NATIONAL FINANCE HOUSE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND REVIEW REPORT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

NATIONAL FINANCE HOUSE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND REVIEW REPORT
For the three-month and six-month periods ended 30 June 2026

Shape the future with confidence

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of National Finance House Company (A Saudi Closed Joint Stock Company) (the "Company") as at 30 June 2026, and the related interim condensed statement of comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed statement of changes in shareholders' equity and cash flows for the six-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.

for Ernst & Young Professional Services

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

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CR.4030276644
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Jeddah: 14 Safar 1448H
(28 July 2026G)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2026

	Note	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
ASSETS			
Cash and bank balances	5	**17,565,780**	17,931,166
Term deposits	6	**10,170,115**	13,453,399
Prepayments and other receivables	7	**19,772,088**	17,909,420
Net investment in islamic financing	8	**852,794,279**	804,679,027
Restricted cash deposit	9	**30,330,444**	28,566,086
Due from related parties	11	**2,245,541**	-
Property and equipment		**364,275**	505,404
Intangible assets		**6,453,212**	7,006,391
TOTAL ASSETS		**939,695,734**	890,050,893
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	10	**300,000,000**	300,000,000
Retained earnings		**13,175,203**	4,164,930
TOTAL SHAREHOLDERS' EQUITY		**313,175,203**	304,164,930
LIABILITIES			
Trade payables		**26,407,147**	27,427,545
Other payables and accruals		**13,022,577**	12,465,473
Due to related parties	11	**17,250**	904,722
Provision for zakat	12	**2,288,492**	2,682,465
Financial facilities	13	**582,507,908**	540,523,235
Employees' post-employment benefits		**2,277,157**	1,882,523
TOTAL LIABILITIES		**626,520,531**	585,885,963
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**939,695,734**	890,050,893

The attached notes 1 to 20 form an integral part of these unaudited interim condensed financial statements.

NATIONAL FINANCE HOUSE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2026

	Note	***For the three-month period ended 30 June 2026 Unaudited SR***	*For the three-month period ended 30 June 2025 Unaudited SR*	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Income from islamic financing, net	14	**39,490,903**	32,463,561	**78,569,686**	63,231,974
Finance cost	14	**(11,539,894)**	(8,891,666)	**(22,623,692)**	(16,857,535)
Net income from financing		**27,951,009**	23,571,895	**55,945,994**	46,374,439
General and administrative expenses		**(13,430,384)**	(11,251,625)	**(26,349,112)**	(22,082,450)
Selling and marketing expenses		**(883,737)**	(359,726)	**(1,629,508)**	(809,393)
Other income		**4,072,232**	1,550,249	**5,299,794**	2,671,121
PROFIT BEFORE EXPECTED CREDIT LOSSES		**17,709,120**	13,510,793	**33,267,168**	26,153,717
Expected credit losses	8.5	**(16,944,357)**	(11,245,354)	**(26,555,502)**	(21,170,906)
Recovery of debts previously written-off		**2,000,355**	801,114	**4,587,099**	1,743,730
PROFIT BEFORE ZAKAT		**2,765,118**	3,066,553	**11,298,765**	6,726,541
Zakat	12	**(528,729)**	(594,795)	**(2,288,492)**	(1,349,538)
NET PROFIT FOR THE PERIOD		**2,236,389**	2,471,758	**9,010,273**	5,377,003
Other comprehensive income		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,236,389**	2,471,758	**9,010,273**	5,377,003

The attached notes 1 to 20 form an integral part of these unaudited interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six-month period ended 30 June 2026

	Share capital SR	*Retained earnings / (accumulated losses) SR*	*Total SR*
Balance as at 1 January 2026 (Audited)	**300,000,000**	**4,164,930**	**304,164,930**
Total comprehensive income for the period	**-**	**9,010,273**	**9,010,273**
Balance as at 30 June 2026 (Unaudited)	**300,000,000**	**13,175,203**	**313,175,203**
Balance as at 1 January 2025 (Audited)	300,000,000	(6,126,513)	293,873,487
Total comprehensive income for the period	-	5,377,003	5,377,003
Balance as at 30 June 2025 (Unaudited)	300,000,000	(749,510)	299,250,490

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2026

	Note	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
OPERATING ACTIVITIES			
Net profit for the period before zakat		**11,298,765**	6,726,541
Adjustments for:			
Finance cost	14	**22,623,692**	16,857,535
Expected credit losses	8.5	**26,555,502**	21,170,906
Amortization of intangibles		**682,269**	558,712
Provision for employees' post-employment benefits		**510,318**	341,223
Depreciation of property and equipment		**172,876**	188,841
Interest income on term deposits		**(1,053,314)**	(575,573)
Operating profit before changes in operating assets and liabilities		**60,790,108**	45,268,185
Changes in operating assets and liabilities			
Prepayments and other receivables		**(1,862,668)**	(6,397,594)
Net investment in islamic financing		**(74,670,754)**	(94,895,920)
Due from related parties		**(2,245,541)**	-
Trade payables		**(1,020,398)**	1,700,157
Other payables and accruals		**557,104**	783,278
Due to related parties		**(887,472)**	(5,588,221)
Cash used in operations		**(19,339,621)**	(59,130,115)
Employees' post-employment benefits paid		**(115,684)**	(34,413)
Zakat paid	12	**(2,682,465)**	(3,093,555)
Net cash used in operating activities		**(22,137,770)**	(62,258,083)
INVESTING ACTIVITIES			
Additions to intangible assets		**(129,090)**	(403,608)
Additions to property and equipment		**(31,747)**	(229,364)
Restricted cash deposit		**(1,565,286)**	(672,623)
Purchase of term deposits		**(93,800,000)**	(104,500,000)
Proceeds from term deposits		**96,800,000**	94,500,000
Interest received on short term time deposits		**1,137,526**	100,178
Net cash generated from / (used in) investing activities		**2,411,403**	(11,205,417)
FINANCING ACTIVITIES			
Proceeds from long-term financial facilities	13	**137,040,529**	139,885,133
Repayments of long-term financial facilities	13	**(95,141,265)**	(63,707,063)
Finance cost paid		**(22,538,283)**	(16,797,708)
Net cash generated from financing activities		**19,360,981**	59,380,362
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(365,386)**	(14,083,138)
Cash and cash equivalents at the beginning of the period		**17,931,166**	49,641,237
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**17,565,780**	35,558,099

The attached notes 1 to 20 form an integral part of these unaudited interim condensed financial statements.

1 ORGANIZATION AND ACTIVITIES

National Finance House Company (the “Company") is a Saudi 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 2025. In addition, results for the three-month and six-month periods ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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.

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 2025.

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 2025, except for the adoption of certain amendments, effective as of 1 January 2026, 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 2026, but they did not have a material effect on the condensed interim financial statements:

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Company's interim condensed financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Company's interim condensed financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

4.1 Standards, interpretations and amendments that became effective during the period (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (continued)

- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flow.

The amendments had no impact on the Company's interim condensed financial statements.

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 condensed interim financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management does not anticipate material impact on the condensed interim financial statements on adopting the standards, interpretations and amendments if applicable.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 'Statement of Cash Flows', which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Company does not anticipate that the application of standard will have a material effect on the Company's interim condensed financial statements.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

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

IFRS 20 - Regulatory Assets and Regulatory Liabilities
On 27 May 2026, the IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities. IFRS 20 sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense. IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, such as IFRS 15. Such information enables users of financial statements to understand the total allowed compensation for regulatory goods or services supplied in each reporting period and the related rights and obligations. Narrow-scope amendments have been made to a number of accounting standards, including IFRS 1, IFRS 3 Business Combinations and IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 20, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2029 and is applied either retrospectively in accordance with IAS 8 or using the modified retrospective approach which includes certain transition reliefs from the application of IAS 8. Early adoption is permitted and has to be disclosed. The Company does not anticipate that the standard will have a material effect on the Company's interim condensed financial statements.

Translation to a Hyperinflation Presentation Currency- Amendments to IAS 21
In November 2025, the IASB issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. The Company does not anticipate that the amendments will have a material effect on the Company's interim condensed financial statements.

5 CASH AND CASH EQUIVALENTS

	Note	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
<u>*Financial assets carried at amortized cost*</u>			
Cash at banks	5.1	**17,495,777**	17,931,052
Cash in hand		**70,003**	114
Cash and bank balances		**17,565,780**	17,931,166

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.

6 TERM DEPOSITS

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial assets carried at amortized cost		
Term deposits		
- Original maturity – more than three months	**10,000,000**	13,000,000
Accrued profit on term deposits	**170,115**	453,399
	10,170,115	13,453,399

6.1 The Company has placed term deposits of SR 10.0 million (31 December 2025: SR 13.0 million) with a local bank. The profit rate on these term deposits ranges from 4.55% to 5.10% (31 December 2025: 4.10% to 5.25%) per annum.

7 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
VAT receivable	**5,504,242**	5,238,745
Prepaid loan origination structure fees	**784,487**	1,382,380
Prepaid rent	**70,500**	366,000
Other prepaid expenses	**1,632,885**	973,442
Repossession receivables (see note below)	**10,721,982**	9,948,853
Other receivables	**1,057,992**	-
	19,772,088	17,909,420

Repossession receivables represents the receivable from the auction company, dealing in repossessed vehicles. Based on the historical experience, management believes that the balance is recoverable in full, without requiring any provision against such balance.

8 NET INVESTMENT IN ISLAMIC FINANCING

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial assets carried at amortized cost – unsecured		
Tawarruq	**250,372,964**	218,990,210
Murabaha	**2,401,894**	2,764,264
Investment classified as a finance lease – secured		
Ijarah	**635,265,821**	607,962,332
Gross investment in Islamic financing	**888,040,679**	829,716,806
Unearned origination fees	**(4,117,284)**	(4,120,889)
Deferred transaction costs	**9,301,767**	9,010,250
Expected credit losses	**(40,430,883)**	(29,927,140)
Net investment in Islamic financing	**852,794,279**	804,679,027

8 NET INVESTMENT IN ISLAMIC FINANCING (continued)

8.1 Maturity profile:

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Current portion	**213,332,157**	178,327,148
Non-current portion	**639,462,122**	626,351,879
	852,794,279	804,679,027

8.2 Details of gross investments in Islamic financings:

	Tawarruq		***Murabaha***		***Ijarah***		***Total***	
	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
Gross investment in islamic financings	**370,470,476**	326,374,790	**3,472,611**	4,107,663	**860,161,520**	851,389,403	**1,234,104,607**	1,181,871,856
Unearned / deferred islamic financing income	**(120,097,512)**	(107,384,580)	**(1,070,717)**	(1,343,399)	**(224,895,699)**	(243,427,071)	**(346,063,928)**	(352,155,050)
	250,372,964	218,990,210	**2,401,894**	2,764,264	**635,265,821**	607,962,332	**888,040,679**	829,716,806

8.3 The Company in the ordinary course of its business holds collateral in respect of Islamic financing arrangements in order to mitigate the credit risk associated with them. Such collateral is intended to be enforced only in the event of customer default.

8.4 The Company has assigned islamic financing receivables amounting to SR 737 million (31 December 2025: SR 680 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.

8 NET INVESTMENTS IN ISLAMIC FINANCINGS (continued)

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

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Balance at the beginning of the period / year	**29,927,140**	29,236,413
Charge for the period / year	**26,555,502**	46,243,331
Written off during the period / year	**(16,051,759)**	(45,552,604)
Balance at the end of the period / year	**40,430,883**	29,927,140

8.6 An analysis of gross exposure of investment in Islamic financing before ECL allowance and the corresponding ECL allowance as at 30 June 2026 and 31 December 2025 is as follows:

30 June 2026	***Stage 1 SR***	***Stage 2 SR***	***Stage 3 SR***	***Total SR***
Gross investment in islamic financing	**732,267,997**	**45,321,352**	**110,451,330**	**888,040,679**
Allowance for expected credit losses	**7,531,519**	**795,200**	**32,104,164**	**40,430,883**
31 December 2025				
Gross investment in islamic financing	709,203,090	28,408,828	92,104,888	829,716,806
Allowance for expected credit losses	5,518,481	372,889	24,035,770	29,927,140

8.7 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 16.05 million (31 December 2025: 45.55 million) for certain customers with an existing provision of SR 16.05 million (31 December 2025: SR 45.55 million). These amounts are subject to enforcement activities.

8.8 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. The Company has placed entire balance of restricted cash as restricted time deposit for certain financing facilities obtained from financial institutions. The Company also earns a profit on this balance ranging from 4.10% to 4.75% (31 December 2025: from 4.30% to 5.05%) per annum.

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial assets carried at amortized cost – secured		
Restricted cash deposit	**29,750,786**	28,185,500
Accrued profit on restricted cash deposit	**579,658**	380,586
	30,330,444	28,566,086

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:

Shareholder	***Holding %***	***No. of Shares***	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
Balubaid Holding Company Limited (Ultimate Parent Company)	**100%**	**30,000,000**	**300,000,000**	300,000,000

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

Related party	***Nature of Relationship***	***Nature of transaction***	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Balubaid Holding Company Limited	Shareholder	Amount repaid to shareholder	**-**	(6,765)
Furniture Leaders Co.	Affiliate	Purchases for furniture	**-**	123,445
		Amount repaid to affiliate	**-**	(123,445)
Balubaid Automotive Company	Affiliate	Purchases for islamic financing and repossession receivable	**12,707,697**	19,651,606
		Amount repaid to affiliate	**(11,813,976)**	(24,679,406)
		Repossession receivable	**3,947,943**	-
Omar Abu Bakr Balubaid Company	Affiliate	Information Technology Services	**174,800**	225,484
		Amount repaid to affiliate	**(253,592)**	(779,139)
Key Management Personnel	Key executive employees	Salaries and other short-term employee benefits	**2,954,058**	3,112,437
		Employees' post-employment benefits	**102,901**	117,658
	Audit Committee	Meeting allowance	**64,250**	64,250
	Board of directors	Meeting allowance	**260,000**	255,833
	Award Committee	Meeting allowance	**46,000**	41,000
	Risk Committee	Meeting allowance	**80,000**	65,000
	Executive Committee	Meeting allowance	**73,000**	56,000
	Shariah Committee	Meeting allowance	**61,500**	63,003

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

11.2 Balances due from related parties

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial assets at amortized cost – unsecured		
Balubaid Automotive Company	**2,245,541**	-
	2,245,541	-

11.3 Balances due to related parties

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial liabilities at amortized cost – unsecured		
Balubaid Automotive Company	**-**	808,680
Omar Abu Bakr Balubaid Company	**17,250**	96,042
	17,250	904,722

11.4 Balances with key management

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

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Salaries and other short-term employee benefits	**380,645**	797,475
Post-employment benefits	**641,062**	708,741
Board remuneration	**496,250**	970,333
	1,517,957	2,476,549

12 PROVISION FOR ZAKAT

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Balance at the beginning of the period / year	**2,682,465**	3,083,797
Provided during the period / year	**2,288,492**	2,692,224
Payment during the period / year	**(2,682,465)**	(3,093,556)
	2,288,492	2,682,465

12 PROVISION FOR ZAKAT (continued)

Status of assessments

The Company submitted its Zakat declaration to the Zakat, Tax and Customs Authority (“ZATCA”) up to 31 December 2025 and has obtained a certificate from the ZATCA valid until 23 Dhul-Qi’dah 1448H, corresponding to 30 April 2027. The assessments for the first period ended 31 December 2021 up to the year ended 31 December 2025 have not yet been raised by the ZATCA.

13 FINANCIAL FACILITIES

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Financial liabilities at amortized cost		
Long-term financial facilities	**580,888,759**	538,989,495
Finance cost payable	**1,619,149**	1,533,740
	582,507,908	540,523,235

13.1 Movement in financial facilities

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Opening balance	**540,523,235**	376,109,463
Add: facilities obtained during the period / year	**137,040,529**	308,884,617
Less: Principal repayments made during the period / year	**(95,141,265)**	(143,786,594)
Finance cost during the period / year	**21,108,066**	34,983,417
Less: finance cost paid during the period / year	**(21,022,657)**	(35,667,668)
Closing balance	**582,507,908**	540,523,235

13.2 Maturity profile

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Current portion	**207,644,459**	182,382,015
Non-current portion	**374,863,449**	358,141,220
	582,507,908	540,523,235

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. 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.

14 NET INCOME FROM FINANCING

14.1 Income from islamic financing, net

	For the three-month period ended 30 June 2026 Unaudited SR	*For the three-month period ended 30 June 2025 Unaudited SR*	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Islamic financings				
Tawarruq	**16,624,472**	12,831,576	**32,276,767**	25,608,033
Murabaha	**160,759**	168,696	**315,574**	329,666
Ijarah	**22,705,672**	19,463,289	**45,977,345**	37,294,275
	39,490,903	32,463,561	**78,569,686**	63,231,974

14.2 Finance cost, net

	For the three-month period ended 30 June 2026 Unaudited SR	*For the three-month period ended 30 June 2025 Unaudited SR*	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Islamic financial facilities				
- Tawarruq	**10,813,574**	8,362,285	**21,108,066**	15,965,020
Facility management fees	**708,490**	517,848	**1,482,920**	872,860
Bank charges	**17,830**	11,533	**32,706**	19,655
	11,539,894	8,891,666	**22,623,692**	16,857,535

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to or by the Company. When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

There were no financial assets or financial liabilities classified under level 2 and level 3. There were no changes in valuation techniques during the period.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There are no transfers in the fair value levels during the period ended 30 June 2026 (31 December 2025: Nil).

As at 30 June 2026, 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 and the Company's financial liabilities include trade payables, other payables and accruals, due to related parties and financial facilities. These are recorded at amortised cost and whose carrying value approximates its fair value except for net investment in islamic financing.

16 FINANCIAL RISK MANAGEMENT

The Company is exposed to market risk, liquidity risk and credit 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 2025. 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 six-month period ended 30 June 2026.

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.

	30 June 2026 Unaudited	*31 December 2025 Audited*
Capital adequacy ratio (Gross investment in islamic financing divided by total equity)	**2.84 times**	2.73 times

As per Saudi Central Bank ("SAMA") regulations, the capital adequacy ratio of the Company must not exceed eight times of shareholders' equity.

17 COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified/ represented 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.

18 GEOPOLITICAL DEVELOPMENTS

During the current period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasise the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

18 GEOPOLITICAL DEVELOPMENTS (continued)

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the Company's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

19 SUBSEQUENT EVENT

In the opinion of the management there have been no significant subsequent events since the period ended 30 June 2026 which would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

20 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved by the Board of Directors on 27 July 2026G (corresponding to 13 Safar 1448H).