DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended
June 30, 2025
with
INDEPENDENT AUDITOR'S REPORT

DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended June 30, 2025

KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
مركز زهران للأعمال
شارع الأميرسلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Dar Al Etiman Al Saudi Company

Introduction

We have reviewed the accompanying June 30, 2025 condensed interim financial statements of Dar Al Etiman Al Saudi Company ("the Company") which comprises:

- the condensed statement of financial position as at June 30, 2025;
- the condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2025;
- the condensed statement of changes in equity for the six-month period ended June 30, 2025;
- the condensed statement of cash flows for the six-month period ended June 30, 2025; and
- the notes to the condensed interim financial statements.

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

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 June 30, 2025 condensed interim financial statements of Dar Al Etiman Al Saudi Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, July 28, 2025
Corresponding to Safar 3, 1447H

DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION
As at June 30, 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
ASSETS			
Cash and cash equivalents	4	**5,378,131**	5,894,415
Net investment in finance leases	5	**286,338,149**	294,359,991
Personal financing receivables	6	**125,210**	109,222
Prepayments and other receivables	7	**14,877,306**	15,820,747
Zakat refundable	13	**3,287,628**	3,941,720
Financial asset at fair value through other comprehensive income		**892,850**	892,850
Property and equipment		**1,764,279**	854,816
Total assets		312,663,553	321,873,761
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	8	**100,000,000**	100,000,000
Statutory reserve	9	**6,929,380**	6,929,380
Retained earnings		**27,301,040**	24,791,903
Actuarial gain on employees' defined benefit obligations		**274,030**	274,030
Total shareholders' equity		**134,504,450**	131,995,313
Liabilities			
Trade and other payables	10	**137,771,911**	175,176,262
Accrued and other liabilities	11	**10,359,950**	10,239,550
Short term loan	12	**24,683,963**	--
Net servicing liability under agency agreement	18	**627,321**	1,121,522
Employees' defined benefit obligations		**4,715,958**	3,341,114
Total liabilities		**178,159,103**	189,878,448
Total shareholders' equity and liabilities		**312,663,553**	321,873,761

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes 1 to 19 form an integral part of these condensed interim financial statements.

DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and six-month periods ended June 30, 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

		Three-month periods ended June 30,		Six-month periods ended June 30,	
	Notes	**2025**	2024	**2025**	2024
Income					
Income from finance leases		**8,326,980**	6,233,370	**16,120,115**	11,645,934
Other income	15	**1,083,717**	684,075	**1,898,797**	787,956
Total income		**9,410,697**	6,917,445	**18,018,912**	12,433,890
Expenses					
General and administrative expenses	16	**(7,639,637)**	(5,087,151)	**(13,563,322)**	(9,732,244)
Net (charge) / reversal for expected credit losses	5 & 6	**(993,565)**	(134,868)	**(1,008,398)**	184,270
Finance cost		**(283,963)**	--	**(283,963)**	--
Total expenses		**(8,917,165)**	(5,222,019)	**(14,855,683)**	(9,547,974)
Profit before Zakat		**493,532**	1,695,426	**3,163,229**	2,885,916
Zakat	13	**(102,052)**	(349,694)	**(654,092)**	(595,191)
Profit for the period		**391,480**	1,345,732	**2,509,137**	2,290,725
Other comprehensive income		--	--	--	--
Total comprehensive income for the period		**391,480**	1,345,732	**2,509,137**	2,290,725

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes 1 to 19 form an integral part of these condensed interim financial statements.

DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-months period ended June 30, 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Actuarial gain on employees' defined benefit obligations	Total
Balance as at January 1, 2024	100,000,000	6,017,390	16,583,997	406,104	123,007,491
Profit for the period	--	--	2,290,725	--	2,290,725
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period	--	--	2,290,725	--	2,290,725
Transfer to statutory reserve	--	229,073	(229,073)	--	--
Balance as at June 30, 2024 (unaudited)	100,000,000	6,246,463	18,645,649	406,104	125,298,216
Balance as at January 1, 2025	**100,000,000**	**6,929,380**	**24,791,903**	**274,030**	**131,995,313**
Profit for the period	**--**	**--**	**2,509,137**	**--**	**2,509,137**
Other comprehensive income	**--**	**--**	**--**	**--**	**--**
Total comprehensive income for the period	**--**	**--**	**2,509,137**	**--**	**2,509,137**
Balance as at June 30, 2025 (unaudited)	**100,000,000**	**6,929,380**	**27,301,040**	**274,030**	**134,504,450**

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

DAR AL ETIMAN AL SAUDI COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-months period ended June 30, 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**June 30, 2025**	June 30, 2024
Cash flows from operating activities			
Profit before Zakat		**3,163,229**	2,885,916
Adjustments for non-cash items:			
Depreciation on property and equipment		**231,305**	528,278
Net reversal for expected credit losses	5 & 6	**1,008,398**	(184,270)
Finance cost		**283,963**	--
Provision for employees' defined benefit obligations		**1,597,865**	239,581
		6,284,760	3,469,505
Changes in operating assets and liabilities			
Net investment in finance lease		**7,013,444**	(44,083,123)
Personal financing receivable		**(15,988)**	(132,955)
Prepayments and other receivables		**943,441**	27,381,692
Assets held for sale		**--**	(115,807)
Trade and other payables		**(37,404,351)**	15,248,982
Accrued and other liabilities		**120,400**	(289,687)
Net servicing liability under agency agreement		**(494,201)**	(1,342,300)
Cash (used in) / generated from operations		**(23,552,495)**	136,307
Employees' defined benefit obligations paid		**(223,021)**	(126,517)
Net cash (used in) / generated from operating activities		**(23,775,516)**	9,790
Cash flow from investing activities			
Additions to property and equipment		**(1,140,768)**	(371,085)
Net cash used in investing activities		**(1,140,768)**	(371,085)
Cash flow from financing activities			
Proceeds from short term loan		**24,400,000**	--
Payment of lease liability		**--**	(442,153)
Net cash generated from / (used in) financing activities		**24,400,000**	(442,153)
Net decrease in cash and cash equivalents		**(516,284)**	(803,448)
Cash and cash equivalents at beginning of the period		**5,894,415**	6,195,889
Cash and cash equivalents at end of the period	4	**5,378,131**	5,392,441

Chief Financial Officer | Chief Executive Officer | Chairman of Board of Directors

The accompanying notes 1 to 19 form an integral part of these condensed interim financial statements.

1. GENERAL INFORMATION

Dar Al Etiman Al Saudi Company (the "Company") is principally engaged in providing lease financing for motor vehicles within the Kingdom of Saudi Arabia. The Company's head office is located at Prince Sultan Street, P.O. Box 55274, Jeddah 21534, Saudi Arabia.

The Company is registered as a Saudi Closed Joint Stock Company pursuant to Ministerial Resolution No. 486/Q dated 11 Jumad-ul-Thani 1436H (corresponding to March 31, 2015). Prior to its conversion to a Saudi Closed Joint Stock Company, the Company was operating as a Limited Liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030165101 issued in Jeddah on 5 Dhul-Qada 1427H (corresponding to December 5, 2006).

The Company has obtained license No. 33/AM/201605 from Saudi Central Bank (“SAMA”) to conduct finance lease activities on 16 Rajab 1436H (corresponding to May 5, 2015).

The accompanying condensed interim financial information include the accounts of the Company's head office and all its branches.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial statements of the Company as at and for the period ended June 30, 2025 have been prepared:

- in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and;
- in compliance with the Companies’ Law in the Kingdom of Saudi Arabia and Company’s By-laws.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the Law”) came into force on 26/6/1444 H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19, 2023). The management is in process of assessing the impact of the New Companies Law and will amend its By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders in their Annual General Assembly meeting for their ratification.

These condensed interim 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 December 31, 2023. The results for the six-months period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

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

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, unless stated otherwise, using the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Saudi Riyals (SR) which is also the Company's functional and presentation currency.

2.4 Significant accounting judgements, estimates and assumptions

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, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected by the revision. The key areas requiring significant management judgements and estimates are consistent with those disclosed in the annual financial statements for the year ended December 31, 2024.

3. MATERIAL ACCOUNTING POLICIES

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 December 31, 2024, except for the new accounting policies stated below:

Issued pronouncements effective and not yet effective

The following amendments to existing standards and framework have been applied by the Company in preparation of these financial statements. The adoption of the below did not result in changes to the previously reported net profit or equity of the Company.

Standard / amendments / interpretation	***Description***	***Effective date***
Amendments to IAS 21	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Issued pronouncements effective and not yet effective (continued)

Standard / amendments / interpretation	***Description***	***Effective date***
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to IFRS accounting standards	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption / effective date deferred indefinitely
IFRS S1	General requirements for disclosure of sustainability-related financial information	Subject to endorsement by SOCPA
IFRS S2	Climate-related disclosures	Subject to endorsement by SOCPA

4. CASH AND CASH EQUIVALENTS

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in hand	**33,196**	3,295
Cash at banks	**5,344,935**	5,891,120
	5,378,131	5,894,415

5. NET INVESTMENT IN FINANCE LEASES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross investment in finance leases	**388,344,613**	401,822,265
Less: unearned finance income and other related credits	**(88,298,878)**	(95,712,675)
Present value of minimum lease payments	**300,045,735**	306,109,590
Less: allowance for expected credit losses on finance leases	**(13,707,586)**	(11,749,599)
Net investment in finance leases	**286,338,149**	294,359,991

The Company's implicit rate of return on leases ranges between 7% and 24% per annum (December 31, 2024: between 7% and 24% per annum). These are secured by promissory notes from the customer and against the leased assets.

Amounts due after one year represents minimum lease payments under finance lease contracts, which are due for payment by customers after one year from the statement of financial position date.

During the six-month period ended June 30, 2025, the Company has recovered an amount of SAR 1,768,833 (June 30, 2024: SAR 2,511,974) from previously written-off receivables. The amount recovered is presented in the condensed statements of profit or loss and other comprehensive income as part of Net (charge) / reversal for expected credit loss.

This includes continuing involvement asset amounting to SR 0.608 million (December 31, 2024: SR 1.1 million) in respect of the Company's continuing involvement in the lease portfolio sold under securitisation agreement.

5.1 The contractual maturity of the gross investment in finance lease and net investment in finance leases is as follows:

	Years	**Gross investment**	**Unearned finance income**	**Net investment (before allowance for expected credit losses)**
June 30, 2025				
Current portion	**2025-2026**	**133,762,848**	**38,134,068**	**95,628,780**
Non-current portion	**2026-2027**	**104,251,239**	**25,184,142**	**79,067,097**
	2027-2028	**64,362,224**	**15,337,483**	**49,024,741**
	2028-2029	**56,816,076**	**7,780,590**	**49,035,486**
	2029-2030	**28,834,916**	**1,859,798**	**26,975,118**
	2030-2031	**317,310**	**2,797**	**314,513**
Total non-current portion		**254,581,765**	**50,164,810**	**204,416,955**
Total		**388,344,613**	**88,298,878**	**300,045,735**
Less: allowance for expected credit losses on finance leases				**(13,707,586)**
				286,338,149

5. NET INVESTMENT IN FINANCE LEASES (continued)

	Years	Gross investment	Unearned finance income	Net investment (before allowance for expected credit losses)
December 31, 2024				
Current portion	2025	119,541,897	39,266,391	80,275,506
Non-current portion	2026	116,728,718	27,443,675	89,285,043
	2027	69,045,323	16,675,590	52,369,733
	2028	53,648,596	9,462,844	44,185,752
	2029	41,429,280	2,851,609	38,577,671
	2030	1,428,451	12,566	1,415,885
Total non-current portion		282,280,368	56,446,284	225,834,084
Total		401,822,265	95,712,675	306,109,590
Less: allowance for expected credit losses on finance leases				(11,749,599)
				294,359,991

5.2 The analysis of changes in gross investment in finance lease is as follows:

2025

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at January 1, 2025	**356,050,529**	**21,382,492**	**24,389,244**	**401,822,265**
Net decrease during the period	**(9,781,756)**	**(468,438)**	**(2,414,793)**	**(12,664,987)**
Transfer to stage 1	**8,553,011**	**(5,101,530)**	**(3,451,481)**	**--**
Transfer to stage 2	**(23,297,427)**	**25,377,959**	**(2,080,532)**	**--**
Transfer to stage 3	**(5,283,774)**	**(3,949,734)**	**9,233,508**	**--**
Write-offs	**--**	**--**	**(812,665)**	**(812,665)**
Balance at June 30, 2025	**326,240,583**	**37,240,749**	**24,863,281**	**388,344,613**

2024

	Stage 1	Stage 2	Stage 3	Total
Balance at January 1, 2024	275,814,359	17,503,651	20,031,426	313,349,436
Net increase/(decrease) during the period	51,899,411	(463,442)	8,910,860	60,346,829
Transfer to stage 1	8,697,381	(7,835,482)	(861,899)	--
Transfer to stage 2	(17,616,426)	21,490,344	(3,873,918)	--
Transfer to stage 3	3,456,297	1,472,960	(4,929,257)	--
Write-offs	--	--	(1,400,251)	(1,400,251)
Balance at June 30, 2024	322,251,022	32,168,031	17,876,961	372,296,014

5. NET INVESTMENT IN FINANCE LEASES (continued)

5.3 The movement in allowance for expected credit losses on finance leases is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period	**11,749,599**	9,819,222
Charge for the period / year	**2,770,652**	4,553,821
Written off during the period / year	**(812,665)**	(2,623,444)
At the end of the period	**13,707,586**	11,749,599

5.4 Category-wise allowance for expected credit losses on finance leases is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Performing (Stage 1)	**2,736,448**	3,380,152
Under-performing (Stage 2)	**4,934,269**	2,189,305
Non-performing (Stage 3)	**6,036,869**	6,180,142
	13,707,586	11,749,599

5.5 An analysis of changes in allowance for expected credit losses on investment in finance lease is as follows:

2025

	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 1, 2025	**3,380,152**	**2,189,305**	**6,180,142**	**11,749,599**
Net (reversal) / charge for the period	**(643,704)**	**2,744,964**	**669,392**	**2,770,652**
Write-offs	**--**	**--**	**(812,665)**	**(812,665)**
Balance at June 30, 2025	**2,736,448**	**4,934,269**	**6,036,869**	**13,707,586**

2024

	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 1, 2024	2,672,293	487,422	6,659,507	9,819,222
Net charge / (reversal) for the period	137,457	502,716	1,650,559	2,290,732
Write-offs	--	--	(1,400,251)	(1,400,251)
Balance at June 30, 2024	2,809,750	990,138	6,909,815	10,709,703

6. PERSONAL FINANCING RECEIVABLES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross receivables - Tawarruq financing	**322,282**	325,884
Less: Unearned finance income	**(91,945)**	(118,113)
Present value of Personal financing receivables	**230,337**	207,771
Less: allowance for expected credit losses	**(105,127)**	(98,549)
	125,210	109,222

6.1 The contractual maturity of the gross personal financing and net personal financing is as follows:

	Years	**Gross investment**	**Unearned finance income**	**Net investment (before allowance for expected credit losses)**
June 30, 2025				
Current portion	**2025-2026**	**144,762**	**45,851**	**98,911**
Non-current portion	**2026-2027**	**89,044**	**29,808**	**59,236**
	2027-2028	**59,059**	**13,559**	**45,500**
	2028-2029	**29,417**	**2,727**	**26,690**
Total non-current portion		**177,520**	**46,094**	**131,426**
Total		**322,282**	**91,945**	**230,337**
Less: allowance for expected credit losses on finance leases				**(105,127)**
				125,210

6. PERSONAL FINANCING RECEIVABLES (continued)

	Years	Gross investment	Unearned finance income	Net investment (before allowance for expected credit losses)
December 31, 2024				
Current portion	2025	100,623	50,818	49,805
Non-current portion	2026	95,484	38,378	57,106
	2027	76,164	21,259	54,905
	2028	46,259	7,419	38,840
	2029	7,354	239	7,115
	2030	--	--	--
Total non-current portion		225,261	67,295	157,966
Total		325,884	118,113	207,771
Less: allowance for expected credit losses on finance leases				(98,549)
				109,222

6.2 The analysis of changes in gross investment in finance lease is as follows:

2025

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at January 1, 2025	**120,646**	**--**	**205,238**	**325,884**
Net decrease during the period	**(3,068)**	**--**	**(534)**	**(3,602)**
Transfer to stage 3	**(59,134)**	**--**	**59,134**	**--**
Balance at June 30, 2025	**58,444**	**--**	**263,838**	**322,282**

2024

	Stage 1	Stage 2	Stage 3	Total
Balance at January 1, 2024	36,396	--	234,970	271,366
Net increase/(decrease) during the period	147,790	108,830	(234,970)	21,650
Balance at June 30, 2024	184,186	108,830	--	293,016

6. PERSONAL FINANCING RECEIVABLES (continued)

6.3 The movement in allowance for expected credit losses on Personal financing receivables is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period	**98,549**	140,464
Charge for the period	**6,578**	115,390
Written off during the period / year	**--**	(157,305)
At the end of the period	**105,127**	98,549

6.4 Category-wise allowance for expected credit losses on Personal financing receivables is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Performing (Stage 1)	**1,037**	3,031
Under-performing (Stage 2)	**--**	--
Non-performing (Stage 3)	**104,090**	95,518
	105,127	98,549

6.5 An analysis of changes in allowance for expected credit losses on Personal financing receivable is as follows:

2025

	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 1, 2025	**3,031**	**--**	**95,518**	**98,549**
Net (reversal) / charge for the period	**(1,994)**	**--**	**8,572**	**6,578**
Balance at June 30, 2025	**1,037**	**--**	**104,090**	**105,127**

2024

	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 1, 2024	643	--	139,821	140,464
Net charge / (reversal) for the period	5,734	13,754	17,484	36,972
Write-offs	--	--	(157,305)	(157,305)
Balance at June 30, 2024	6,377	13,754	--	20,131

7. PREPAYMENTS AND OTHER RECEIVABLES

	Note	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Restricted deposits	7.1	**6,568,596**	6,390,582
Prepaid insurance		**5,628,705**	7,394,630
Receivable from employees		**720,423**	862,060
Other prepayments and receivables		**1,959,582**	1,173,475
		14,877,306	15,820,747

7.1 The Company has been appointed as a servicing agent for the receivables sold to the financial institutions against securitization agreements therefore the financial institutions require the Company to keep certain balance as restricted deposit against such services for sold receivables. These deposits will be released at the end of securitization and agency agreements and are recorded at their amortised cost.

8. SHARE CAPITAL

The share capital of the Company as of June 30, 2025 and December 31, 2024 was comprised of 10,000,000 shares stated at Saudi Riyals 10 per share owned as follows:

	Country of incorporation	**Shareholding** June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Modern Ajwad for Commercial Investment Company Limited	Saudi Arabia	**60%**	60%
Tawad Holding Company	Saudi Arabia	**40%**	40%
		100%	100%

9. STATUTORY RESERVE

In accordance with the Company Bylaws' no profit for the period has been transferred to the statutory reserve. The Company has resolved to maintain the current level of statutory reserve and this reserve is not available for distribution to the shareholders.

10. TRADE AND OTHER PAYABLES

	Notes	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Third parties	10.1 & 10.2	**6,494,794**	14,070,992
Related party	14	**131,277,117**	161,105,270
		137,771,911	175,176,262

10.1 The third parties trade and other payables represents other payables and the temporary timing differences of amounts collected from customers and payable to financial institutions against securitisation and agency agreement. All these amounts are payable within next twelve months.

10.2 This includes continuing involvement liability amounting to SR 0.64 million (December 31, 2024: SR 1.15 million) in respect of securitisation agreement as disclosed in note 5.

11. ACCRUED AND OTHER LIABILITIES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Employee related accruals	**4,228,961**	4,689,198
Accrued Board of Directors' fee	**330,000**	--
Accrued professional fees	**864,211**	1,417,698
Other accruals	**4,936,778**	4,132,654
	10,359,950	10,239,550

12. SHORT TERM LOAN

The Company has banking facility with a local bank based on Islamic banking agreements to finance working capital totaling SAR 50 million (December 31, 2024: nil). The balance of utilized facilities as of June 30, 2025, amounted to SAR 24.4 million (December 31, 2024: nil) . The cost of bank financing is calculated based on the SIBOR rate for the borrowing period plus the bank's profit margin. This includes accrued finance cost amounting to SR 0.28 million (December 31, 2024: nil).

13. ZAKAT MATTERS

13.1 Movement in Zakat refundable

The movement in the Zakat refundable is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	**(3,941,720)**	(4,993,354)
Charge for the period / year	**654,092**	1,051,634
At the end of the period / year	**(3,287,628)**	(3,941,720)

13.2 During the year ended December 31, 2019, the Company has received a settlement notice from the Zakat, Tax and Customs Authority (ZATCA) relating to the treatment of non-current portion of net investment in its finance lease for the purposes of determination of Zakat base. The notice prescribes the method to calculate the Company's Zakat liability for the year ended December 31, 2018 and stated that applying the same principles, the Company was entitled to a credit of Saudi Riyals 9.7 million for the year when the Company was provided a license from SAMA to be involved in the finance lease activities till 2017, whereas there would be a charge of Saudi Riyals 0.5 million for the year ended December 31, 2018. Management has agreed to the settlement notice and has accordingly recorded a net Zakat refundable of Saudi Riyals 9.2 million during the year ended December 31, 2018. This amount has been subsequently adjusted for Zakat charge for the years from 2019 to 2024. The Company has filed its Zakat declarations with ZATCA up to 2024.

14. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party. The Company is a member of an affiliated group of companies which are directly or indirectly controlled by Abduljawad family, which are the ultimate shareholders. Related parties include the ultimate shareholders, companies owned by the shareholders and key management personnel. Transactions with related parties were carried out in the normal course of business on terms that were no more favorable than those available or which reasonably be expected to be available in similar transactions with non related parties i.e., equivalent to those that prevail in arm's length transactions.

a) Related Party transactions

Significant related party transactions and balances arising therefrom are described as under:

Name	Relationship	Nature of transactions	For the three-month period ended June 30, **2025** (Unaudited)	2024 (Unaudited)	For the six-month period ended June 30, **2025** (Unaudited)	2024 (Unaudited)
Universal Motors Agencies	Affiliate	Purchase of motor vehicles	**13,757,327**	46,573,756	**36,387,812**	97,172,988
		Incentive income	**554,031**	684,075	**1,369,111**	787,956

14. RELATED PARTY TRANSACTIONS (continued)

b) Trade and other payables

Name	Relationship	Nature of transactions	**As at June 30, 2025 (Unaudited)**	As at December 31, 2024 (Audited)
Universal Motors Agencies	Affiliate	Purchase of motor vehicles	**131,277,117**	161,105,270

c) Compensation of key management personnel

Name	Nature of transactions	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2025	2024	**2025**	2024
		(Unaudited)		(Unaudited)	
Key management personnel	Salaries and bonuses paid / accrued to key management personnel	**464,540**	165,075	**867,620**	330,150
Directors	Directors fee	**165,000**	165,000	**330,000**	330,000
Key management personnel	End of service indemnities accrued during the period	**150,726**	13,718	**173,105**	27,437

15. OTHER INCOME

The Other income includes incentive from a related party amounting to SAR 1.4 million (June 30, 2024: SAR 0.8) (Note 14a).

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended		**Six-month period ended**	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Salaries and allowances	**5,703,151**	3,220,648	**9,597,716**	6,555,254
Professional charges	**669,055**	957,153	**1,409,760**	1,574,667
Repair and maintenance	**139,710**	55,161	**202,503**	89,093
Depreciation	**136,789**	275,883	**231,305**	528,278
Rent, utilities & communication	**390,607**	144,480	**723,624**	358,569
Others	**600,325**	433,826	**1,398,414**	626,383
	7,639,637	5,087,151	**13,563,322**	9,732,244

17. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; and therefore, should be read in conjunction with the Company's annual financial statements as at December 31, 2024. There have been no changes in the risk management policies since the year end.

18. FINANCE LEASE RECEIVABLES – SECURITIZATION AND AGENCY AGREEMENTS

In accordance with the terms of certain securitization and agency agreements, the Company has sold finance lease receivables to various financial institutions.

The outstanding position of such off statement of financial position finance lease receivables is as follows:

	June 30, 2025	December 31, 2024
Finance lease receivables sold under securitization agreements	**6,494,727**	12,284,466

Maturity profile of finance lease receivable sold under securitized deals are as follows:

	June 30, 2025 (Unaudited)	
	Less than one year	**One to five years**
Securitization agreements	**6,494,727**	**--**

	December 31, 2024 (Audited)	
	Less than one year	One to five years
Securitization agreements	9,738,926	2,545,540

Net servicing liability under agency agreement

Under the securitization and agency agreements, the Company has been appointed by the financial institutions to service the purchased receivables. Where the Company is appointed to service the derecognized financial assets for a fee, the Company initially recognizes either a net servicing asset or a net servicing liability for that servicing contract at its fair value.

The fair value of net servicing asset/ liability is determined based on the present value of estimated future cash flows related to contractually specified servicing fees less servicing costs.

18. FINANCE LEASE RECEIVABLES – SECURITIZATION AND AGENCY AGREEMENTS (continued)

Net servicing liability under agency agreement (continued)

The primary determinants of the fair value of net servicing asset/ liability are discount rates, estimates of servicing costs and the fixed servicing fees. The management assesses the cost of servicing including salaries and other direct costs. The annual change in the servicing cost represents the increment to the servicing cost as a result of inflation.

Variations in one or a combination of these assumptions could materially affect the estimated values of net servicing liability.

19. DATE OF AUTHORIZATION OF ISSUE

The accompanying condensed interim financial statements have been authorized for issue by the Board of Directors on July 28, 2025 corresponding to Safar 3, 1447H.