

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**

with

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
For the nine-month period ended 30 September 2025

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the nine-month period ended 30 September 2025

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## KPMG Professional Services Company

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

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To the shareholders of AJIL Financial Services Company

## Introduction

We have reviewed the accompanying 30 September 2025 condensed interim financial statements of AJIL Financial Services Company ("the Company"), which comprises:

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

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

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial 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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025 condensed interim financial statements of AJIL Financial Services Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services Company

Abdullah Oudah AlThagafi  
License No. 455



Jeddah, 28 October 2025

Corresponding to 6 Jumada Al Awal 1447H

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)**

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

		<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Revenue, net	3	<b>54,458,740</b>	50,767,477	<b>168,761,785</b>	145,708,007
Finance charges	4	<b>(14,370,191)</b>	(9,084,497)	<b>(41,660,443)</b>	(19,895,710)
		<b>40,088,549</b>	41,682,980	<b>127,101,342</b>	125,812,297
General and administrative expenses		<b>(26,486,394)</b>	(21,098,999)	<b>(75,718,211)</b>	(62,419,765)
Depreciation of equipment, furniture and vehicles		<b>(570,792)</b>	(387,122)	<b>(1,532,143)</b>	(1,106,809)
Depreciation of right of use assets		<b>(983,899)</b>	(950,942)	<b>(2,910,165)</b>	(2,752,555)
Amortisation of intangible assets		<b>(251,603)</b>	(228,093)	<b>(646,245)</b>	(708,077)
<b>Profit before expected credit losses</b>		<b>11,795,861</b>	19,017,824	<b>46,294,578</b>	58,825,091
Expected credit losses	14.2	<b>(2,434,141)</b>	(7,229,574)	<b>(22,499,885)</b>	(23,327,805)
Recovery of debts previously written-off		<b>6,324,189</b>	4,084,136	<b>31,799,638</b>	10,910,860
<b>Profit before zakat</b>		<b>15,685,909</b>	15,872,386	<b>55,594,331</b>	46,408,146
Zakat	5	<b>(3,234,665)</b>	(3,282,087)	<b>(11,464,368)</b>	(9,596,261)
<b>Net profit for the period</b>		<b>12,451,244</b>	12,590,299	<b>44,129,963</b>	36,811,885
Other comprehensive income		--	--	--	--
<b>Total comprehensive income for the period</b>		<b>12,451,244</b>	12,590,299	<b>44,129,963</b>	36,811,885

The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Note</u>	<b>30 September 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
<b>ASSETS</b>			
Cash and cash equivalents		<b>78,774,690</b>	60,422,699
Advances, prepayments and other receivables	6	<b>45,727,157</b>	41,687,313
Net investment in finance leases	7	<b>473,004,766</b>	607,856,276
Murabaha financing receivables, net	8	<b>1,238,688,066</b>	1,205,387,812
Equity investment at fair value through other comprehensive income		<b>892,850</b>	892,850
Equipment, furniture and vehicles		<b>10,721,350</b>	7,574,251
Right of use assets		<b>4,264,978</b>	5,118,695
Intangible assets		<b>7,828,130</b>	4,261,484
<b>Total assets</b>		<b>1,859,901,987</b>	1,933,201,380
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	9.1	<b>500,000,000</b>	500,000,000
Statutory reserve		<b>105,404,330</b>	105,404,330
Retained earnings		<b>149,871,044</b>	131,863,539
Actuarial loss on employees' end of service benefits		<b>(3,386,731)</b>	(3,386,731)
<b>Total shareholders' equity</b>		<b>751,888,643</b>	733,881,138
<b>Liabilities</b>			
Accounts payables, accrued and other liabilities		<b>76,975,895</b>	56,898,265
Due to a related party	11.1	<b>716,830</b>	1,991,976
Term loans	12	<b>995,082,624</b>	1,105,006,841
Lease liabilities		<b>2,596,216</b>	3,834,043
Provision for Zakat	5	<b>14,280,584</b>	13,619,401
Employees' end of service benefits		<b>18,361,195</b>	17,969,716
<b>Total liabilities</b>		<b>1,108,013,344</b>	1,199,320,242
<b>Total shareholders' equity and liabilities</b>		<b>1,859,901,987</b>	1,933,201,380

The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

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

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Actuarial loss on employees' end of service benefits</u>	<u>Total</u>
Balance as at 1 January 2025	500,000,000	105,404,330	131,863,539	(3,386,731)	733,881,138
Net profit for the period	--	--	44,129,963	--	44,129,963
Other comprehensive income for the period	--	--	--	--	--
<i>Total comprehensive income for the period</i>	--	--	44,129,963	--	44,129,963
Dividend (note 9.2)	--	--	(26,122,458)	--	(26,122,458)
<b>Balance as at 30 September 2025 (Unaudited)</b>	<u>500,000,000</u>	<u>105,404,330</u>	<u>149,871,044</u>	<u>(3,386,731)</u>	<u>751,888,643</u>
Balance as at 1 January 2024	500,000,000	105,404,330	97,154,710	(4,162,635)	698,396,405
Net profit for the period	--	--	36,811,885	--	36,811,885
Other comprehensive income for the period	--	--	--	--	--
<i>Total comprehensive income for the period</i>	--	--	36,811,885	--	36,811,885
Dividend (note 9.2)	--	--	(17,536,086)	--	(17,536,086)
<b>Balance as at 30 September 2024 (Unaudited)</b>	<u>500,000,000</u>	<u>105,404,330</u>	<u>116,430,509</u>	<u>(4,162,635)</u>	<u>717,672,204</u>

The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

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

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Note</u>	<b>30 September 2025 Unaudited</b>	<b>30 September 2024 Unaudited</b>
<b>Cashflow from operating activities</b>			
Profit before Zakat		55,594,331	46,408,146
<i>Adjustments for non-cash items:</i>			
Depreciation of equipment, furniture and vehicles		1,532,143	1,106,809
Depreciation of right of use assets		2,910,165	2,752,555
Amortisation of intangible assets		646,245	708,077
Gain on disposal of equipment, furniture and vehicles		--	(118)
Finance charges	4	41,660,443	19,895,710
Expected credit losses	14.2	22,499,885	23,327,805
Employees' end of service benefits		3,435,946	3,836,814
Operating profit before changes in operating assets and liabilities		128,279,158	98,035,798
<i>Changes in operating assets and liabilities</i>			
Advances, prepayments and other receivables		(7,294,106)	(20,428,392)
Net investment in finance leases		130,569,347	12,099,801
Murabaha financing receivables		(48,263,717)	(138,283,834)
Accounts payables, accrued and other liabilities		16,734,252	(22,053,563)
Due to a related party		(1,275,146)	2,923,473
<b>Net cash generated from / (used in) operations</b>		218,749,788	(67,706,717)
Zakat paid		(7,459,807)	(9,111,276)
Finance charges paid		(34,376,266)	(16,733,620)
Employees' end of service benefits paid		(3,044,467)	(668,192)
<b>Net cash generated from / (used in) operating activities</b>		173,869,248	(94,219,805)
<b>Cashflow from investing activities</b>			
Purchase of equipment, furniture and vehicles		(4,679,242)	(2,417,901)
Purchase of intangible assets		(4,212,891)	(1,096,101)
Proceeds from disposal of equipment, furniture and vehicles		--	118
<b>Net cash used in investing activities</b>		(8,892,133)	(3,513,884)
<b>Cashflow from financing activities</b>			
Dividends paid		(26,122,456)	(17,536,086)
Proceeds from term loans		605,000,000	845,629,832
Repayments of term loans		(722,026,633)	(711,756,377)
Repayment of principal portion of lease liabilities		(3,275,009)	(3,149,380)
Repayment of interest portion of lease liabilities		(201,026)	(217,149)
<b>Net cash (used in) / generated from financing activities</b>		(146,625,124)	112,970,840
<b>Net increase in cash and cash equivalents</b>		18,351,991	15,237,151
Cash and cash equivalents at the beginning of the period		60,422,699	34,812,408
<b>Cash and cash equivalents at the end of the period</b>		78,774,690	50,049,559

The accompanying notes 1 to 15 form an integral part of these condensed interim financial statements.

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

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

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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**1. ORGANIZATION AND ACTIVITIES**

AJIL Financial Services Company (the “Company” or “AJIL”) is registered in the Kingdom of Saudi Arabia under commercial registration number 4030122889, dated 30 Rajab 1418H (corresponding to 30 November 1997). The legal status of the Company was changed from a Limited Liability Company to a Closed Joint Stock Company under Ministerial Declaration number 206/Q, dated 18 Jumada Al-Akhirah 1429H (corresponding to 22 September 2008), and according to Companies’ Law Provisions issued by Royal Decree number M/6 dated 27 Dhul-Qi’dah 1417H (corresponding to 5 April 1997). A new commercial registration certificate under the same number was issued by the Ministry of Commerce on 11 Rajab 1429H (corresponding to 14 July 2008).

On 21 Rajab 1435H (corresponding to 20 May 2014) the Company received a license from the Saudi Central Bank (“SAMA”) to conduct lease financing business in the Kingdom of Saudi Arabia. The Finance Companies Control Law was issued by the Saudi Council of Ministers through its publication No. 259 dated 12 Sha’ban 1433H (corresponding to 2 July 2012) and the Royal Decree No. 51 dated 13 Sha’ban 1433H (corresponding to 3 July 2012) and its implementing regulations were issued by SAMA for conducting lease financing business in the Kingdom of Saudi Arabia. On 1 Muharram 1439H (corresponding to 21 Sep 2017), the Company received a no objection certificate from SAMA to conduct commodity murabaha business in the Kingdom of Saudi Arabia.

The objectives of the Company are to engage in financing activities via finance leasing, productive assets financing, financing the activity of small and medium enterprises and consumer finance.

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

AJIL Financial Services Company  
Jeddah 101 Building, Sari Street  
P.O. Box 13624  
Jeddah 21414  
Kingdom of Saudi Arabia

These condensed interim financial statements include the results, assets and liabilities of the following branches:

<u>Commercial Registration Number</u>	<u>Location</u>
2050044861	Dammam
2051031244	Al-Khobar
5850027895	Abha
1010194653	Riyadh
4030612980	Jeddah

**2. BASIS OF PREPARATION**

**2.1 Basis of measurement**

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



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

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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**2. BASIS OF PREPARATION (continued)**

**2.2 Statement of compliance**

The condensed interim financial statements of the Company as at and for the period ended 30 September 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and in compliance with the Companies’ Law in the Kingdom of Saudi Arabia and Company’s By-laws.

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

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

**2.3 Functional and presentational currency**

These condensed interim financial statements have been presented in Saudi Riyals (“SR”), which is also the functional and presentation currency of the Company, except as otherwise indicated.

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

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

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

**2.5 Material accounting policies**

- 2.5.1 The accounting policies, used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024, except for the change in accounting policies due to adoption of new standards or amendment to the relevant existing standard effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

**2. BASIS OF PREPARATION (continued)**

**2.5 Material accounting policies (continued)**

**2.5.2 New standards, interpretations and amendments adopted by the Company**

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

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

**2.5.3 Standards issued but not yet effective**

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

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

**AJIL FINANCIAL SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

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

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

**3. REVENUE, NET**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
Finance income from finance leases	<b>14,318,853</b>	21,350,321	<b>48,951,039</b>	65,952,201
Finance income from Murabaha financing	<b>40,139,887</b>	29,417,156	<b>119,810,746</b>	79,755,806
	<b>54,458,740</b>	50,767,477	<b>168,761,785</b>	145,708,007

**4. FINANCE CHARGES**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
Finance charges on term loans	<b>14,325,931</b>	9,015,807	<b>41,478,683</b>	19,678,560
Finance charges on lease liabilities	<b>44,260</b>	68,690	<b>181,760</b>	217,150
	<b>14,370,191</b>	9,084,497	<b>41,660,443</b>	19,895,710

**5. ZAKAT**

The movement in provision for Zakat is as follows:

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
At the beginning of the period	<b>11,045,919</b>	6,314,174	<b>13,619,401</b>	9,111,276
Charge for the period	<b>3,234,665</b>	3,282,087	<b>11,464,368</b>	9,596,261
Payment during the period	--	--	<b>(7,459,807)</b>	(9,111,276)
Transfer during the period	--	--	<b>(3,343,378)</b>	--
At the end of the period	<b>14,280,584</b>	9,596,261	<b>14,280,584</b>	9,596,261

***Status of assessments***

The Company has filed Zakat declarations up to 31 December 2024. Zakat, Tax and Customs Authority ("ZATCA") have finalized assessments till 31 December 2017. The assessments for the year ended 31 December 2018 to 31 December 2024 have not yet been raised by the ZATCA.

**AJIL FINANCIAL SERVICES COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the nine-month period ended 30 September 2025  
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

**6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

Advances, prepayments and other receivables include advance payments amounting to SR 3.4 million (31 December 2024: SR 17.6 million) and other receivables amounting to SR 24.1 million (31 December 2024: SR 28.3 million). Moreover, the Company has recognised an ECL allowance of SR 20.1 million (31 December 2024: SR 16.9 million) against these other receivables. During the period ended 30 September 2025, SR 0.05 million (31 December 2024: SR 0.28 million) was written off from these other receivables.

**7. NET INVESTMENT IN FINANCE LEASES**

	<b>30 September 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
Gross investment in finance leases	<b>561,042,807</b>	711,972,457
Less: unearned finance income	<b>(56,488,352)</b>	(76,453,260)
Net investment in finance leases before allowance for expected credit loss	<b>504,554,455</b>	635,519,197
Less: allowance for expected credit losses (note 'a')	<b>(31,549,689)</b>	(27,662,921)
Net investment in finance leases	<b>473,004,766</b>	607,856,276

a. The contractual maturity of the investment in finance lease is as follows:

<b>30 September 2025 (Unaudited)</b>	<b>Years</b>	<b>Gross investment</b>	<b>Unearned finance income</b>	<b>Net investment before ECL</b>
Current portion	2025 – 26	<b>350,637,200</b>	<b>(41,868,808)</b>	<b>308,768,392</b>
Non - current portion	2026 – 27	<b>167,325,807</b>	<b>(13,185,139)</b>	<b>154,140,668</b>
	2027 – 28	<b>41,459,723</b>	<b>(1,410,062)</b>	<b>40,049,661</b>
	2028 – 29	<b>1,620,077</b>	<b>(24,343)</b>	<b>1,595,734</b>
Total non - current portion		<b>210,405,607</b>	<b>(14,619,544)</b>	<b>195,786,063</b>
Total		<b>561,042,807</b>	<b>(56,488,352)</b>	<b>504,554,455</b>
Less: Allowance for expected credit losses				<b>(31,549,689)</b>
Net investment				<b>473,004,766</b>
<b>31 December 2024 (Audited)</b>	<b>Years</b>	<b>Gross investment</b>	<b>Unearned finance income</b>	<b>Net investment before ECL</b>
Current portion	2025 – 26	424,264,848	(53,190,902)	371,073,946
Non - current portion	2026 – 27	217,385,409	(19,896,556)	197,488,853
	2027 – 28	66,155,248	(3,329,996)	62,825,252
	2028 – 29	4,166,952	(35,806)	4,131,146
Total non - current portion		287,707,609	(23,262,358)	264,445,251
Total		711,972,457	(76,453,260)	635,519,197
Less: Allowance for expected credit losses				(27,662,921)
Net investment				607,856,276

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**7. NET INVESTMENT IN FINANCE LEASES (continued)**

b. The aging of investment in finance leases is as follows:

	<b>30 September 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
Not yet due	<b>483,889,076</b>	616,203,642
Overdue balances		
1 – 3 months	<b>12,861,157</b>	10,831,142
4 – 6 months	<b>1,705,572</b>	618,979
7 – 12 months	<b>512,068</b>	6,063,112
More than 12 months	<b>5,586,582</b>	1,802,322
	<b>20,665,379</b>	19,315,555
Net investment in finance leases before ECL	<b>504,554,455</b>	635,519,197

c. The analysis of changes in gross carrying amounts is as follows:

	<b>Stage 1 (12-months ECL)</b>	<b>Stage 2 (lifetime ECL for SICR)</b>	<b>Stage 3 (lifetime ECL for credit impaired)</b>	<b>Total</b>
As at 1 January 2025	<b>600,763,772</b>	<b>18,361,082</b>	<b>16,394,343</b>	<b>635,519,197</b>
Net decrease during the period	<b>(118,394,956)</b>	<b>(3,206,067)</b>	<b>(8,968,324)</b>	<b>(130,569,347)</b>
Transfer to stage 1	<b>1,029,522</b>	<b>(1,029,522)</b>	--	--
Transfer to stage 2	<b>(37,521,484)</b>	<b>37,521,484</b>	--	--
Transfer to stage 3	<b>(13,691,851)</b>	<b>(1,293,343)</b>	<b>14,985,194</b>	--
Bad debts written off	--	--	<b>(395,395)</b>	<b>(395,395)</b>
As at 30 September 2025 (unaudited)	<b>432,185,003</b>	<b>50,353,634</b>	<b>22,015,818</b>	<b>504,554,455</b>

	<b>Stage 1 (12-months ECL)</b>	<b>Stage 2 (lifetime ECL for SICR)</b>	<b>Stage 3 (lifetime ECL for credit impaired)</b>	<b>Total</b>
As at 1 January 2024	625,785,182	26,834,804	92,813,567	745,433,553
Net increase/(decrease) during the period	45,512,911	(8,591,155)	(49,021,557)	(12,099,801)
Transfer to stage 1	3,534,156	(3,534,156)	--	--
Transfer to stage 2	(19,295,797)	19,295,797	--	--
Transfer to stage 3	(7,112,440)	(525,220)	7,637,660	--
Bad debts written off	--	--	(27,601,173)	(27,601,173)
As at 30 September 2024 (unaudited)	648,424,012	33,480,070	23,828,497	705,732,579

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**7. NET INVESTMENT IN FINANCE LEASES (continued)**

d. The analysis of changes in allowance for ECL is as follows:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
As at 1 January 2025	18,055,654	1,582,935	8,024,332	27,662,921
Impairment charge / (reversal) for the period	7,423,403	998,371	(4,139,611)	4,282,163
Transfer to stage 1	17,510	(17,510)	--	--
Transfer to stage 2	(3,682,931)	3,682,931	--	--
Transfer to stage 3	(7,145,616)	(654,542)	7,800,158	--
Bad debts written off	--	--	(395,395)	(395,395)
As at 30 September 2025 (unaudited)	<u>14,668,020</u>	<u>5,592,185</u>	<u>11,289,484</u>	<u>31,549,689</u>

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
As at 1 January 2024	30,524,433	3,769,825	38,513,956	72,808,214
Impairment reversal for the period	(9,873,013)	(2,375,528)	(3,568,769)	(15,817,310)
Transfer to stage 1	74,612	(74,612)	--	--
Transfer to stage 2	(1,697,003)	1,697,003	--	--
Transfer to stage 3	(3,200,980)	(236,377)	3,437,357	--
Bad debts written off	--	--	(27,601,173)	(27,601,173)
As at 30 September 2024 (unaudited)	<u>15,828,049</u>	<u>2,780,311</u>	<u>10,781,371</u>	<u>29,389,731</u>

e. The movement in allowance for expected credit loss on investment in finance leases is given below:

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<u>2025</u> Unaudited	<u>2024</u> Unaudited	<u>2025</u> Unaudited	<u>2024</u> Unaudited
At the beginning of the period (Reversal) / charge for the period	32,312,552	37,809,166	27,662,921	72,808,214
Written off during the period	(762,863)	(3,605,857)	4,282,163	(15,817,310)
	--	(4,813,578)	(395,395)	(27,601,173)
At the end of the period	<u>31,549,689</u>	<u>29,389,731</u>	<u>31,549,689</u>	<u>29,389,731</u>

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**7. NET INVESTMENT IN FINANCE LEASES (continued)**

- f. An analysis of gross exposure of investment in finance leases before ECL allowance and the corresponding ECL allowance as at 30 September 2025 and 31 December 2024 is as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<i>30 September 2025</i>				
Gross investment in finance leases	<u>483,624,513</u>	<u>53,630,384</u>	<u>23,787,910</u>	<u>561,042,807</u>
Allowance for expected credit loss	<u>14,668,020</u>	<u>5,592,185</u>	<u>11,289,484</u>	<u>31,549,689</u>
<i>31 December 2024</i>				
Gross investment in finance leases	<u>675,844,746</u>	<u>19,547,057</u>	<u>16,580,654</u>	<u>711,972,457</u>
Allowance for expected credit loss	<u>18,055,654</u>	<u>1,582,935</u>	<u>8,024,332</u>	<u>27,662,921</u>

During the year ended 31 December 2024, the Company entered into a termination agreement (the “agreement”) for the winding up of a Syndicate arrangement (the “arrangement”) executed in prior years with the corresponding counterparty to the arrangement. Pursuant to the agreement, the Company has acquired complete rights and claims to the counterparty’s share in underlying financial assets of the arrangement, which on account of being credit impaired at the date of execution of the agreement, have been accounted for as POCI financial assets at an estimated fair value of nil. There was no change in the estimate of lifetime expected credit losses in respect of these POCI financial assets from the date of initial recognition in the Company’s books until the reporting date. Moreover, no other assets were acquired and, no obligations were assumed or required to be assumed, provided for or disclosed in these condensed interim financial statements in connection with the agreement.

**8. MURABAHA FINANCING RECEIVABLES, NET**

	<b>30 September 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
Gross murabaha financing receivables	<b>1,518,835,871</b>	1,470,440,283
Less: unearned finance income	<b>(176,659,174)</b>	(176,527,303)
Murabaha financing receivables before allowance for expected credit loss	<b>1,342,176,697</b>	1,293,912,980
Less: allowance for expected credit loss (note ‘a’)	<b>(103,488,631)</b>	(88,525,168)
Murabaha financing receivables, net	<b><u>1,238,688,066</u></b>	<u>1,205,387,812</u>

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**8. MURABAHA FINANCING RECEIVABLES, NET (continued)**

a. The contractual maturity of the murabaha financing receivables is as follows:

<b>30 September 2025 (Unaudited)</b>	<b>Years</b>	<b><i>Gross murabaha SR</i></b>	<b><i>Unearned finance income SR</i></b>	<b><i>Net receivable before ECL SR</i></b>
Current portion	2025 – 26	<u>876,339,608</u>	<u>(122,194,796)</u>	<u>754,144,812</u>
Non-current portion	2026 – 27	447,844,400	(43,706,502)	404,137,898
	2027 – 28	167,409,668	(9,214,095)	158,195,573
	2028 – 29	20,909,645	(1,325,337)	19,584,308
	2029 – 30	<u>6,332,550</u>	<u>(218,444)</u>	<u>6,114,106</u>
Total non-current portion		<u>642,496,263</u>	<u>(54,464,378)</u>	<u>588,031,885</u>
Total		<u>1,518,835,871</u>	<u>(176,659,174)</u>	<u>1,342,176,697</u>
Less: Allowance for expected credit losses				<u>(103,488,631)</u>
Net murabaha financing receivables				<u>1,238,688,066</u>
 <b>31 December 2024 (Audited)</b>	 <b>Years</b>	 <b><i>Gross murabaha SR</i></b>	 <b><i>Unearned finance income SR</i></b>	 <b><i>Net receivable before ECL SR</i></b>
Current portion	2025 – 26	<u>835,595,012</u>	<u>(119,064,451)</u>	<u>716,530,561</u>
Non-current portion	2026 – 27	438,701,416	(45,424,756)	393,276,660
	2027 – 28	164,803,797	(10,683,255)	154,120,542
	2028 – 29	29,000,058	(1,300,545)	27,699,513
	2029 – 30	<u>2,340,000</u>	<u>(54,296)</u>	<u>2,285,704</u>
Total non-current portion		<u>634,845,271</u>	<u>(57,462,852)</u>	<u>577,382,419</u>
Total		<u>1,470,440,283</u>	<u>(176,527,303)</u>	<u>1,293,912,980</u>
Less: Allowance for expected credit losses				<u>(88,525,168)</u>
Net murabaha financing receivables				<u>1,205,387,812</u>



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**8. MURABAHA FINANCING RECEIVABLES, NET (continued)**

b. The aging of murabaha financing receivables is as follows:

	<b>30 September 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
Not yet due	<b>1,249,388,080</b>	1,227,676,397
Overdue balances		
1 – 3 months	<b>23,281,595</b>	16,045,042
4 – 6 months	<b>8,976,278</b>	3,066,233
7 – 12 months	<b>11,200,712</b>	9,840,091
More than 12 months	<b>49,330,032</b>	37,285,217
	<b>92,788,617</b>	66,236,583
Total murabaha financing receivables before ECL	<b>1,342,176,697</b>	1,293,912,980

c. The analysis of changes in gross carrying amounts is as follows:

	<b>Stage 1 (12-months ECL)</b>	<b>Stage 2 (lifetime ECL for SICR)</b>	<b>Stage 3 (lifetime ECL for credit impaired)</b>	<b>Total</b>
As at 1 January 2025	<b>1,177,764,401</b>	<b>56,531,355</b>	<b>59,617,224</b>	<b>1,293,912,980</b>
Net increase/(decrease) during the period	<b>83,996,892</b>	<b>(31,156,438)</b>	<b>(4,576,737)</b>	<b>48,263,717</b>
Transfer to stage 1	<b>3,948,046</b>	<b>(3,948,046)</b>	--	--
Transfer to stage 2	<b>(61,421,565)</b>	<b>61,421,565</b>	--	--
Transfer to stage 3	<b>(29,221,836)</b>	<b>(19,257,009)</b>	<b>48,478,845</b>	--
As at 30 September 2025 (Unaudited)	<b>1,175,065,938</b>	<b>63,591,427</b>	<b>103,519,332</b>	<b>1,342,176,697</b>

  

	<b>Stage 1 (12-months ECL)</b>	<b>Stage 2 (lifetime ECL for SICR)</b>	<b>Stage 3 (lifetime ECL for credit impaired)</b>	<b>Total</b>
As at 1 January 2024	883,689,931	21,383,093	74,228,421	979,301,445
Net increase/(decrease) during the period	144,868,036	7,517,416	(14,101,618)	138,283,834
Transfer to stage 1	308,612	(308,612)	--	--
Transfer to stage 2	(39,118,086)	39,427,107	(309,021)	--
Transfer to stage 3	(10,048,164)	(3,509,888)	13,558,052	--
Bad debts written off	--	--	(315,605)	(315,605)
As at 30 September 2024 (Unaudited)	<b>979,700,329</b>	<b>64,509,116</b>	<b>73,060,229</b>	<b>1,117,269,674</b>

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**8. MURABAHA FINANCING RECEIVABLES, NET (continued)**

d. The analysis of changes in allowance for ECL is as follows:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
As at 1 January 2025	38,461,367	6,446,683	43,617,118	88,525,168
Impairment (reversal) / charge for the period	(3,809,755)	3,098,145	15,675,073	14,963,463
Transfer to stage 1	25,159	(25,159)	--	--
Transfer to stage 2	(3,848,953)	3,848,953	--	--
Transfer to stage 3	(14,585,957)	(9,382,280)	23,968,237	--
As at 30 September 2025 (Unaudited)	<u>16,241,861</u>	<u>3,986,342</u>	<u>83,260,428</u>	<u>103,488,631</u>
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
As at 1 January 2024	24,180,693	1,471,655	36,086,502	61,738,850
Impairment charge for the period	20,585,467	2,990,257	11,978,098	35,553,822
Transfer to stage 1	4,279	(4,279)	--	--
Transfer to stage 2	(5,476,953)	5,481,777	(4,824)	--
Transfer to stage 3	(4,870,440)	(1,066,869)	5,937,309	--
Bad debts written off	--	--	(315,605)	(315,605)
As at 30 September 2024 (Unaudited)	<u>34,423,046</u>	<u>8,872,541</u>	<u>53,681,480</u>	<u>96,977,067</u>

e. The movement in allowance for expected credit loss on murabaha financing receivables is given below:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u> Unaudited	<u>2024</u> Unaudited	<u>2025</u> Unaudited	<u>2024</u> Unaudited
At the beginning of the period	101,204,205	85,791,762	88,525,168	61,738,850
Charge for the period	2,284,426	11,185,305	14,963,463	35,553,822
Written off during the period	--	--	--	(315,605)
At the end of the period	<u>103,488,631</u>	<u>96,977,067</u>	<u>103,488,631</u>	<u>96,977,067</u>

Murabaha financing is Islamic mode of financing provided to customers for the purposes of working capital funding requirements. Murabaha financing earn commission at commercial rates.

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**8. MURABAHA FINANCING RECEIVABLES, NET (continued)**

- f. An analysis of gross exposure of murabaha financing receivables before ECL allowance and the corresponding ECL allowance as at 30 September 2025 and 31 December 2024 is as follows:

<i>30 September 2025</i>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Gross murabaha financing receivables	<u>1,330,532,851</u>	<u>70,714,688</u>	<u>117,588,332</u>	<u>1,518,835,871</u>
Allowance for expected credit loss	<u>16,241,861</u>	<u>3,986,342</u>	<u>83,260,428</u>	<u>103,488,631</u>
<i>31 December 2024</i>				
Gross murabaha financing receivables	<u>1,340,057,677</u>	<u>60,280,446</u>	<u>70,102,160</u>	<u>1,470,440,283</u>
Allowance for expected credit loss	<u>38,461,367</u>	<u>6,446,683</u>	<u>43,617,118</u>	<u>88,525,168</u>

**9. SHARE CAPITAL**

- 9.1 The share capital of the Company is divided into 50,000,000 shares (31 December 2024: 50,000,000) of SR 10 each. As at 30 September 2025 and 31 December 2024, the share capital of the Company was owned as follows:

	<u>Percentage of ownership</u> %	<u>No. of shares of SR 10 each</u>	<u>30 September 2025</u> Unaudited	<u>31 December 2024</u> Audited
Riyad Bank	48.46	24,230,769	242,307,690	242,307,690
Zahid Group Holding Company Limited	34.62	17,307,692	173,076,920	173,076,920
Al – Yemni Investments Company	6.92	3,461,539	34,615,390	34,615,390
Hussein Alireza Sons Company Limited	5.00	2,500,000	25,000,000	25,000,000
Khaled Ahmed Al Juffali Company	5.00	2,500,000	25,000,000	25,000,000
	<u>100.00</u>	<u>50,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>

The Company is ultimately owned by Saudi shareholders.

- 9.2 The shareholders of the Company, in their ordinary general meeting held on 26 June 2025 (corresponding to 1 Muharram 1447H), approved a dividend of SR 26.12 million (SR 0.52 per share) (30 September 2024: SR 17.54 million (SR 0.35 per share)). As at 30 September 2025, the foregoing dividends stand fully paid.

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**10. STATUTORY RESERVE**

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

**11. RELATED PARTY TRANSACTIONS AND BALANCES**

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

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**11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Following are the details of related party transactions entered during the period:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>For the three-month period ended 30 September</u>		<u>For the nine-month period ended 30 September</u>	
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
			Unaudited	Unaudited	Unaudited	Unaudited
Riyad Bank	Shareholder	Financial charges on term loan	2,801,158	2,674,721	10,557,985	5,470,325
		Borrowing of term loans	2,944,958	129,000,000	62,944,958	299,000,000
		Repayment of term loans, net	30,510,434	55,430,556	85,641,386	144,680,556
		Repayment against Musharaka arrangements	15,711,215	37,433,159	59,706,459	90,378,477
		Dividend paid	12,659,344	--	12,659,344	8,498,257
Zahid Tractor and Heavy Machinery Company Limited	Entities with Common ultimate shareholding	Purchase of leasing equipment	50,054,300	81,789,420	120,293,940	338,899,107
		Services received	21,826,767	80,177	41,695,148	636,001
Riyad Capital	Entities with Common ultimate shareholding	Repayment against Musharaka arrangements	6,402,162	6,857,051	19,514,278	20,891,307
The Machinery Group LLC (TAMGO)	Entities with Common ultimate shareholding	Purchase of leasing equipment	2,621,448	4,145,960	7,328,398	12,650,885
Juffali Industrial Product Company	Entities with Common ultimate shareholding	Purchase of leasing equipment	2,290,002	--	12,061,142	3,593,750

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**11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

<u>Name</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>For the three-month period ended 30 September</u>		<u>For the nine-month period ended 30 September</u>	
			<u>2025</u> Unaudited	<u>2024</u> Unaudited	<u>2025</u> Unaudited	<u>2024</u> Unaudited
Zahid Travel Group LLC	Entities with Common ultimate shareholding	Services received	<b>78,929</b>	9,345	<b>117,493</b>	66,921
EJAR Machinery Rental Alternative Company Limited	Entities with Common ultimate shareholding	Purchase of leasing equipment	--	--	<b>230,000</b>	593,630
Nihad Abdullah Arab & Sons Company Limited	Common shareholders	Services received	--	57,730	--	229,655
United A Maintenance and Cleaning Company	Entities with Common ultimate shareholding	Services received	<b>89,095</b>	--	<b>233,420</b>	--
Saudi Company for Site Technology Ltd.	Entities with Common ultimate shareholding	Purchase of leasing equipment	<b>56,718</b>	--	<b>56,718</b>	--
Haji Hussein Ali Reza Company Limited	Entities with Common ultimate shareholding	Purchase of leasing equipment	<b>2,754,250</b>	--	<b>2,754,250</b>	--
OCS Arabia Limited Company	Entities with Common ultimate shareholding	Services received	<b>17,722</b>	--	<b>17,722</b>	--
Al-Yemni Motors Company Limited	Entities with Common ultimate shareholding	Purchase of leasing equipment	<b>471,500</b>	--	<b>1,541,000</b>	--
Wataniya Insurance Company	Entities with Common ultimate shareholding	Services received	<b>243,114</b>	--	<b>3,572,146</b>	--
Board of Directors	Key Management Personnel	Remuneration to Board of Directors	<b>262,500</b>	300,000	<b>787,500</b>	900,000
Members of Audit Committee	Key Management Personnel	Remuneration of member of Audit Committee	<b>52,500</b>	52,500	<b>157,500</b>	157,500

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

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**11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

- 11.1 Due to a related party balance as presented in the statement of financial position comprise the following:

	<b>30 September 2025 Unaudited</b>	31 December 2024 Audited
Zahid Tractor and Heavy Machinery Company Limited	<b>716,830</b>	1,991,976

- 11.2 Cash and cash equivalents include an amount of SR 46.25 million (31 December 2024: SR 37.3 million) maintained with Riyadh Bank.

- 11.3 Term loans include SR 189.35 million (31 December 2024: SR 212.04 million) payable to Riyadh Bank.

- 11.4 Advance, prepayment and other receivables includes SR 5.193 million (31 December 2024: nil) and SR 1.762 million (31 December 2024: nil) in respect of musharaka arrangements receivable from Riyadh Bank and Riyadh Capital respectively.

***Key management Remuneration***

Remuneration of the key management personnel of the Company is as follows:

	<b>30 September 2025 Unaudited</b>	30 September 2024 Unaudited
Short term employee benefits	<b>11,428,573</b>	10,252,227
Post-employment benefit	<b>778,696</b>	647,909
Non-monetary benefits	<b>233,659</b>	76,538
	<b>12,440,928</b>	10,976,674

**12. TERM LOANS**

	<b>30 September 2025 Unaudited</b>	31 December 2024 Audited
Short term loans (note 12.1)	<b>300,000,000</b>	248,647,091
Accrued interest	<b>8,968,716</b>	1,743,159
	<b>308,968,716</b>	250,390,250
<b>Long term loans</b>		
SAMA interest free loans (note 12.2)	<b>67,946,914</b>	289,251,362
Other long term loans (note 12.3)	<b>616,424,834</b>	563,499,928
Accrued interest	<b>1,742,160</b>	1,865,301
	<b>686,113,908</b>	854,616,591
	<b>995,082,624</b>	1,105,006,841

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

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**12. TERM LOANS (continued)**

- 12.1 These represent short term loans from various local banks carrying applicable market rates and repayable in fixed monthly/quarterly instalments with last instalment due in September 2026.
- 12.2 It represents interest free loans obtained by the Company under Loan Guarantee Program by SAMA amounting to SR 1,211 million out of which SR 1,143 million has been repaid until 30 September 2025 (31 December 2024: SR 1,211 million received out of which SR 922 million was repaid) with last instalment due in February 2026. This amount has been utilized by the Company to finance MSME loans qualifying under criteria approved by SAMA. The net impact of the interest free loans from SAMA and interest charged on financing to MSME customers with a low interest rate is not significant to the condensed statement of comprehensive income.
- 12.3 It represents long term loans from various local banks amounting to SR 616.4 million (31 December 2024: SR 563.5 million), carrying applicable market rates and repayable in fixed monthly/quarterly instalments with last instalment due in September 2027.

**13. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

The principal or the most advantageous market must be accessible to by the Company. The Company's financial assets consist of cash and cash equivalents, net investment in finance lease, murabaha financing receivables, net and other receivables. Its financial liabilities consist of accounts payables and other liabilities, term loans, due to related party and lease liabilities.

The fair values of the financial instruments are not materially different from their carrying amounts except for the net investment in finance lease, murabaha financing receivables, net.

The Company has equity investment classified at fair value through other comprehensive income and it pertains to level 3 of valuation hierarchy. The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

**14. FINANCIAL RISK MANAGEMENT**

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



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**14. FINANCIAL RISK MANAGEMENT (continued)**

14.2 Breakdown of expected credit losses charge for the period ended 30 September is as follows:

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
ECL (reversal) / charge on net investment in finance lease (note 7)	<b>(762,863)</b>	(3,605,857)	<b>4,282,163</b>	(15,817,310)
ECL charge on murabaha financing receivables (note 8)	<b>2,284,426</b>	11,185,305	<b>14,963,463</b>	35,553,822
ECL charge / (reversal) on other receivables	<b>912,578</b>	(349,874)	<b>3,254,259</b>	3,591,293
	<b><u>2,434,141</u></b>	<u>7,229,574</u>	<b><u>22,499,885</u></b>	<u>23,327,805</u>

**14.3 Capital management**

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

As of 30 September 2025 and 31 December 2024, aggregate financing to total equity ratio were as;

	<b>30 September <u>2025</u> Unaudited</b>	<b>31 December <u>2024</u> Audited</b>
Aggregate financing to total equity ratio	<b><u>2.28</u></b>	<u>2.47</u>

Aggregate financing comprises of net investment in finance leases and murabaha financing receivables.

**15. BOARD OF DIRECTORS' APPROVAL**

These condensed interim financial statements were approved by the Board of Directors on 27 October 2025 corresponding to 5 Jumada Al Awal 1447H.