

**NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL  
STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS  
ENDED 30 SEPTEMBER 2025**

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

---

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

<i>INDEX</i>	<i>PAGE</i>
Independent auditor's review report	1
Interim condensed statement of financial position – unaudited	2
Interim condensed statement of comprehensive income – unaudited	3
Interim condensed statement of changes in equity – unaudited	4
Interim condensed statement of cash flows – unaudited	5
Notes to the interim condensed financial statements – unaudited	6 - 17

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE SHAREHOLDERS OF NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of National Finance House Company (A Joint Stock Company) (the "Company") as at 30 September 2025, and the related interim condensed statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the related interim condensed statement of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. 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") as 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 Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of the persons responsible for the 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 as endorsed in the Kingdom of Saudi Arabia.

**Other matter**

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 March 2025 (corresponding to 5 Ramadhan 1446H). Further, the interim condensed financial statements of the Company for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed financial statements on 28 October 2024 (corresponding to 25 Rabi Al Thani 1446H).

for Ernst & Young Professional Services



Hussain Saleh Asiri  
Certified Public Accountant  
License No. (414)



Jeddah: 6 Jumada Al-Ula 1447H  
(28 October 2025G)

**NATIONAL FINANCE HOUSE COMPANY**  
**(A JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 30 September 2025

		<b>30 September 2025</b>	<b>31 December 2024</b>
	<i>Note</i>	<b>Unaudited SR</b>	<b>Audited SR</b>
<b>ASSETS</b>			
Cash and bank balances	5	27,576,121	49,641,237
Term deposits	6	25,283,943	-
Prepayments and other receivables	7	11,571,511	5,203,407
Net investment in islamic financing	8	768,432,133	645,573,971
Restricted cash deposit	9	25,123,939	20,146,366
Property and equipment		555,504	541,184
Intangible assets		7,250,533	7,541,053
<b>TOTAL ASSETS</b>		<b>865,793,684</b>	<b>728,647,218</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	300,000,000	300,000,000
Retained earnings / (accumulated losses)		778,211	(6,126,513)
<b>NET EQUITY</b>		<b>300,778,211</b>	<b>293,873,487</b>
<b>LIABILITIES</b>			
Trade payables		36,761,975	35,425,878
Other payables and accruals		12,913,751	10,439,136
Due to related parties	11	2,494,574	8,759,262
Provision for zakat	12	1,796,289	3,083,797
Financial facilities	13	509,623,448	376,109,463
Employees' post-employment benefits		1,425,436	956,195
<b>TOTAL LIABILITIES</b>		<b>565,015,473</b>	<b>434,773,731</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>865,793,684</b>	<b>728,647,218</b>

The attached notes 1 to 18 form an integral part of these unaudited interim condensed financial statements.

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

		<i>For the three-month period ended 30 September 2025</i>	<i>For the three-month period ended 30 September 2024</i>	<i>For the nine-month period ended 30 September 2025</i>	<i>For the nine-month period ended 30 September 2024</i>
	<i>Note</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>
Income from islamic financing, net	14	<b>34,676,241</b>	27,727,567	<b>97,908,216</b>	75,574,303
Finance cost	14	<b>(9,728,674)</b>	(6,084,143)	<b>(26,586,209)</b>	(18,294,074)
<b>Net income from financing</b>		<b>24,947,567</b>	21,643,424	<b>71,322,007</b>	57,280,229
General and administrative expenses		<b>(12,148,066)</b>	(9,274,767)	<b>(34,230,516)</b>	(25,798,351)
Selling and marketing expenses		<b>(603,820)</b>	(286,016)	<b>(1,413,214)</b>	(956,913)
Other income		<b>1,666,652</b>	1,697,163	<b>4,337,773</b>	3,370,554
<b>PROFIT BEFORE EXPECTED CREDIT LOSSES</b>		<b>13,862,333</b>	13,779,804	<b>40,016,050</b>	33,895,519
Expected credit losses	8.4	<b>(13,325,269)</b>	(14,883,474)	<b>(34,496,175)</b>	(23,360,755)
Recovery of debts previously written-off		<b>1,447,166</b>	-	<b>3,190,896</b>	-
<b>PROFIT BEFORE ZAKAT</b>		<b>1,984,230</b>	(1,103,670)	<b>8,710,771</b>	10,534,764
Zakat	12	<b>(456,509)</b>	(393,096)	<b>(1,806,047)</b>	(2,566,367)
<b>NET PROFIT FOR THE PERIOD</b>		<b>1,527,721</b>	(1,496,766)	<b>6,904,724</b>	7,968,397
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,527,721</b>	(1,496,766)	<b>6,904,724</b>	7,968,397

The attached notes 1 to 18 form an integral part of these unaudited interim condensed financial statements.

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
For the nine-month period ended 30 September 2025

	<i>Share capital SR</i>	<i>Retained earnings / (accumulated losses) SR</i>	<i>Total SR</i>
Balance as at 1 January 2025 (Audited)	300,000,000	(6,126,513)	293,873,487
Total comprehensive income for the period	-	6,904,724	6,904,724
<b>Balance as at 30 September 2025 (Unaudited)</b>	<b>300,000,000</b>	<b>778,211</b>	<b>300,778,211</b>
Balance as at 1 January 2024 (Audited)	150,000,000	(18,227,195)	131,772,805
Issuance of share capital	150,000,000	-	150,000,000
Total comprehensive income for the period	-	7,968,397	7,968,397
Balance as at 30 September 2024 (Unaudited)	300,000,000	(10,258,798)	289,741,202

The attached notes 1 to 18 form an integral part of these unaudited interim condensed financial statements.

**NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the nine-month period ended 30 September 2025

		<i>For the nine-month period ended 30 September 2025 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2024 Unaudited SR</i>
	<i>Note</i>		
<b>OPERATING ACTIVITIES</b>			
Net profit for the period before zakat		<b>8,710,771</b>	10,534,764
<i>Adjustments for:</i>			
Finance cost	14.2	<b>26,586,209</b>	18,844,911
Expected credit losses	8.4	<b>34,496,175</b>	23,360,755
Amortization of intangibles		<b>845,183</b>	1,060,280
Provision for employees' post-employment benefits		<b>512,087</b>	413,336
Depreciation of property and equipment		<b>290,115</b>	259,958
Interest income on term deposits		<b>(996,043)</b>	-
Operating profit before changes in operating assets and liabilities		<b>70,444,497</b>	54,474,004
<i>Changes in operating assets and liabilities</i>			
Prepayments and other receivables		<b>(6,368,104)</b>	(236,072)
Net investment in islamic financing		<b>(157,354,337)</b>	(184,464,074)
Trade payables		<b>1,336,097</b>	(5,152,640)
Other payables and accruals		<b>2,474,615</b>	561,897
Due to related parties		<b>(6,264,688)</b>	(4,040,329)
Cash used in operations		<b>(95,731,920)</b>	(138,857,214)
Employees' post-employment benefits paid		<b>(42,846)</b>	(15,716)
Zakat paid	12	<b>(3,093,555)</b>	(473,142)
<b>Net cash used in operating activities</b>		<b>(98,868,321)</b>	(139,346,072)
<b>INVESTING ACTIVITIES</b>			
Additions to intangible assets		<b>(554,663)</b>	(202,300)
Additions to property and equipment		<b>(304,435)</b>	(249,907)
Restricted cash deposit		<b>(4,977,573)</b>	(4,735,433)
Purchase of term deposits		<b>(174,500,000)</b>	-
Proceeds from term deposits		<b>161,500,000</b>	-
Interest received on short term time deposits		<b>712,100</b>	-
<b>Net cash used in investing activities</b>		<b>(18,124,571)</b>	(5,187,640)
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital		-	150,000,000
Proceeds from long-term financial facilities	13.1	<b>234,884,616</b>	89,791,815
Repayments of long-term financial facilities	13.1	<b>(100,928,870)</b>	(59,783,553)
Finance cost paid		<b>(27,027,970)</b>	(18,757,008)
<b>Net cash generated from financing activities</b>		<b>106,927,776</b>	161,251,254
<b>NET (DECREASE) / INCREASE IN CASH AND CASHSH EQUIVALEN</b>		<b>(10,065,116)</b>	16,717,542
Cash and cash equivalents at the beginning of the period		<b>49,641,237</b>	10,060,915
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>39,576,121</b>	26,778,457

The attached notes 1 to 18 form an integral part of these unaudited interim condensed financial statements.

# NATIONAL FINANCE HOUSE COMPANY (A JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2025

### 1 ORGANIZATION AND ACTIVITIES

National Finance House Company (the “Company”) is a Closed Joint-Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial registration No. 4030394711 and unified No. 7008216371. The Company was established on 27 Safar 1442H (corresponding to 14 October 2020) having obtained the necessary approval from the Ministry of Commerce (“MOC”) and the Notary Public.

In accordance with article 6 of the implementing regulations of the law of supervision of finance companies, the Company submitted its application to the Saudi Central Bank (“SAMA”) to obtain its license as a financing company. The Company obtained the license from SAMA number 202106/SA/59 on 25 Shawwal 1442H (corresponding to 06 June 2021), authorizing to engage in the finance lease activities. The principal activities of the Company include financial lease, financing to Small and Medium Enterprises (SMEs) and Consumer financing. The Company commenced its commercial operations in terms of investing in Islamic financing dated 28 July 2021. The objectives of the Company are to engage in financing activities via finance leasing, productive assets financing, financing the activity of small and medium enterprises and consumer finance.

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

National Finance House Company  
Building number 3388, Al Amir Muhammad Bin Abdul Aziz Branch,  
Secondary number 6320, Ar Rawdah Dist.  
P.O. Box 23432  
Jeddah  
Kingdom of Saudi Arabia.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These interim condensed financial statements 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 endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2024. In addition, results for the three-month and nine-month periods ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

#### 2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention using accrual basis of accounting.

These interim condensed financial statements have been prepared on going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of the business.

#### 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, except as otherwise indicated.

#### 2.4 Significant judgments, estimates and assumptions

The preparation of Company’s interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.



NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

---

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)  
At 30 September 2025

**2 BASIS OF PREPARATION (continued)**

**2.4 Significant judgments, estimates and assumptions (continued)**

The Company based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised 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 for the year ended 31 December 2024.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in these interim condensed financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2024, except for the adoption of certain amendments, effective as of 1 January 2025, as disclosed in Note 4.

**4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**

**4.1 Standards, interpretations and amendments that became effective during the period**

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the interim condensed financial statements:

Standard / Interpretation	Description	Effective from periods beginning after the following date
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

**4.2 Standards, interpretations and amendments issued but not yet effective**

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the interim condensed financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the interim condensed financial statements on adopting the standards, interpretations and amendments if applicable

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)

At 30 September 2025

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

4.2 Standards, interpretations and amendments issued but not yet effective (continued)

<i>Standard, interpretation, amendments</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Contracts Referencing Nature-dependent Electricity 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
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption / effective date deferred indefinitely

5 CASH AND CASH EQUIVALENTS

	<i>Note</i>	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<u>Financial assets carried at amortized cost</u>			
Cash at banks	5.1	27,532,621	49,641,237
Cash in hand		43,500	-
Cash and bank balances		27,576,121	49,641,237
Add: Term deposits - original maturity less than three-months	6.1	12,000,000	-
		39,576,121	49,641,237

- 5.1 As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Company's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)

At 30 September 2025

**6 TERM DESPOSITS**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<i>Financial assets carried at amortized cost</i>		
Term deposits		
- Original maturity – less than three months	12,000,000	-
- Original maturity – more than three months	13,000,000	-
Accrued profit on term deposits	283,943	-
	<u>25,283,943</u>	<u>-</u>

6.1 The Company has placed term deposits of SR 25.0 million with a local bank. The profit rate on these term deposits ranges from 4.30% to 5.20% per annum.

**7 PREPAYMENTS AND OTHER RECEIVABLES**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
VAT receivable	4,314,374	3,600,591
Prepaid loan origination structure fees	1,293,009	756,509
Prepaid expenses	896,572	791,539
	<u>6,503,955</u>	<u>5,148,639</u>
<i>Financial assets carried at amortized cost</i>		
Repossession receivables	5,067,556	-
Other receivables	-	54,768
	<u>11,571,511</u>	<u>5,203,407</u>

**8 NET INVESTMENT IN ISLAMIC FINANCING**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<i>Financial assets carried at amortized cost – unsecured</i>		
Tawarruq	203,374,612	193,031,382
Murabaha	2,652,633	2,774,075
<i>Investment classified as a finance lease – secured</i>		
Ijarah	585,522,888	475,852,370
	<u>791,550,133</u>	<u>671,657,827</u>

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

8 NET INVESTMENT IN ISLAMIC FINANCING (continued)

8.1 Details of net investments in Islamic financings:

	<i>Tawarruq</i>		<i>Murabaha</i>		<i>Ijarah</i>		<i>Total</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross investment in islamic financings	<b>303,729,060</b>	292,753,871	<b>3,891,039</b>	4,032,501	<b>828,202,045</b>	681,133,679	<b>1,135,822,144</b>	977,920,051
Unearned / deferred islamic financing income	<b>(100,354,448)</b>	(99,722,489)	<b>(1,238,406)</b>	(1,258,426)	<b>(242,679,157)</b>	(205,281,309)	<b>(344,272,011)</b>	(306,262,224)
	<b>203,374,612</b>	193,031,382	<b>2,652,633</b>	2,774,075	<b>585,522,888</b>	475,852,370	<b>791,550,133</b>	671,657,827
Unearned origination fees							<b>(3,602,586)</b>	(3,122,721)
Deferred transaction costs							<b>7,939,684</b>	6,275,278
Expected credit losses							<b>(27,455,098)</b>	(29,236,413)
Net investment in islamic financing							<b>768,432,133</b>	645,573,971
Current portion							<b>160,476,218</b>	114,181,639
Non-current portion							<b>607,955,915</b>	531,392,332

8.2 The Company in the ordinary course of its business holds collateral in respect of Islamic financing (being the title of assets leased out) in order to mitigate the credit risk associated with them. These collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.

8.3 The Company has assigned islamic financing receivables amounting to SR 634 million (31 December 2024: SR 604 million) to local commercial banks for obtaining financial facilities. These islamic financing receivables have not been derecognized from the statement of financial position as the Company retains substantially all the risks and rewards, primarily credit risk.

**NATIONAL FINANCE HOUSE COMPANY**  
**(A JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**(UNAUDITED) (continued)**

At 30 September 2025

**8 NET INVESTMENTS IN ISLAMIC FINANCINGS (continued)**

8.4 The movement in provision for impairment of islamic financings during the period is as follows:

	<b>30 September 2025 Unaudited SR</b>	<b>31 December 2024 Audited SR</b>
Balance at the beginning of the period / year	<b>29,236,413</b>	19,651,127
Charge for the period / year	<b>34,496,175</b>	32,862,881
Written off during the period / year	<b>(36,277,490)</b>	(23,277,595)
Balance at the beginning of the period / year	<b>27,455,098</b>	29,236,413

8.5 An analysis of gross exposure of investment in Islamic financing before ECL allowance and the corresponding ECL allowance as at 30 September 2025 and 31 December 2024 is as follows:

	<b>Stage 1 SR</b>	<b>Stage 2 SR</b>	<b>Stage 3 SR</b>	<b>Total SR</b>
<b>30 September 2025</b>				
Gross investment in islamic financing	<b>683,303,729</b>	<b>24,218,998</b>	<b>84,027,406</b>	<b>791,550,133</b>
Allowance for expected credit losses	<b>4,768,534</b>	<b>306,204</b>	<b>22,380,360</b>	<b>27,455,098</b>
<b>31 December 2024</b>				
Gross investment in islamic financing	576,210,724	13,065,626	82,381,477	671,657,827
Allowance for expected credit losses	4,140,987	190,113	24,905,313	29,236,413

8.6 During the period, the Credit and Risk Committee of the Company, authorized by the Board of directors, approved a write-off of gross investment in islamic financing receivable amounting to SR 36.3 million (31 December 2024: 23.3 million) for certain customers with an existing provision of SR 36.3 million (31 December 2024: SR 23.3 million). These amounts are subject to enforcement activities.

8.7 The Company's islamic financing arrangements do not include variable payments.

8.9 The Company is not exposed to foreign currency risk as a result of the financing arrangements, as all financings are denominated in Saudi Riyals.

**9 RESTRICTED CASH DEPOSITS**

The Company has placed these funds in restricted bank account. Out of total deposit, SR 19.62 million (31 December 2024: SR 10.80 million) has been deposited as restricted time deposit for certain financing facilities granted to the Company. The Company also earns a profit on this balance ranging from 4.50% to 5.05% (2024: 5.05%) per annum.

	<b>30 September 2025 Unaudited SR</b>	<b>31 December 2024 Audited SR</b>
<u>Financial assets carried at amortized cost</u>		
Restricted cash deposit	<b>24,485,500</b>	20,062,877
Accrued profit on restricted cash deposit	<b>638,439</b>	83,489
	<b>25,123,939</b>	20,146,366

**NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)**

At 30 September 2025

**10 SHARE CAPITAL**

The Company's subscribed and paid-up share capital of SR. 300,000,000 is divided into 30,000,000 equity shares of SR. 10 each fully subscribed and paid, and distributed among shareholders as follows:

<b>Shareholder</b>	<b>Holding %</b>	<b>No. of Shares</b>	<b>30 September 2025</b>	<b>31 December 2024</b>
			<b>Unaudited SR</b>	<b>Audited SR</b>
Balubaid Holding Company Limited (Ultimate Parent Company)	<b>100%</b>	<b>30,000,000</b>	<b>300,000,000</b>	<b>300,000,000</b>

During the year ended 31 December 2024, the Company's shareholders in their first EGA dated 4 Shaban 1445H (corresponding to 14 February 2024) approved the issuance of additional share capital of SR 75 million at par value of SR 10 each. The SAMA's non-objection certificate was received on 02 Shaban 1445H (corresponding to 12 February 2024) and the proceeds for additional share capital was received by the Company on 15 Shaban 1445H (corresponding to 25 February 2024).

Further, in second EGM held on 20 Shawwal 1445H (corresponding to 29 April 2024), the Company's shareholders approved to increase the share capital to SR 300 million by issuance of additional share capital of SR 75 million at par value of SR 10 each. The SAMA's non-objection certificate was received on 13 Shawwal 1445H (corresponding to 22 April 2024) and the proceeds for additional share capital was received by the Company on 05 Dhul-Qi'dah 1445H (corresponding to 13 May 2024).

The legal formalities, including updating the commercial registration and by-laws, were also completed during the year ended 31 December 2024.

**11 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent associated companies, shareholder, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties (other related parties). Related party transactions are undertaken at mutually agreed terms and conditions and approved by the Company's management.

**11.1 Transactions during the period**

<b>Related party</b>	<b>Nature of Relationship</b>	<b>Nature of transaction</b>	<b>For the nine-month period ended 30 September 2025</b>	<b>For the nine-month period ended 30 September 2024</b>
			<b>Unaudited SR</b>	<b>Unaudited SR</b>
Balubaid Holding Company Limited	Shareholder	Amount repaid to shareholder	<b>(6,765)</b>	(2,293)
Furniture Leaders Co.	Affiliate	Purchases for furniture	<b>123,445</b>	126,573
		Amount repaid to affiliate	<b>(123,445)</b>	(181,198)
Balubaid Automotive Company	Affiliate	Purchases for islamic financing	<b>29,574,036</b>	42,479,879
		Amount repaid to affiliate	<b>(34,042,591)</b>	(46,502,188)
Omar Abu Bakr Balubaid Company	Affiliate	Information Technology Services	<b>329,476</b>	1,066,254
		Amount repaid to affiliate	<b>(2,118,843)</b>	(1,027,356)

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)

At 30 September 2025

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

11.1 Transactions during the period (continued)

<i>Related party</i>	<i>Nature of Relationship</i>	<i>Nature of transaction</i>	<i>For the nine-month period ended 30 September 2025 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2024 Unaudited SR</i>
Key Management Personnel	Key executive employees	Salaries and other short-term employee benefits	4,896,828	4,689,878
		Employees' post-employment benefits	174,121	162,236
	Audit Committee	Meeting allowance	96,375	51,375
	Board of directors	Meeting allowance	383,333	337,500
	Award Committee	Meeting allowance	61,500	37,500
	Risk Committee	Meeting allowance	97,500	75,000
	Executive Committee	Meeting allowance	84,000	30,000
	Shariah Committee	Meeting allowance	84,003	63,165

Due to related parties comprise the following:

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<i>Financial liabilities at amortized cost – unsecured</i>		
Balubaid Automotive Company	2,420,060	6,888,616
Omar Abu Bakr Balubaid Company	74,514	1,863,881
Balubaid Holding Company Limited	-	6,765
	<u>2,494,574</u>	<u>8,759,262</u>

**Key management Remuneration**

Amount payable to key management personnel of the Company is as follows:

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Salaries and other short-term employee benefits	596,646	807,540
Post-employment benefits	690,256	527,712
Board remuneration	<u>708,708</u>	<u>730,500</u>

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)

At 30 September 2025

**12 PROVISION FOR ZAKAT**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Balance at the beginning of the period / year	3,083,797	699,887
Provided during the period / year	1,796,288	3,083,797
Payment during the period / year	(3,093,555)	(473,142)
Prior year – charge / (reversal)	9,759	(226,745)
	<u>1,796,289</u>	<u>3,083,797</u>

**Status of assessments**

The Company submitted its Zakat declaration to the Zakat, Tax and Customs Authority (“ZATCA”) up to 31 December 2024 and has obtained a certificate from the ZATCA valid until 13 Dhul-Qi’dah 1447H, corresponding to 30 April 2026. The assessments for the first period ended 31 December 2021 up to the year ended 31 December 2024 have not yet been raised by the ZATCA .

**13 FINANCIAL FACILITIES**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
<u>Financial liabilities at amortized cost</u>		
Long-term financial facilities	507,847,219	373,891,473
Finance cost payable	1,776,229	2,217,990
	<u>509,623,448</u>	<u>376,109,463</u>

**13.1 Movement in financial facilities**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Opening balance	376,109,464	252,410,029
Add: facilities obtained during the period / year	234,884,616	207,506,980
Less: payments made during the period / year	(100,928,870)	(84,286,153)
Finance cost during the period / year	25,071,951	23,928,210
Less: finance cost paid during the period / year	(25,513,713)	(23,449,603)
Closing balance	<u>509,623,448</u>	<u>376,109,463</u>

**13.2 Maturity profile of long-term financial facilities**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Current portion	165,044,890	119,439,180
Non-current portion	342,802,329	254,452,293
	<u>507,847,219</u>	<u>373,891,473</u>



NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)

At 30 September 2025

**13 FINANCIAL FACILITIES (continued)**

**13.3 Secured financial facilities at amortised cost**

	<i>30 September 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Islamic financial facilities		
Tawarruq	<b>507,847,219</b>	373,891,473
	<b>507,847,219</b>	373,891,473

The Company has secured financial facilities from local banks to finance its working capital and customer financing needs. These facilities incur finance costs based on Saudi banks' internal lending rates (SAIBOR) plus a profit margin ranging from 2.25% to 2.5%. They are secured by promissory notes, a pledge on receivables, and restricted cash deposits, with original maturities of 48 to 60 months. The Company is required to comply with certain covenants as per the facility agreement, and as of the reporting date, it is in compliance.

**14 NET INCOME FROM FINANCING**

**14.1 Income from islamic financing, net**

	<i>For the three-month period ended 30 September 2025 Unaudited SR</i>	<i>For the three-month period ended 30 September 2024 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2025 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2024 Unaudited SR</i>
Islamic financings				
Tawarruq	<b>13,626,727</b>	13,111,101	<b>39,518,045</b>	37,395,626
Murabaha	<b>168,831</b>	155,266	<b>495,166</b>	519,697
Ijarah	<b>20,880,683</b>	14,461,200	<b>57,895,005</b>	37,658,980
	<b>34,676,241</b>	27,727,567	<b>97,908,216</b>	75,574,303

**14.2 Finance cost, net**

	<i>For the three-month period ended 30 September 2025 Unaudited SR</i>	<i>For the three-month period ended 30 September 2024 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2025 Unaudited SR</i>	<i>For the nine-month period ended 30 September 2024 Unaudited SR</i>
Islamic financial facilities				
- Tawarruq	<b>9,106,932</b>	5,820,537	<b>25,071,952</b>	17,267,930
Facility management fees	<b>608,230</b>	256,943	<b>1,481,090</b>	987,118
Bank charges	<b>13,512</b>	6,663	<b>33,167</b>	39,026
	<b>9,728,674</b>	6,084,143	<b>26,586,209</b>	18,294,074

# NATIONAL FINANCE HOUSE COMPANY (A JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

### 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Company's financial instruments is analysed below:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Company's Level 3 financial assets comprise investment in unquoted investee company.

There were no transfers between level 1 and level 3 during the nine-month period 30 September 2025 (31 December 2024: nil). There were no financial assets or financial liabilities classified under level 2.

There were no changes in valuation techniques during the period.

As at 30 September 2025, the financial assets of the Company comprised of net investments in islamic financing, term deposits, restricted cash deposit, cash and cash equivalents and other receivables which are recorded at amortised cost and whose carrying value approximates its fair value except for net investment in islamic financing and the Company's financial liabilities include trade payables, other payables and accruals, due to related parties and financial facilities.

### 16 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 interim condensed 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 31 December 2024. There have been no changes in the risk management policies since the year end.

#### Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide adequate return to its shareholders through the optimization of the capital structure. The Company manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. No changes were made in objectives, policies or processes for managing capital during the nine-month period ended 30 September 2025.

The Company monitors the aggregate amount of financing offered by the Company on the basis of the regulatory requirements of Regulations for Companies and SAMA.

NATIONAL FINANCE HOUSE COMPANY  
(A JOINT STOCK COMPANY)

---

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)  
At 30 September 2025

**16 FINANCIAL RISK MANAGEMENT (continued)**

	<i>30 September 2025 Unaudited</i>	<i>31 December 2024 Audited</i>
Capital adequacy ratio (Net investment in islamic financing before provision and adjustments divided by total equity)	<b>2.63 times</b>	2.29 times

As per SAMA regulations, the capital adequacy ratio of the Company must not exceed 3 times of equity.

**17 COMPARATIVE FIGURES**

Certain of the prior year amounts have been reclassified to conform with the presentation of the current period. These changes have been made to improve the comparability of information presented but are not material to the interim condensed financial statements as a whole and.

**18 DATE OF AUTHORIZATION FOR ISSUE**

These interim condensed financial statements were approved by the Board of Directors on 26 October 2025G (corresponding to 4 Jumada Al-Ula 1447H).