

sahb FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT

sahb FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

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

To the shareholders of
sahb Finance Company
(A Saudi Closed Joint Stock Company)
Riyadh - KSA

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **sahb Finance Company** (A Saudi Closed Joint Stock Company) (the "Company") as of September 30, 2025, and the related interim condensed statement of comprehensive income for the three-month and nine-month periods then ended, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and other explanatory notes.

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

Scope of Review

We conducted our review in accordance with International Standard on Review 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 interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Gihad Al-Amri
Certified Public Accountant
License Number 362



Date: 06 Jumada' I 1447 (H)
Corresponding to: 28 October 2025 (G)

sahb FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITON (UNAUDITED)
AS AT SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

		September 30, 2025	December 31, 2024
	Notes	Unaudited	Audited
			(Restated note 21)
Assets			
Cash and cash equivalent	5	25,733,778	27,779,787
Murabaha receivables	6	100,312,448	171,760,682
Ijara receivables	7	12,410,302	41,262,656
Prepayments and other receivables	8	909,053	479,578
Assets held for sale	9	152,181,238	49,433,797
Investment properties	11	100,774,049	101,572,490
Property and equipment		3,891,502	3,929,116
Intangible Assets		589,611	281,250
Equity investment at FVTOCI	10	892,850	892,850
Total assets		397,694,831	397,392,206
Liabilities and shareholders' equity			
Liabilities			
Accounts payable, accruals and others		7,691,500	7,906,382
Provision for employees' end of service benefits		1,468,949	1,227,443
Provision for Zakat	12	802,861	3,617,323
Total liabilities		9,963,310	12,751,148
Shareholders' Equity			
Share capital	13	311,392,870	311,392,870
Statutory reserve		32,655,477	32,655,477
Consensual reserve		3,000,000	3,000,000
Actuarial gain on employees' defined benefit obligations		554,398	554,398
Retained earnings		40,128,776	37,038,313
Total shareholders' equity		387,731,521	384,641,058
Total liabilities and shareholders' equity		397,694,831	397,392,206

The accompanying notes (1) through (24) form an integral part of these interim condensed financial statements

sahb FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

		For the three-month period ended		For the nine-month period ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	Notes	Unaudited	Unaudited	Unaudited	Unaudited
Income					
Income from Murabaha contracts		2,977,812	2,062,106	8,065,888	3,145,508
Finance income		196,647	55,527	873,457	1,409,519
Other income	15	13,913	-	13,667,828	1,534,804
Total income		3,188,372	2,117,633	22,607,173	6,089,831
Operating expenses					
General and administration expenses	16	(5,835,614)	(5,783,912)	(19,092,923)	(8,007,134)
(Charge)/reversal for expected credit losses		(3,827,945)	259,977	(1,184,272)	8,811,654
Fair value amortization	14	-	826,878	1,563,346	2,536,969
		(9,663,559)	(4,697,057)	(18,713,849)	3,341,489
Net (loss) / profit before zakat for the period		(6,475,187)	(2,579,424)	3,893,324	9,431,320
Zakat charge/(reversal)	12	1,335,277	487,272	(802,861)	(2,000,290)
Net (loss) / profit for the period		(5,139,910)	(2,092,152)	3,090,463	7,431,030
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement gain on employees' defined benefit liabilities		-	-	-	-
Total comprehensive (loss)/income for the period		(5,139,910)	(2,092,152)	3,090,463	7,431,030

The accompanying notes (1) through (24) form an integral part of these interim condensed financial statements.

sahb FINANCE COMPANY
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INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

	Share capital	Statutory reserve	Consensual reserve	Retained earnings	Actuarial gain on employees' defined benefit obligations	Total
Balance at January 1, 2025 (Audited)	311,392,870	32,655,477	3,000,000	37,038,313	554,398	384,641,058
Net profit for the period	-	-	-	3,090,463	-	3,090,463
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period						
Balance as at September 30, 2025 (Unaudited)	311,392,870	32,655,477	3,000,000	40,128,776	554,398	387,731,521
Balance at January 1, 2024 (Audited)	311,392,870	31,416,509	3,000,000	25,887,600	498,172	372,195,151
Net profit for the period	-	-	-	7,431,030	-	7,431,030
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,431,030	-	7,431,030
Balance as at September 30, 2024 (Unaudited)	311,392,870	31,416,509	3,000,000	33,318,630	498,172	379,626,181

The accompanying notes (1) through (24) form an integral part of these interim condensed financial statements.

sahb FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

	September 30, 2025 Unaudited	September 30, 2024 Unaudited
Cash flows from operating activities		
Profit before zakat	3,893,324	9,431,320
<i>Adjustments for non-cash items</i>		
Depreciation	932,858	918,710
Provision for employees' end of service benefits	283,015	266,635
Charge/(reversal) of provision for credit losses	1,184,272	(8,811,654)
Fair value gain on investment property	-	(1,346,681)
Gain on disposal of property and equipment	(13,913)	-
Fair value amortization	(1,563,346)	(2,536,969)
	4,716,210	(2,078,639)
<i>Changes in operating assets and liabilities</i>		
Murabaha receivables	(2,070,507)	(49,924,765)
Ijara receivables	2,731	-
Prepayments and other receivables	(429,475)	15,505,486
Accounts payable, accruals and others	(214,884)	(12,791,050)
Employees' end of service benefits paid	(41,509)	(212,051)
Zakat payment	(3,617,323)	(6,979,916)
Net cash used in operating activities	(1,654,757)	(56,480,935)
Cash flows from investing activities		
Additions to property and equipment	(123,915)	(135,450)
Capital work in progress	(281,250)	(591,202)
Proceeds from disposal of property and equipment	13,913	-
Addition to investment property	-	(693,123)
Net cash used in investing activities	(391,252)	(1,419,775)
Net decrease in cash and cash equivalent	(2,046,009)	(57,900,710)
Cash and cash equivalent at beginning of the period	27,779,787	87,925,566
Cash and cash equivalent at end of the period	25,733,778	30,024,856
Non-cash transactions		
Additions to assets held for sale (note 9.1 and 9.2)	102,860,928	-
Addition to investment property (note 11.1.1)	-	13,158,247

The accompanying notes (1) through (24) form an integral part of these interim condensed financial statements.

sahb FINANCE COMPANY
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

sahb Finance Company (the “Company”) is a Saudi closed joint stock company, registered in Riyadh, Kingdom of Saudi Arabia. The Company obtained a license number 201411/S A/23 dated 9 Muharram 1436H (corresponding to November 2, 2014) from the Saudi Central Bank (SAMA). The Company is registered under commercial registration number 1010265551 dated 9 Rabie Al Thani 1430H (corresponding to April 5, 2009). The unified number of the Company as per commercial registration certificate is 7001586903.

The objectives of the Company are to provide financing to small and medium companies, financing production assets and providing finance leases.

The Company’s renewed the Saudi Central Bank (SAMA) license in September 3, 2023 for a period of five years, to perform financing activities in the Kingdom of Saudi Arabia.

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

sahb Finance Company
Abi Tahir Al Dhahabi street
Al Mutamarat, P.O. Box 64124, Riyadh 11536
Kingdom of Saudi Arabia

The results for the nine-months period ended September 30, 2025, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company as at and for the period ended September 30, 2025, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IAS-34 as endorsed in KSA”)

These interim condensed financial statements do not include all of the information and disclosures 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.

The assets and liabilities are presented in the interim condensed statement of financial position in order of liquidity.

The interim condensed financial statements are shown in Saudi Riyals, which represents the company's functional currency.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

3. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Due to the significant impact of uncertainties associated with key estimates, results that differ from current assumptions during the next financial year may require a material adjustment to the carrying amount of the affected asset or liability.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies, as well as the key sources of estimates and uncertainties, are the same as those applied in the Company's annual financial statements for the year ended 31 December 2024.

3.1 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Company has decided not to adopt early.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any standard issued by IASB that are yet to be effective, to have a material impact on the Company.

3.2 New standards, interpretations, and amendments effective in the current period

The following are the new standards, interpretations and amendments to standards that are effective in the current period but they have no impact on these interim condensed financial statements.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IAS 21	Amendment – Lack of Exchangeability	1 January 2025

4. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

5. CASH AND CASH EQUIVQLENT

	September 30, 2025 Unaudited	December 31, 2024 Audited
Cash in hand	4,486	30,000
Cash at banks	2,729,292	27,749,787
Term Deposits	23,000,000	-
	<u>25,733,778</u>	<u>27,779,787</u>

Term deposits are placed with local commercial bank with original maturity of less than three month and carrying a profit rate of 4.25%.

6. MURABAHA RECEIVABLES

6.1 Reconciliation between gross to net receivables:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Gross Murabaha receivables	209,877,298	234,874,650
Less: Unearned income	(13,131,883)	(10,473,353)
Murabaha receivables, net	196,745,415	224,401,297
Transfer to assets held for sale (Notes 6.1.1, 6.1.2)	(87,895,510)	(29,732,439)
	108,849,905	194,668,858
Less: Provision for credit losses	(8,537,457)	(16,152,603)
	100,312,448	178,516,255
Fair value losses	(5,779,117)	(6,755,572)
Less: transferred to assets held for sale	5,779,117	-
	-	(6,755,572)
Murabaha receivables	<u>100,312,448</u>	<u>171,760,683</u>

6.1.1 During the period, the Company obtained court orders to sell collateralized real estate properties related to Murabaha receivables' balance of ﷲ 88 million (2024: ﷲ 29.7 million), and related provision for credit loss of ﷲ 8.8 million (2024: ﷲ 3 million) and unamortised fair value losses ﷲ 5.7 million (2024: ﷲ 6.7 million). Refer note 9.1.

6.1.2 Movement of Murabaha receivables transferred to assets held for sale

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Murabaha receivable	88,002,945	29,732,439
Less: Provision for credit losses	(8,806,794)	(2,973,244)
Less: Unamortised fair value losses	(5,779,117)	-
Other adjustment	7,103	-
Transferred during the period/ year (Note 9.1)	<u>73,424,137</u>	<u>26,759,195</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

6. MURABAHA RECEIVABLES (CONTINUED)

6.2 The movement in provision for credit losses is as follows:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Opening balance	16,152,603	42,383,967
Charge / (reversal) for the period / year	1,184,545	(20,386,852)
Written off during the period / year	-	(2,871,268)
Transfer to assets held for sale (Notes 6.1.1 and 9)	(8,806,794)	(2,973,244)
Other adjustment	7,103	-
Ending balance	8,537,457	16,152,603

7. IJARA RECEIVABLES

7.1 Reconciliation between gross to net receivables:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Gross Ijara receivables	50,356,219	75,552,946
Less: Unearned income	-	-
	50,356,219	75,552,946
Transfer to assets held for sale (Notes 7.1.1 and 9)	(36,566,994)	(25,194,002)
	13,789,225	50,358,944
Less: Provision for expected credit losses	(1,378,923)	(5,035,895)
	12,410,302	45,323,049
Fair value losses	(3,473,504)	(4,060,393)
Less: transferred to assets held for sale	3,473,504	-
	-	(4,060,393)
Ijara receivables	12,410,302	41,262,656

7.1.1 During the period, the Company obtained court orders to sell collateralized real estate properties related to Ijara receivables' balance of ﷲ 36.6 million (2024: ﷲ 25.2 million), and related provision for credit loss of ﷲ 3.7 million (2024: ﷲ 2.5 million) and unamortised fair value losses ﷲ 3.4 million (2024: ﷲ 4.1 million). Refer note 9.2.

7.2 Movement in provision for expected credit losses is as follows:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Opening balance	5,035,895	8,716,714
(Reversal)/charge for the period / year	(273)	653,827
Written off during the period / year	-	(1,815,246)
Transfer to assets held for sale (Notes 7.1.1 and 9)	(3,656,699)	(2,519,400)
Closing balance	1,378,923	5,035,895

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

7. IJARA RECEIVABLES (CONTINUED)

Key ECL assumptions

The Company has used Government revenue, gross domestic product (GDP) and inflation as key economic factors. The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

Collateral

The Company in the ordinary course of its business holds collateral in the form of real estate in respect of the Islamic financing (being the title of assets leased out) 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. As at 30 September, 2025, the Company held collateral amounting to ﷲ 59 million (2024: ﷲ 59 million).

8. PREPAYMENTS AND OTHER RECEIVABLES

		September 30, 2025	December 31, 2024
	Notes	Unaudited	Audited
Receivable from sale of an investment property	8.1	38,385,684	38,385,684
Provision for expected credit losses		(38,385,684)	(38,385,684)
Net receivable from sale of investment property		-	-
Receivable from former employee for transfer of title deeds	8.2	51,500,012	51,500,012
Provision for expected credit losses		(51,500,012)	(51,500,012)
Net receivable from former employee		-	-
Prepaid expenses (non-financial asset)		892,879	462,723
Other receivables		1,033,898	1,034,579
Provision for expected credit losses		(1,017,724)	(1,017,724)
		16,174	16,855
		909,053	479,578

8.1 The receivable from sale of investment property has been fully provided for in prior years, based on management assessment of its recoverability.

8.2 This represents the amount transferred to the name of an employee holding senior management position, ("the former employee") to comply with the requirements in relation to transfer of properties in the name of the Company which were previously registered in his name. The amount is still outstanding till the approval of these interim condensed financial statements; therefore, a full provision was recognised for this non-performing receivable. (Refer to note 19.4)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

9. ASSET HELD FOR SALE

In the ordinary course of business, the Company obtains real estates as collateral against the Murabaha and Ijara receivables. Such real estates are considered as assets held for sale when acquired as a result of court orders against Murabaha and Ijara receivables. Its initially stated at the lower of net realisable value of due Murabaha and Ijara receivables and the current fair value of the related real estate, less any costs to sell (if material). No depreciation is charged on such real estate.

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Transfer from Murabaha receivables (note 9.1)	100,069,845	26,759,195
Transfer from Ijara receivables (note 9.2)	52,111,393	22,674,602
	152,181,238	49,433,797

9.1 Murabaha receivables:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Opening balance	26,759,195	-
Add: Transferred during the period/year (Note 6.1.2)	73,424,137	26,759,195
Less: Settlement during the period/year	(113,487)	-
Closing balance	100,069,845	26,759,195

9.2 Ijara receivables:

	September 30, 2025 Unaudited	December 31, 2024 Audited (Restated note 21)
Opening balance	22,674,602	-
Add: Transferred during the period/year (Note 7)	29,436,791	22,674,602
Closing balance	52,111,393	22,674,602

10. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

On 14 December 2017, the Company made an investment amounting to ﷲ 892,850 for 89,285 shares at ﷲ 10 each which represents 2.326% (It was 2.38% at the time of investment) shareholding in Saudi Company for Registration of Financial Leasing Contracts ("Registration Company"), registered in the Kingdom of Saudi Arabia. The Registration Company has been formed for registration of contracts relating to financial leases, amendments, registration and transfer of title deeds of the assets under the finance leases. The investment is not held for trading and the Company has decided to irrevocably classify it as equity investment at FVOCI. Moreover, as at September 30, 2025 and December 31, 2024, the investment was classified under level 3 of fair value hierarchy.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

11. INVESTMENT PROPERTIES

11.1 Cost and accumulated depreciation movement during the period is as follows:

2025	Land	Building	Total
Cost:			
As at January 1, 2025	140,034,226	26,687,756	166,721,982
At September 30, 2025	140,034,226	26,687,756	166,721,982
Accumulated Depreciation/impairment:			
As at January 1, 2025	59,545,077	5,604,415	65,149,492
Depreciation charge for the period	-	798,441	798,441
At September 30, 2025	59,545,077	6,402,856	65,947,933
Net book value:			
At September 30, 2025 (Unaudited)	80,489,149	20,284,900	100,774,049
2024	Land	Building	Total
As at January 1, 2024	124,471,675	26,687,756	151,159,431
Additions (11.1.1)	15,562,551	-	15,562,551
At December 31, 2024	140,034,226	26,687,756	166,721,982
Accumulated Depreciation/impairment:			
As at January 1	58,894,716	4,536,912	63,431,628
Depreciation charge for the year	-	1,067,503	1,067,503
Impairment loss	650,361	-	650,361
At December 31, 2024	59,545,077	5,604,415	65,149,492
Net book value:			
At December 31, 2024 (Audited)	80,489,149	21,083,341	101,572,490

11.1.1 The addition during the FY 2024 represents the fair value of an investment property acquired by the company as a result of a debt settlement agreement with a customer. The customer's receivable balance settled in respect of such agreement amounted to ﷲ 13.16 million; in addition, the company incurred ﷲ 1.057 million of real estate transaction tax to transfer the title deed to the Company's name. The legal formalities to transfer the title deed has been completed during the year 2024. The said investment property was held as a collateral for such customer's receivable balance and underwent a fair value evaluation by an independent and qualified evaluator at December 31, 2023 of ﷲ 15.2 million. Accordingly, the Company recognised a fair value gain for investment property of ﷲ 1.3 million follows:

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyals (ﷲ) unless otherwise stated)

11. INVESTMENT PROPERTIES (CONTINUED)

	September 30, 2025 Unaudited	December 31, 2024 Audited
Investment property (Additions)		
Customer's account receivable balance	-	13,158,247
Fair value gain on investment	-	1,346,681
	-	14,504,928
Additional cost (Tax on property)	-	1,057,623
Total additions	-	15,562,551

	September 30, 2025 Unaudited	December 31, 2024 Audited
11.2 Reconciliation between gross to net investment property:		
Cost of investment properties	166,721,982	166,721,982
Less: accumulated depreciation	(6,402,856)	(5,604,415)
Less: impairment provision	(59,545,077)	(59,545,077)
Investment properties, net value	100,774,049	101,572,490

Investment properties consist of freehold lands and buildings located in Saudi Arabia. Below are the details of the cost of investment properties and fair values as at the reporting date:

September 30, 2025	Type of property				
Location	Land (Unaudited)	Building (Unaudited)	Accumulated depreciation/ impairment (Unaudited)	Net book value (Unaudited)	Fair value (Unaudited)
Riyadh (note 11.3)	57,410,668	-	(57,410,668)	-	745,742,958
Al Khobar	7,707,600	-	-	7,707,600	12,160,000
Yanbu	36,039,413	-	-	36,039,413	65,297,023
Al Khobar	4,362,240	22,367,940	(5,964,500)	20,765,680	21,434,880
Al Khobar	2,370,548	4,319,816	(1,088,717)	5,601,647	7,212,966
Al Khobar	6,356,658	-	-	6,356,658	6,356,658
Jizan	10,589,048	-	(1,484,048)	9,105,000	25,294,152
Makkah	15,198,051	-	-	15,198,051	15,658,598
	140,034,226	26,687,756	(65,947,933)	100,774,049	899,157,235

December 31, 2024	Type of property				
Location	Land (Audited)	Building (Audited)	Accumulated depreciation/ impairment (Audited)	Net book value (Audited)	Fair value (Audited)
Riyadh (note 11.3)	57,410,668	-	(57,410,668)	-	745,742,958
Al Khobar	7,707,600	-	-	7,707,600	12,160,000
Yanbu	36,039,413	-	-	36,039,413	65,297,023
Al Khobar	4,362,240	22,367,940	(5,295,300)	21,434,880	21,434,880
Al Khobar	2,370,548	4,319,816	(959,476)	5,730,888	7,212,966
Al Khobar	6,356,658	-	-	6,356,658	6,356,658
Jizan	10,589,048	-	(1,484,048)	9,105,000	25,294,152
Makkah	15,198,051	-	-	15,198,051	15,658,598
	140,034,226	26,687,756	(65,149,492)	101,572,490	899,157,235

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11. INVESTMENT PROPERTIES (CONTINUED)

11.3 This investment property was registered under the name of the former employee and a full impairment loss has been recognized for this property.

11.4 The Company engaged an external, independent and qualified evaluator to determine the fair value of its investment properties at the end of the financial year ended at December 31, 2024. The evaluator engaged by the Company specialises in the valuation of transferable and non-transferable assets, including commercial valuation, industrial, real estate, intellectual property, trade names, and equipment. The evaluator used 'market approach' for the valuation of properties as at December 31, 2024. The valuations have been performed by Maayear Valuation Company (license number 1210000154).

12. PROVISION FOR ZAKAT

12.1 Movement in zakat provision during the period / year was as follows:

	September 30, 2025 Unaudited	December 31, 2024 Audited
As at January 1	3,617,323	5,493,314
Charge for the period / year	802,861	5,103,925
Zakat payments during the period/ year	(3,617,323)	(6,979,916)
Net zakat payable	802,861	3,617,323

12.2 Status of assessment

The Company has filed Zakat returns with the Zakat, Tax and Customs Authority ("ZATCA") for all years up to and including the year ended December 31, 2024. Zakat and tax assessments have been finalized up to the year ended December 31, 2021. The Company received the final zakat certificates for the years up to December 31, 2024, valid till April 30, 2026.

13. SHARE CAPITAL

The shareholding position as at September 30, 2025 and December 31, 2024 is as follows:

	Percentage of shares	Number of shares	Share Capital
Al Rayan Bank– Qatar	48.76%	15,182,133	151,821,330
Saudi Higher Education Fund	20.22%	6,297,055	62,970,550
Mohammed Al Rumaizan & Sons Investment	10.00%	3,113,929	31,139,290
Saleh Bin Abdul Aziz Bin Rashed Al Rumaizan	10.00%	3,113,929	31,139,290
Ahmed Bin Rashid Abdullah Al-Ameer	4.50%	1,401,268	14,012,680
Hassan Bin Musa Yousef	4.50%	1,401,268	14,012,680
Mohammed Bin Hamad Bin Abdullah Al Hammad	2.02%	629,705	6,297,050
	100%	31,139,287	311,392,870

14. FAIR VALUE AMORTIZATION

Fair value amortization represents unwinding of fair valuation loss arising from rescheduling of loans in prior years. At 30 June 2025 the underlying receivables were derecognised and reclassified to non-current asset held for sale accordingly, no further amortisation was recognised subsequent to the reclassification date.

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15. OTHER INCOME

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Recovery from written-off contracts (15.1)	-	-	13,653,915	188,123
Fair value gain for investment property	-	-	-	1,346,681
Gain on sale of fixed assets	13,913	-	13,913	-
	13,913	-	13,667,828	1,534,804

15.1 This amount represents the collection of previously written off Murabaha receivables.

16. GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Salaries and other employee's benefits	2,783,270	2,773,178	9,657,859	8,362,417
Board and committee's remuneration	743,250	667,084	2,229,750	1,667,084
Premises related expense	276,214	231,688	857,920	695,063
Consultancy and professional fees	271,867	158,020	1,006,818	921,193
Legal Fee	515,650	613,183	1,536,630	1,560,094
Depreciation	317,214	309,619	932,858	918,710
Insurance expense	191,469	195,585	505,734	511,921
IT and Cyber Security	107,455	405,206	592,044	540,985
Unclaimable value added tax	352,521	262,152	904,496	923,630
Other expenses	276,704	168,197	1,218,814	1,090,773
Reversal of contingent legal expense	-	-	(350,000)	(9,184,736)
	5,835,614	5,783,912	19,092,923	8,007,134

17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the shareholders, their affiliated entities and certain key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. In the ordinary course of its activities, the Company transacts business with related parties on mutually agreed terms. The following are the details of major related party balances during the period:

Due to related parties:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Board of directors' remuneration	1,323,250	1,734,500
Audit committee remuneration	240,000	203,000
Risk committee remuneration	212,000	122,500
Shariah committee remuneration	189,000	154,000
Nomination and Remuneration committee remuneration	123,500	64,726
Executive committee remuneration	130,500	63,000
	2,218,250	2,341,726

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17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions during the period:

Name of related party	Nature of relationship	Nature of transaction	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Key management personnel	Executive management	Salaries and other short-term employee benefits	3,749,953	3,483,640
Board of directors	Board of directors	Remuneration	1,323,250	1,354,000
Audit Committee	Audit committee	Remuneration	240,000	76,486
Risk Committee	Risk committee	Remuneration	212,000	54,375
Sharia Committee	Sharia Committee	Remuneration	189,000	127,181
Nomination and Remuneration committee	Nomination and Remuneration committee	Remuneration	123,500	-
Executive Committee	Executive committee	Remuneration	142,000	55,042

All transactions with related parties are on normal commercial terms. None of the balances is secured. The Company has fully provided for the amount receivable from former employee in respect of transfer of properties amounting to ﷲ 51.5 million (refer note 8.2).

There are certain properties in the name of the former employee. For details, please refer note 19.4

18. 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 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 by the Company. Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and bank balances, Murabaha and Ijara receivables, margin deposits and accounts and other receivables. Financial liabilities consist of accrued expenses and accounts and other payables. All financial liabilities are carried at amortised cost.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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18. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Management has classified all the financial assets and financial liabilities within level 2 of fair value hierarchy other than Murabaha and Ijara receivables, Equity investment at fair value through other comprehensive income which is classified within level 3. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair values of the financial assets and liabilities of the Company at the reporting date are not materially different from their carrying values.

19. RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including special commission rate risks, interest rate risk, price risk and currency risk), legal risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's interim condensed financial statements. Risk management is carried out by senior management. The most important risks and their management are summarized below:

The financial instruments recognized in the company's financial position consist mainly of cash, cash equivalents, term deposits, net investment in Islamic finance, financial facilities, trade payables and other receivables and due from/to related parties. Risk management policies are consistent with the year ended December 31, 2024.

19.1 Risk management structure

Board of Directors

The Board of Directors are responsible for establishing the Company's policies, including risk management framework, and to review the performance of the Company to ensure compliance with these policies.

Credit and risk management committee

The credit and risk management committee are appointed by the Board of Directors. The credit and risk management committee assists the Board in reviewing overall risks which the Company might face, evaluate and review operational and non-operational risks and decide on mitigating factors related therewith.

Audit committee

The audit committee is appointed by the Board of Directors. The audit committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting, the audit thereof and the soundness of the internal controls of the Company.

19.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk on cash and bank balances, Ijara receivables, Murabaha financing receivables, employees' receivables and other receivables. The Company has established procedures to manage credit exposure including, credit approvals, credit limits, collateral and guarantee requirements. These procedures are based on the Company's internal guidelines.

Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular segment of customers.

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19. RISK MANAGEMENT (CONTINUED)

The Company manages concentration of credit risk exposure through diversification of activities and sale of future net investment in finance lease receivables to different banks through purchase and agency agreements. However, the Company mitigates its credit risk through evaluation of credit worthiness internally and by obtaining promissory notes and by retaining the title of the asset leased out. An allowance for doubtful finance lease and Murabaha financing receivable is maintained at a level which, in the judgement of management, is adequate to provide for impairment losses on delinquent receivables.

All Ijara and Murabaha receivables are secured mainly through promissory notes and by retaining the title of the assets leased out and generate a fixed rate of commission for each contract. The title of the assets under Ijara agreements is held in the name of the Company as collateral to be repossessed, in case of default by the customer.

The carrying amount of financial assets recorded in the interim condensed financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

19.3 Market Risk

19.3.1 Special commission rate risk

Special commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market special commission rates. The Company is not subject to any special commission rate risk on its Murabaha and Ijara receivables and term loans as the receivables are priced by the Company at fixed rates and the term loans obtained by the Company also carry special commission at fixed rates. All other assets and liabilities of the Company are non-special commission bearing.

The Company manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of special market commission rates on its interim condensed financial position and interim condensed cash flows. The Company is exposed to special commission rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature in a given period. The Company manages this risk through diversification of funding resources.

19.3.2 Interest rate risk

The interest rate risk is the uncertainty of future earnings resulting from fluctuations in interest rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to interest rate adjustment within a specified period. The Company's management has analyzed that as at statement of financial position date, the Company's activities are not subject to interest rate risk as the interest rates are fixed at the inception of the financing facilities.

19.3.3 Price risk

The Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not materially exposed to price risk as it does not have any significant financial instrument whose prices fluctuate based on internal or external factors as mentioned above.

19.3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not subject to fluctuations in foreign exchange rates in the normal course of its business as all contracts are denominated in Saudi Riyals (ﷲ). There are some expenses incurred in foreign currencies, but these expenses are settled when incurred. Since the Company does not have any significant foreign currency denominated monetary assets and liabilities, management believes that the Company is not exposed to any significant foreign currency risk.

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19. RISK MANAGEMENT (CONTINUED)

19.4 Legal risk

The title deeds of certain investment properties and collateralized real estate properties against Ijara and Murabaha contracts were registered in the name of the former employee in his capacity as a nominee to the Company.

The Company filed legal cases against the former employee to transfer the ownership of the properties (i.e., investment properties and other collateralized properties) to the Company's name and to collect the outstanding receivable amounts from former employee. (Refer note 8.2 & 11.3).

As of December 31, 2024, the latest fair value of the collateralized properties associated with Ijara and Murabaha contracts, which are held in the name of the former employee, amounts to ﷻ 39.8 million.

During the period, one of the properties previously held as collateral under the name of the former employee and valued at ﷻ 20 million based on the most recent fair value assessment, was transferred back to the company's customer. This transaction occurred in conjunction with the settlement of the related Murabaha receivable based on a signed agreement.

The Company is subject to various legal proceedings that arise in the ordinary course of business. Based on current information, management believes that the outcome of these matters is not expected to have a material adverse effect on the Company's financial position.

19.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company monitors and manages the liquidity structure of its assets and liabilities to ensure that cash flows are sufficiently balanced and that sufficient liquid funds are maintained to meet liquidity requirements.

20. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company has no contingent assets or liabilities as at September 30, 2025 and December 31, 2024.

Commitments

The Company has no outstanding commitments as at September 30, 2025 and (December 31, 2024 Nil).

21. PRIOR YEAR ADJUSTEMENT

During 2025, the management identified certain Murabaha and Ijara receivables' balances that meet the definition of assets held for sale.

The following table summarizes the impact of the reclassification on the statement of financial position as at 31 December 2024:

	As issued before	Reclassification	As restated
Murabaha receivables	198,519,877	(26,759,195)	171,760,682
Ijara receivables	63,937,258	(22,674,602)	41,262,656
Assets held for sale	-	49,433,797	49,433,797

The impact of such adjustment as at 1 January 2024 is ﷻ 24.5 million and ﷻ 18.3 million to be reclassified from Murabaha receivables and Ijara receivables to the assets held for sale; respectively.

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22. CAPITAL RISK MANAGEMENT

The primary objectives of the Company's capital management are to safeguard its ability to continue as a going concern, maintain healthy capital ratios in order to support its business and to provide an optimal return to its shareholders.

The Company manages its capital structure and makes adjustments to it in light of the 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 number of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the period/year ended September 30, 2025 and December 31, 2024.

The Company monitors the aggregate amount of financing offered by the Company on the basis of the regulatory requirements of Company's law and SAMA. SAMA requires Finance Companies engaged in financing other than real estate, to maintain aggregate financing to capital ratio of three times.

	September 30, 2025 Unaudited	December 31, 2024
Aggregate financing to capital ratio (Net Ijara plus Murabaha financing receivables before provision divided by total equity)	0.35 times	0.66 times

23. SUBSEQUENT EVENTS

There have been no significant subsequent events since the period-end that require disclosure or adjustment in these interim condensed financial statements.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 27 October 2025 (corresponding to 5 Jumada' I 1447).
