

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2025**

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's report on review of condensed interim financial statements	-
Condensed statement of financial position	1
Condensed statement of profit or loss and other comprehensive income	2
Condensed statement of changes in shareholder's equity	3
Condensed statement of cash flows	4
Notes to the condensed interim financial statements	5 – 16



## KPMG Professional Services Company

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P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرعش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholder of Raya Financing Company

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Raya Financing Company ("the Company"), which comprises:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed statement of changes in shareholder's equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flows for the three-month period ended 31 March 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 Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this 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.

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

To the Shareholder of Raya Financing Company (Continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed interim financial statements of Raya Financing Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in Kingdom of Saudi Arabia.

## KPMG Professional Services Company



**Mohammed Najeeb Alkhelaiwi**  
License No: 481



Al Khobar, 2 Dhul Qadah 1446H  
Corresponding to: 30 April 2025G

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**  
(Expressed in Saudi Riyals)

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	3	302,260,900	27,629,604
Prepayments and other receivables	4	21,491,305	33,664,484
Net investment in finance leases	5	1,810,285,385	1,791,589,649
Net investment in Murabaha finance	6	109,251,870	116,142,701
Net servicing asset on securitization	16	43,118,290	-
Right of use assets		7,253,086	6,019,822
Property and equipment		7,394,651	5,765,243
Intangible assets		672,747	752,209
Financial assets at fair value through other comprehensive income		892,850	892,850
<b>TOTAL ASSETS</b>		<b>2,302,621,084</b>	<b>1,982,456,562</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S EQUITY</b>			
Share capital		330,000,000	330,000,000
Retained earnings		25,827,701	4,944,688
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>355,827,701</b>	<b>334,944,688</b>
<b>LIABILITIES</b>			
Accounts payable	8	365,903,278	267,108,414
Accrued expenses and other liabilities	9	67,514,400	53,091,917
Provision for Zakat	10	10,637,144	6,252,090
Borrowings	11	1,490,725,590	1,310,539,165
Lease liabilities		7,786,125	6,456,656
Employees' end of service benefits		4,226,846	4,063,632
<b>TOTAL LIABILITIES</b>		<b>1,946,793,383</b>	<b>1,647,511,874</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		<b>2,302,621,084</b>	<b>1,982,456,562</b>

These condensed interim financial statements appearing on pages 1 to 16 were approved by the Board of Directors on 1 Dhu'l-Qi'dah 1446H corresponding to 29 April 2025G and have been signed on their behalf by:



Abdullah Ali Almajdouie  
Chairman



Adel Saleh Alhoyar  
Chief Executive Officer



Mohammed Maghrabi  
Chief Financial Officer

The accompanying notes from 1 to 19 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**RAYA FINANCING COMPANY**

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

(Expressed in Saudi Riyals)

	<b>31 March 2025</b> <b>(Unaudited)</b>	31 March 2024 (Unaudited)
<b>INCOME</b>		
Finance lease income (Note 12)	<b>70,639,846</b>	36,768,009
Commission income	<b>18,638,360</b>	10,659,454
Gain on securitization	<b>9,387,570</b>	-
<b>Total income</b>	<b>98,665,776</b>	47,427,463
<b>EXPENSES</b>		
Provision for Expected Credit Losses ("ECL") on financial assets (Note 5 & 6)	<b>(3,249,801)</b>	(5,866,277)
Depreciation and amortization	<b>(954,873)</b>	(727,351)
Salaries and employee related expenses	<b>(13,998,267)</b>	(9,556,628)
Finance cost	<b>(25,401,425)</b>	(10,260,137)
Insurance and other cost of financed vehicles	<b>(25,309,596)</b>	(13,885,941)
Other expenses (Note 13)	<b>(4,483,747)</b>	(2,960,476)
<b>Total expenses</b>	<b>(73,397,709)</b>	(43,256,810)
<b>Profit before Zakat</b>	<b>25,268,067</b>	4,170,653
Zakat expense (Note 10)	<b>(4,385,054)</b>	(215,012)
<b>Profit for the period</b>	<b>20,883,013</b>	3,955,641
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Re-measurement gain on defined benefit plans	-	-
<b>Other comprehensive income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	<b>20,883,013</b>	3,955,641

The accompanying notes from 1 to 19 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

	Share capital	Additional capital contribution	Retained earnings / accumulated losses	Total
<b>Balance at 31 December 2024 (Audited)</b>	<b>330,000,000</b>	-	<b>4,944,688</b>	<b>334,944,688</b>
<b>Profit for the period (Un-audited)</b>	-	-	<b>20,883,013</b>	<b>20,883,013</b>
<b>Other comprehensive income (Un-audited)</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>20,883,013</b>	<b>20,883,013</b>
<b>Balance at 31 March 2025 (Un-audited)</b>	<b>330,000,000</b>	-	<b>25,827,701</b>	<b>355,827,701</b>
Balance at 31 December 2023 (Audited)	230,000,000	-	(18,301,467)	211,698,533
Shareholder contribution (Un-audited)	-	100,000,000	-	100,000,000
Profit for the period (Un-audited)	-	-	3,955,641	3,955,641
Other comprehensive income (Un-audited)	-	-	-	-
Total comprehensive income for the period	-	100,000,000	3,955,641	103,955,641
Balance at 31 March 2024 (Un-audited)	230,000,000	100,000,000	(14,345,826)	315,654,174

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**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

		<b>For the three-month period ended 31 March 2025 (Unaudited)</b>	<b>For the three-month period ended 31 March 2024 (Unaudited)</b>
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Profit before Zakat		<b>25,268,064</b>	4,170,653
<i>Adjustments for:</i>			
- Provision for expected credit losses	5 & 6	<b>3,249,801</b>	5,866,277
- Depreciation		<b>875,411</b>	555,758
- Amortization		<b>79,462</b>	171,593
- Finance cost		<b>25,401,425</b>	10,260,137
- Employees' end of service benefits		<b>163,214</b>	(364,701)
- Gain on derecognition of right of use assets		<b>(5,128)</b>	-
- Gain on securitization		<b>(9,387,568)</b>	-
<i>Changes in working capital:</i>			
- Net investment in finance lease		<b>(364,009,605)</b>	(178,850,804)
- Prepayments and other receivables		<b>3,647,359</b>	(699,423)
- Cash received on sale of finance lease receivable		<b>323,750,000</b>	-
- Accounts payable		<b>98,794,864</b>	49,468,567
- Accrued expenses and other liabilities		<b>14,188,993</b>	(7,787,579)
<b>Cash from / (used in) operating activities</b>		<b>122,016,292</b>	(117,209,522)
Zakat paid	10	-	-
<b>Net cash from / (used in) operating activities</b>		<b>122,016,292</b>	(117,209,522)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		<b>(2,053,311)</b>	(986,901)
Software under development		<b>(90,966)</b>	-
<b>Net cash used in investing activities</b>		<b>(2,144,277)</b>	(986,901)
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings	11	<b>245,000,000</b>	97,500,000
Repayment of long-term borrowings	11	<b>(66,768,803)</b>	(36,956,837)
Interest paid on long-term borrowings	11	<b>(23,098,131)</b>	(8,292,592)
Share capital		-	100,000,000
Lease liabilities paid		<b>(373,785)</b>	(334,006)
<b>Net cash from financing activities</b>		<b>154,759,281</b>	151,916,565
<b>Net change in cash and cash equivalents</b>		<b>274,631,296</b>	33,720,142
Cash and cash equivalents at beginning of the period		<b>27,629,604</b>	3,807,756
<b>Cash and cash equivalent at end of the period</b>	3	<b>302,260,900</b>	37,527,898
<b>SUPPLEMENTARY INFORMATION</b>			
<b>Non-cash transactions:</b>			
<b>Recognition of right-of-use assets and leases liabilities</b>		<b>1,681,191</b>	819,334
<b>Recognition of servicing asset on securitization of lease receivables</b>		<b>43,118,290</b>	-

The accompanying notes from 1 to 19 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

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**1. CORPORATE INFORMATION**

Raya Financing Company (the “Company”) is a Single Shareholder Saudi Closed Joint Stock Company, registered in the Kingdom of Saudi Arabia under the Commercial Registration (“CR”) number 2050104609 issued in Dammam on 8 Rabi II 1436H (28 January 2015) and operating under the Saudi Central Bank (SAMA) approval number 351000153064 dated 25 Dhul Hijjah 1435H (19 October 2014). The Company has obtained the license from SAMA to conduct finance leasing activities on 14 Jumada II 1437H (23 March 2016). Further, the Company received no objection certificate from SAMA to conduct Murabaha finance business in the Kingdom of Saudi Arabia during 2019. The registered address of the Company is P.O. Box 336, Dammam 31411, Kingdom of Saudi Arabia.

The Company is owned by Al Majdouie Motors Company Limited (the “Parent Company”), a limited liability company registered in the Kingdom of Saudi Arabia. The Parent Company is effectively owned by Ali Ibrahim Saleh Al Majdouie Company (the ‘Ultimate Parent Company’), which is ultimately controlled by Sheikh Ali Ibrahim Saleh Al Majdouie.

These financial statements include the operations of the Company and its following branches:

<u>Location</u>	<u>Commercial registration number</u>
Riyadh	1010610746
Dammam	2050104609
Jeddah	4030296155

**2. BASIS OF PREPARATION, MATERIAL ACCOUNTING POLICIES AND ESTIMATES**

**2.1 Statement of compliance**

These condensed interim financial statements (“Interim Financial Statements”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 31 December 2024 (“Last Annual Financial Statements”). These condensed interim financial statements do not include all of the information required for a complete set of IFRS financial statements; however, changes in accounting policies and selected explanatory notes (if any) are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

**2.2 Historical cost convention**

These condensed interim financial statements have been prepared on a historical cost basis, using going concern assumption, except for investment which is measured at fair value and employees’ end of service benefits which is measured at projected unit credit method.

**2.3 Basis of presentation**

The Company’s statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, prepayment and other receivables, accounts payables, accrued expenses and other liabilities and provision for Zakat. The following balances would generally be classified as non-current: property and equipment, intangible assets and employees’ end of service benefits. The balances which are of mixed in nature, i.e. include both current and non-current portions, include net investment in finance leases, net investment in Murabaha finance, lease liabilities and borrowings.

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

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**2. BASIS OF PREPARATION, MATERIAL ACCOUNTING POLICIES AND ESTIMATES (Continued)**

**2.4 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Riyal, unless otherwise stated.

**2.5 Significant accounting judgments, estimates and assumptions**

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2024.

**2.6 Standards, new pronouncements and interpretations:**

**a) New and revised standards with no material effect on the condensed interim financial statements.**

There are certain new standards or amendments to existing standards which are effective from 1 January 2025, however, they do not have an impact or are applicable with respect to the Company's condensed interim financial statements for the three-month period ended 31 March 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and revised standards with no material effect on the condensed interim financial statements are as follows:

- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements; and
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

The application of the revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

**b) New and revised standards issued but not yet effective.**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's condensed interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Company's management decided not to choose the early adoption of the following new and amended standards and interpretations issued which will become effective for the periods commencing on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

The above-mentioned standards are not expected to have a significant impact on the Company's interim financial statements.

**2.7 Material accounting policies**

The material accounting policies used 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 31 December 2024.

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**3. CASH AND CASH EQUIVALENTS**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Cash in hand	<b>155,000</b>	155,000
Cash at bank	<b>302,105,900</b>	27,474,604
	<b>302,260,900</b>	27,629,604

**4. PREPAYMENTS AND OTHER RECEIVABLES**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Prepaid expenses	<b>11,660,125</b>	24,585,420
Insurance claims	<b>5,862,697</b>	8,784,790
Advances to suppliers	<b>3,731,109</b>	20,419
Repossessed assets held for resale	<b>80,195</b>	53,101
Others	<b>157,179</b>	220,754
	<b>21,491,305</b>	33,664,484

**5. NET INVESTMENT IN FINANCE LEASES**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Gross investment in finance lease	<b>2,625,239,312</b>	2,599,167,497
Less: Unearned finance lease income	<b>(753,388,543)</b>	(743,929,349)
Present Value (PV) of minimum lease payments receivable	<b>1,871,850,769</b>	1,855,238,148
Provision for impairment of finance lease receivables (Note 5.2)	<b>(61,565,384)</b>	(63,648,499)
Net investment in finance leases	<b>1,810,285,385</b>	1,791,589,649
Due after one year	<b>(1,499,097,671)</b>	(1,492,395,895)
Due within one year	<b>311,187,714</b>	299,193,754

**5.1** The maturity of the gross investment in finance leases as at 31 March 2025 is as follows:

	<b>Gross investment</b> <b>in finance leases</b> <b>(Un-audited)</b>	<b>Unearned finance</b> <b>lease income</b> <b>(Un-audited)</b>	<b>PV of minimum</b> <b>lease payments</b> <b>(Un-audited)</b>
<b>Less than one year</b>	<b>547,678,259</b>	<b>223,766,578</b>	<b>323,911,681</b>
<b>Between one to two years</b>	<b>516,419,375</b>	<b>203,893,925</b>	<b>312,525,450</b>
<b>Between two to three years</b>	<b>467,591,823</b>	<b>157,252,029</b>	<b>310,339,794</b>
<b>Between three to four years</b>	<b>429,060,297</b>	<b>110,704,195</b>	<b>318,356,102</b>
<b>Between four to five years</b>	<b>664,489,558</b>	<b>57,771,816</b>	<b>606,717,742</b>
	<b>2,625,239,312</b>	<b>753,388,543</b>	<b>1,871,850,769</b>

The maturity of the gross investment in finance leases as at 31 December 2024 is as follows:

	<b>Gross investment in</b> <b>finance leases</b> <b>(Audited)</b>	<b>Unearned finance</b> <b>lease income</b> <b>(Audited)</b>	<b>PV of minimum lease</b> <b>payments</b> <b>(Audited)</b>
Less than one year	536,346,327	221,032,487	315,313,840
Between one to two years	509,232,125	199,976,545	309,255,580
Between two to three years	467,533,755	157,166,148	310,367,607
Between three to four years	432,287,635	105,081,431	327,206,204
Between four to five years	653,767,655	60,672,738	593,094,917
	2,599,167,497	743,929,349	1,855,238,148

**RAYA FINANCING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**5. NET INVESTMENT IN FINANCE LEASES (Continued)**

**5.2** The movement in the impairment of finance lease receivable was as follows:

	<b>31 March 2025</b> <b>(Un-audited)</b>	31 December 2024 (Audited)
Balance at the beginning of the period / year	<b>63,648,499</b>	35,220,903
Allowance for the period / year	<b>3,957,408</b>	32,520,748
Write-off during the period / year	<b>(6,040,523)</b>	(4,093,152)
Balance at the end of the period / year	<b>61,565,384</b>	63,648,499

**5.3** Category wise movement in provision for impairment of lease receivables is as follows:

	<b>For the three-month period ended 31 March 2025</b>			
<b>2025 (Un-audited)</b>	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	<b>41,026,996</b>	<b>6,934,330</b>	<b>15,687,173</b>	<b>63,648,499</b>
Individual financial assets transferred to under-performing (lifetime expected credit losses)	<b>(1,569,327)</b>	<b>6,124,450</b>	<b>(397,575)</b>	<b>4,157,548</b>
Individual financial assets transferred to non-performing (credit-impaired financial assets)	<b>(213,918)</b>	<b>(784,011)</b>	<b>3,119,218</b>	<b>2,121,289</b>
Individual financial assets transferred to performing (12 month expected credit losses)	<b>725,058</b>	<b>(2,993,368)</b>	<b>(577,589)</b>	<b>(2,845,899)</b>
New financial assets originated	<b>11,335,443</b>	<b>-</b>	<b>-</b>	<b>11,335,443</b>
Collections / recoveries	<b>(11,302,913)</b>	<b>(987,444)</b>	<b>(942,807)</b>	<b>(13,233,164)</b>
Changes in assumptions	<b>771,499</b>	<b>181,737</b>	<b>1,468,955</b>	<b>2,422,191</b>
Write-off	<b>-</b>	<b>-</b>	<b>(6,040,523)</b>	<b>(6,040,523)</b>
Closing balance as at 31 March	<b>40,772,838</b>	<b>8,475,694</b>	<b>12,316,852</b>	<b>61,565,384</b>

  

	<b>For the year ended 31 December 2024</b>			
<b>2024 (Audited)</b>	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	19,602,016	2,891,127	12,727,760	35,220,903
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(5,128,316)	6,680,702	(342,782)	1,209,604
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(4,695,771)	(437,602)	8,678,595	3,545,222
Individual financial assets transferred to performing (12-month expected credit losses)	392,522	(1,780,676)	(1,036,096)	(2,424,250)
New financial assets originated	37,243,209	-	-	37,243,209
Collections / recoveries	(6,557,291)	(419,221)	(3,034,274)	(10,010,786)
Changes in assumptions	170,627	-	2,787,122	2,957,749
Write-off	-	-	(4,093,152)	(4,093,152)
Closing balance as at 31 December	41,026,996	6,934,330	15,687,173	63,648,499

**5.4** Category-wise gross lease receivables are as follows:

	<b>31 March 2025</b> <b>(Un-audited)</b>	31 December 2024 (Audited)
Performing	<b>2,472,487,371</b>	2,452,056,749
Under-performing	<b>102,495,389</b>	95,016,591
Non-performing	<b>50,256,552</b>	52,094,157
	<b>2,625,239,312</b>	2,599,167,497

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**5. NET INVESTMENT IN FINANCE LEASES (Continued)**

**5.5** Category wise movement in gross lease receivables is as follows:

<b>2025 (Un-audited)</b>	<b>For the three-month period ended 31 March 2025</b>			
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	2,452,056,749	95,016,591	52,094,157	2,599,167,497
Individual financial assets transferred to under performing (lifetime expected credit losses)	(71,861,582)	73,813,951	(1,952,369)	-
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(9,715,453)	(10,280,534)	19,995,987	-
Individual financial assets transferred to performing (12 month expected credit losses)	43,633,440	(40,788,391)	(2,845,049)	-
New financial assets originated	671,264,761	-	-	671,264,761
Write-off	-	-	(6,665,745)	(6,665,745)
Collections / recoveries	(612,890,544)	(15,266,228)	(10,370,429)	(638,527,201)
Closing balance as at 31 March	2,472,487,371	102,495,389	50,256,552	2,625,239,312

  

<b>2024 (Audited)</b>	<b>For the year ended 31 December 2024</b>			
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	1,039,265,106	42,914,943	37,646,500	1,119,826,549
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(95,100,004)	96,779,886	(1,679,882)	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(51,292,427)	(6,158,411)	57,450,838	-
Individual financial assets transferred to performing (12 month expected credit losses)	30,099,524	(24,958,022)	(5,141,502)	-
New financial assets originated	1,773,448,697	-	-	1,773,448,697
Write-off	-	-	(4,759,013)	(4,759,013)
Collections / recoveries	(244,364,147)	(13,561,805)	(31,422,784)	(289,348,736)
Closing balance as at 31 December	2,452,056,749	95,016,591	52,094,157	2,599,167,497

**5.6** Category wise gross lease receivables net of impairment provision is as follows:

	<b>31 March 2025 (Un-audited)</b>	<b>31 December 2024 (Audited)</b>
Performing	2,431,714,533	2,411,029,753
Under-performing	94,019,695	88,082,261
Non-performing	37,939,700	36,406,984
	<b>2,563,673,928</b>	<b>2,535,518,998</b>

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**6. NET INVESTMENT IN MURABAHA FINANCE**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Gross investment in Murabaha finance	<b>129,950,708</b>	146,603,919
Less: Unearned Murabaha finance income	<b>(17,120,290)</b>	(19,173,775)
Present Value (PV) of investment in Murabaha finance	<b>112,830,418</b>	127,430,144
Provision for impairment of Murabaha finance receivables (Note 6.2)	<b>(3,578,548)</b>	(11,287,443)
Net investment in Murabaha finance	<b>109,251,870</b>	116,142,701
Due after one year	<b>(46,023,676)</b>	(51,572,442)
Due within one year	<b>63,228,194</b>	64,570,259

**6.1** The maturity of the gross investment in Murabaha finance as at 31 March 2025 is as follows:

	<b>Gross investment in</b> <b>Murabaha Finance</b> <b>(Un-audited)</b>	<b>Unearned Murabaha</b> <b>finance income</b> <b>(Un-audited)</b>	<b>PV of investment in</b> <b>Murabaha Finance</b> <b>(Un-audited)</b>
<b>Less than one year</b>	<b>75,877,605</b>	<b>10,667,049</b>	<b>65,210,556</b>
<b>Between one to two years</b>	<b>37,256,565</b>	<b>5,017,514</b>	<b>32,239,051</b>
<b>Between two to three years</b>	<b>14,624,981</b>	<b>1,276,201</b>	<b>13,348,780</b>
<b>Between three to four years</b>	<b>1,985,050</b>	<b>147,532</b>	<b>1,837,518</b>
<b>Between four to five years</b>	<b>206,507</b>	<b>11,994</b>	<b>194,513</b>
	<b>129,950,708</b>	<b>17,120,290</b>	<b>112,830,418</b>

The maturity of the gross investment in Murabaha finance as at 31 December 2024 is as follows:

	<b>Gross investment in</b> <b>Murabaha Finance</b> <b>(Audited)</b>	<b>Unearned Murabaha</b> <b>finance income</b> <b>(Audited)</b>	<b>PV of investment in</b> <b>Murabaha Finance</b> <b>(Audited)</b>
Less than one year	86,199,889	12,344,175	73,855,714
Between one to two years	43,499,195	5,335,021	38,164,174
Between two to three years	14,571,549	1,296,550	13,274,999
Between three to four years	2,079,502	188,670	1,890,832
Between four to five years	253,784	9,359	244,425
	146,603,919	19,173,775	127,430,144

**6.2** The movement in the impairment of net investment in Murabaha finance is as follows:

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>11,287,443</b>	9,943,240
Allowance for the period / year	<b>(707,607)</b>	2,164,054
Write-off during the period / year	<b>(7,001,288)</b>	(819,851)
Balance at the end of the period / year	<b>3,578,548</b>	11,287,443

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**6. NET INVESTMENT IN MURABAHA FINANCE (Continued)**

**6.3** Category wise movement in provision for impairment of Murabaha finance is as follows:

<u>2025 (Un-audited)</u>	<b>For the three-month period ended 31 March 2025</b>			
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	3,268,072	97,890	7,921,481	11,287,443
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(22,410)	106,318	(776,497)	(692,589)
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(73,603)	(8,392)	575,642	493,647
Individual financial assets transferred to performing (12 month expected credit losses)	25,524	(87,474)	-	(61,950)
New financial assets originated	264,881	-	-	264,881
Collections / recoveries	(762,759)	-	(1,950)	(764,709)
Changes in assumptions	50,372	1,885	856	53,113
Write-off	-	-	(7,001,288)	(7,001,288)
Closing balance as at 31 March	2,750,077	110,227	718,244	3,578,548

  

<u>2024 (Audited)</u>	<b>For the year ended 31 December 2024</b>			
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	4,979,130	703,209	4,260,901	9,943,240
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(107,972)	95,865	(38,288)	(50,395)
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(226,582)	(21,485)	827,562	579,495
Individual financial assets transferred to performing (12-month expected credit losses)	14,840	(673,915)	-	(659,075)
New financial assets originated	1,882,374	-	-	1,882,374
Collections / recoveries	(3,274,199)	(5,784)	(102,551)	(3,382,534)
Changes in assumptions	481	-	3,793,708	3,794,189
Write-off	-	-	(819,851)	(819,851)
Closing balance as at 31 December	3,268,072	97,890	7,921,481	11,287,443

**6.4** Category wise gross investment in Murabaha finance is as follows:

	<b>31 March 2025 (Un-audited)</b>	<b>31 December 2024 (Audited)</b>
Performing	124,142,546	133,488,550
Under-performing	3,114,473	1,800,339
Non-performing	2,693,689	11,315,030
	<b>129,950,708</b>	<b>146,603,919</b>

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**6. NET INVESTMENT IN MURABAHA FINANCE (Continued)**

**6.5** Category wise movement in gross Murabaha finance is as follows:

<b>2025 (Un-audited)</b>	<b>For the three-month period ended 31 March 2025</b>			
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	133,488,550	1,800,339	11,315,030	146,603,919
Individual financial assets transferred to under performing (lifetime expected credit losses)	(2,211,596)	5,239,144	(3,027,548)	-
Individual financial assets transferred to non performing (credit-impaired financial assets)	(3,047,312)	(135,813)	3,183,125	-
Individual financial assets transferred to performing (12-month expected credit losses)	1,640,217	(1,640,217)	-	-
New financial assets originated	13,855,484	-	-	13,855,484
Write-off	-	-	(7,966,622)	(7,966,622)
Collections / recoveries	(19,582,797)	(2,148,980)	(810,296)	(22,542,073)
Closing balance as at 31 March	124,142,546	3,114,473	2,693,689	129,950,708
<b>For the year ended 31 December 2024</b>				
<b>2024 (Audited)</b>	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>	<b>Total</b>
Opening balance as at 1 January	126,412,626	7,572,631	9,464,557	143,449,814
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(2,420,539)	2,505,623	(85,084)	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(10,395,126)	(165,837)	10,560,963	-
Individual financial assets transferred to performing (12-month expected credit losses)	7,320,691	(7,320,691)	-	-
New financial assets originated	75,736,823	-	-	75,736,823
Write-off	-	-	(979,455)	(979,455)
Collections / recoveries	(63,165,925)	(791,387)	(7,645,951)	(71,603,263)
Closing balance as at 31 December	133,488,550	1,800,339	11,315,030	146,603,919

**6.6** Category wise Murabaha finance net of impairment provision is as follows:

	<b>31 March 2025 (Un-audited)</b>	<b>31 December 2024 (Audited)</b>
Performing	121,392,469	130,220,478
Under-performing	3,004,246	1,702,449
Non-performing	1,975,445	3,393,549
	<b>126,372,160</b>	<b>135,316,476</b>

**7. EXPECTED CREDIT LOSSES**

In accordance with the requirements of applicable accounting framework, the management of the Company revisits all inputs and assumptions used for the determination of ECL on a periodic basis. During the three-month period ended 31 March 2025, the management of the Company has performed an exercise to update the Probability of Default ("PD") calculation and certain inputs and assumptions used for the determination of ECL. The adjustment primarily represents updates to the PD, which are based on recovery patterns of the Company's receivable balances under its financing portfolio, and other macroeconomic factors.

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**8. ACCOUNTS PAYABLE**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Accounts payable – third parties	<b>193,421,279</b>	167,773,804
Accounts payable – related parties (Note 14)	<b>172,481,999</b>	99,334,610
	<b>365,903,278</b>	267,108,414

**9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Accrued expenses	<b>19,157,997</b>	18,758,774
Advances from customers	<b>35,161,226</b>	27,087,497
VAT payable	<b>10,598,661</b>	4,866,946
Net servicing liability under agency agreement (Note 16)	<b>2,596,516</b>	2,378,700
	<b>67,514,400</b>	53,091,917

**10. ZAKAT**

**a) Zakat charge for the period:**

The Company is subject to Zakat in accordance with the regulations of the General Authority for Zakat, Tax, and Customs Authority (“ZATCA”). Zakat expense is charged to the statement of profit or loss and other comprehensive income. Zakat charge for three-month period ended 31 March comprises of the following:

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Zakat charge for the period / year	<b>4,385,054</b>	6,056,248

**b) Provision for Zakat:**

Movements in provision for Zakat for three-month period ended 31 March and for the year ended 31 December are as follows:

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>	<b>31 March 2024</b> <b>(Un-audited)</b>
Balance at beginning of the period / year	<b>6,252,090</b>	1,795,500	1,795,500
Charge for the period / year	<b>4,385,054</b>	6,056,248	215,012
Adjustment for prior year	-	-	-
Payments during the period / year	-	(1,599,658)	-
Balance at end of the period / year	<b>10,637,144</b>	6,252,090	2,010,512

**c) Zakat assessment status:**

The Company has filed its zakat declarations with the ZATCA up to 2023. ZATCA has finalized Company’s assessments up to 2018, whereas assessments for 2019, 2020, 2021, 2022 and 2023 are currently under review by ZATCA.

**11. LONG TERM BORROWINGS**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Murabaha facilities	<b>1,464,894,244</b>	1,283,019,836
Government bank loan	<b>4,494,296</b>	5,706,228
Payable to SAMA	<b>9,126,427</b>	11,557,706
Accrued finance cost	<b>12,210,623</b>	10,255,395
	<b>1,490,725,590</b>	1,310,539,165
Due within one year	<b>348,372,571</b>	305,064,265
Due after one year	<b>1,142,353,019</b>	1,005,474,900
	<b>1,490,725,590</b>	1,310,539,165

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**11. LONG TERM BORROWINGS (CONTINUED)**

The movement in long-term borrowings is as follows:

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>1,310,539,165</b>	462,427,043
Proceeds from long-term borrowings	<b>245,000,000</b>	1,022,500,000
Finance charges for the period / year	<b>25,053,359</b>	61,863,992
Less: repayments of principal	<b>(66,768,803)</b>	(181,928,904)
Less: repayments of finance charges	<b>(23,098,131)</b>	(54,322,966)
Balance at end of the period / year	<b>1,490,725,590</b>	1,310,539,165

**11.1** Murabaha facilities bear financial charges based on prevailing market rates which are based on Saudi Inter Bank Offer Rates; and administrative fee is charged by the Government bank under the loan agreement.

**11.2 Murabaha facilities**

During the three-month period ended 31 March 2025, the Company has drawn Saudi Riyals 245 million from its Murabaha facilities. The loans are secured against corporate guarantees from certain related parties, collateral on receivables against certain leased vehicles covering at least 125% to 150% of the outstanding borrowings. The loans bear financial charges based on prevailing market rates which are based on Saudi Inter Bank Offer Rates plus margins. The carrying values of such long-term borrowings are denominated in Saudi Riyals. The repayment of such loans as per the respective repayment schedule is up to 2029.

**11.3 Government bank loan**

During 2022, the Company entered into agreements with a government bank to provide financing facilities aggregating to Saudi Riyals 15 million to meet the working capital requirements of the Company, which were fully utilised during the year. Administrative fee is charged by government bank under the loan agreements. The covenants of the borrowing facilities restrict the Company to utilise the loan amounts for the purpose specified in the loan agreements. The carrying values of such long-term borrowings are denominated in Saudi Riyals. The repayment of such loans as per the repayment schedule is up to 2026.

**11.4 Payable to SAMA**

During 2023, the Company has received interest free loans from SAMA amounting to SR 25.5 million (2022: Saudi Riyals 4.6 million) under the Guaranteed Financing Program to finance micro, small, and medium enterprises (MSMEs) to promote the financial stability of these businesses and boost economic growth. These loans are repayable in monthly installments over 3 years starting September 2023. These loans were initially recognized at their fair value resulting in a gain of SR 1.7 million recognized in profit or loss.

**12. FINANCE LEASE INCOME**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 March 2024</b> <b>(Un-audited)</b>
Income from finance leases	<b>66,432,087</b>	32,934,326
Income from Murabaha finance	<b>4,207,759</b>	3,833,683
	<b>70,639,846</b>	36,768,009

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**13. OTHER EXPENSES**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 March 2024</b> <b>(Un-audited)</b>
Software license and support	<b>1,262,291</b>	370,735
Advertising and marketing	<b>813,162</b>	659,665
KAFALA program fee	<b>590,108</b>	351,395
Bank charges	<b>511,816</b>	385,816
Professional fees	<b>497,750</b>	714,514
Collection Commission	<b>423,125</b>	288,559
Board of Directors fees	<b>107,000</b>	78,000
Others	<b>278,495</b>	111,792
	<b>4,483,747</b>	2,960,476

**14. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent shareholders, directors and key management personal of the Company, and entities controlled or significantly influenced by such parties. Amount due from / to related parties are disclosed in the statement of financial position.

Transactions with related parties mainly include collections on behalf of the Company, certain expenses and services which are undertaken at mutually agreed terms and conditions. These transactions are approved by management of the following entities and Board of Directors of the Company.

**Transactions with related parties:**

<b>Nature of Transaction</b>	<b>Relationship</b>	<b>For the three-month period ended 31 March (Un-audited)</b>	
		<b>2025</b>	<b>2024</b>
Purchases of motor vehicles	Shareholder	<b>74,697,878</b>	42,884,849
Commission income on lease of motor vehicles	Shareholder	<b>5,703,747</b>	3,579,344
Lease payments	Affiliate	<b>294,185</b>	254,406
<b>Key management personnel Compensation</b>			
Short-term employee benefits		<b>1,822,984</b>	1,334,153
Employees' end of service benefits		<b>79,878</b>	43,184
Board of Directors fees		<b>107,000</b>	78,000

The above-mentioned significant transactions with related parties resulted in the following balances:

**Due to related parties:**

	<b>31 March 2025</b> <b>(Un-audited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Al Majdouie Motors Company Limited ("Motors") – shareholder	<b>169,000,295</b>	96,915,186
Al Majdouie Holding Company Limited	<b>1,780,907</b>	1,263,583
Al Majdouie Steel Company	<b>1,425,000</b>	935,000
Al Majdouie Trading Establishment	<b>125,362</b>	125,361
Majd Development and Investment Company	<b>89,878</b>	-
Arsal Operation and Maintenance Company	<b>60,557</b>	68,000
Arjaa Travel and Tourism Company	-	26,373
Al Majdouie Logistics Company Limited	-	1,107
	<b>172,481,999</b>	99,334,610

**RAYA FINANCING COMPANY**  
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**  
(Expressed in Saudi Riyals)

**15. FINANCIAL INSTRUMENTS**

The Company's principal financial assets include cash and cash equivalents, finance lease receivable, Murabaha finance receivable and certain other receivables. The Company's principal financial liabilities comprise borrowings, accounts payable, certain other payables and due to related parties.

**Fair value hierarchy**

When measuring the fair value of an asset or a liability, the Company uses observable market 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.

All financial assets and financial liabilities are measured at amortized cost except for equity investment which is classified under FVOCI. As at reporting date, the fair values of all financial assets and financial liabilities measured at amortized cost approximates their carrying values.

**16. FINANCE LEASE RECEIVABLE – PURCHASE AND AGENCY AGREEMENT**

During 2020, the Company sold its finance lease receivables under a purchase and agency agreement, amounting to SR 77.3 million to a financial institution and derecognized the same from its books, and recorded a net gain of SR 16.6 million on the derecognition. In respect of these sold finance lease receivables, the Company acts in the capacity of a servicing agent for subsequent collection of lease instalments on behalf of financial institution.

During the current period, the Company sold its finance lease receivables to a financial institution under a purchase and agency agreement; amounting to SR 348.9 million, consequently the sold portfolio was derecognized from the Company's book of accounts and a net servicing asset has been recognized along with a net gain of SR 9.38 million.

Under the purchase and agency agreement, the Company has been appointed by a financial institution to service the receivables sold to such financial institution against a servicing 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. The primary determinants of the fair value of net servicing asset / liability are discount rates, estimates of costs and the fixed servicing fees. The management assesses the cost of servicing at the end of each reporting period. Variations in one or a combination of these assumptions could affect the estimated values of a net servicing liability.

The outstanding position of sold finance lease receivables has been disclosed below.

	<b>31 March 2025</b>	31 December 2024
	<b>(Un-audited)</b>	(Audited)
Finance lease receivables sold under securitization agreements	<b><u>352,323,392</u></b>	<u>8,927,108</u>
Due within one year	<b>6,386,394</b>	7,999,547
Due after one year	<b><u>490,142,792</u></b>	<u>1,425,839</u>
	<b><u>496,529,186</u></b>	<u>9,425,386</u>

**17. CONTINGENCIES AND COMMITMENTS**

The Company has no commitments and contingent liabilities as at 31 March 2025 (31 December 2024: Nil).

**18. EVENTS AFTER THE REPORTING DATE**

There were no significant events between the date of condensed interim financial statements and its approval which requires adjustments / disclosure in these condensed interim financial statements.

**19. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved on 1 Dhul Qadah 1446H corresponding to 29 April 2025G.