 |
| | **48,381,062** | 48,963,391 |

## 14. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the nine-month period ended | |
|---|---|---|
| | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Salaries and employees' related cost | **21,988,231** | 24,020,241 |
| Professional and legal fees | **9,241,818** | 11,664,637 |
| Subscriptions | **3,928,507** | 2,969,992 |
| Depreciation and amortization | **5,016,355** | 4,192,494 |
| Utilities and IT infrastructure | **1,936,454** | 3,341,824 |
| Insurance | **1,524,369** | 2,037,952 |
| Office expense and rent | **1,320,518** | 1,773,005 |
| Loss on foreign exchange | **970,550** | - |
| Governmental dues | **492,288** | 2,170,155 |
| VAT and WHT expenses | **330,838** | 605,827 |
| Other operating expenses | **823,421** | 1,618,133 |
| | **47,573,349** | 54,394,260 |

## 15. SELLING AND MARKETING EXPENSES

| | For the nine-month period ended | |
|---|---|---|
| | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Salaries and employees' related cost | **5,882,364** | 9,041,455 |
| Sales commission | **2,150,370** | 2,051,297 |
| Advertising and marketing expenses | **1,149,668** | 2,398,040 |
| | **9,182,402** | 13,490,792 |

## 16. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

| | | For the nine-month period ended | |
|---|---|---|---|
| | **Note** | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Impairment loss on net Islamic financing receivables | 7.3 | **38,162,999** | 15,406,765 |
| Impairment on investment carried at amortized cost | 8.2 | **7,037,729** | 1,500,000 |
| Impairment loss on balances due from related parties | 6.3 | **133,348** | - |
| | | **45,334,076** | 16,906,765 |

## 17. GAIN ON DERECOGNITION OF FINANCIAL ASSET

During the period, the Company entered into a termination arrangement relating to finance facilities previously granted to its financing customer. The termination arrangement involved a third-party acquiring assets of the financing customer, resulting in the Company receiving cash consideration of SR 33.5 million under the arrangement, compared with the carrying amount of the related finance receivable at that date of SR 16.4 million. Consequently, the Company recognized a net gain of SR 17.1 million on termination, after considering related expected credit loss allowance, within profit or loss for the nine-month period ended 30 September 2026.

Upon receipt of the agreed termination amount, all guarantees and asset encumbrances were released, and the Company no longer retained any contractual rights to receive future cash flows from the financing customer. Accordingly, the related finance receivable was derecognized in accordance with IFRS 9 as the contractual rights to the cash flows expired.

## 18. OTHER INCOME

| | Note | For the nine-month period ended | |
|---|---|---|---|
| | | **30 September 2026 (Unaudited)** | **30 September 2025 (Unaudited)** |
| Write-off recoveries | | **10,904,191** | 2,915,789 |
| Agency fee income | 20 | **2,662,686** | 2,662,686 |
| Facility fees from fiduciary activities | 20 | **705,597** | 2,224,362 |
| Gain on unwinding of fair valuation of financial assets | | **-** | 1,795,245 |
| Government grant income | 12.2 | **794,524** | 929,023 |
| Income from investment held at fair value through profit or loss | | **265,615** | 385,995 |
| (Loss) / gain on fair valuation of financial assets | | **(301,600)** | 39,994 |
| Others | | **445,893** | 1,248,954 |
| | | **15,476,906** | 12,202,048 |

## 19. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial assets consist of cash and bank balances, investments, due from related parties, net Islamic financing receivables, 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 their fair values.

| **30 September 2026 (Unaudited)** | **Fair value Level** | | | |
|---|---|---|---|---|
| | **1** | **2** | **3** | **Total** |
| **FINANCIAL ASSET** | | | | |
| **FVOCI designated** | | | | |
| Investment carried at FVOCI | **-** | **-** | **892,850** | **892,850** |
| **FVTPL** | | | | |
| Investment held at fair value through profit or loss | **-** | **3,386,187** | **-** | **3,386,187** |

| **31 December 2025 (Audited)** | **Fair value Level** | | | |
|---|---|---|---|---|
| | **1** | **2** | **3** | **Total** |
| **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 |

## 19. 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 |

Investment classified as 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, this investment is classified within Level 3 of the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the period.

## 20. 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 136.7 million as at 30 September 2026; and
b) The Fund’s cash account amounting to SR 66.2 million as at 30 September 2026.

The Company also holds an investment in the Fund, which is measured at fair value through profit or loss. As of 30 September 2026, the fair value of this investment amounted to SR 3.4 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.

## 21. CONTINGENCIES AND COMMITMENTS

**Commitments**
The Company has no material commitments as at 30 September 2026 and 31 December 2025.

**Contingencies**
The Company has no material contingencies as at 30 September 2026 and 31 December 2025.

## 22. 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 except for those mentioned in note 6.4.

## 23. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved and authorized for issue on 16 Jumada Al-Awwal 1448H (corresponding to 27 October 2026) by the Board of Directors of the Company.