

CHERRY TRADING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER
2025
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

CHERRY TRADING COMPANY
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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholder of Cherry Trading Company (A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2025 condensed interim financial statements of Cherry Trading Company ("the Company") which comprises:

- the condensed statement of financial position as at 30 September 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month period ended 30 September 2025;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed 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.



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

To the Shareholder of Cherry Trading Company (A Saudi Closed Joint Stock Company)
(continued)

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 Cherry Trading Company ("the 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

Mohammed Najeeb Alkhelaiwi
License No:481



Riyadh on: 11 Jumada Al-Awwal 1447H
Corresponding to: 2 November 2025

Cherry Trading Company
(A Saudi Closed Joint Stock Company)
Condensed statement of financial position
As at 30 September 2025

(All amounts are expressed in Saudi Riyal unless otherwise stated)

		30 September 2025	31 December 2024
	Note	(Unaudited)	(Audited)
Assets			
Non-current assets			
Property and equipment	7	1,306,501,620	1,129,790,051
Right-of-use assets	8	39,047,107	19,743,911
Intangible assets		77,934	158,966
Total non-current assets		1,345,626,661	1,149,692,928
Current assets			
Inventories		6,232,062	5,416,555
Trade receivables		238,227,283	206,731,468
Prepayments and other current assets		65,609,278	33,764,432
Cash and cash equivalents		24,688,093	49,311,449
Total current assets		334,756,716	295,223,904
Total assets		1,680,383,377	1,444,916,832
Equity and liabilities			
Equity			
Share capital	9	300,000,000	300,000,000
General reserve		41,620,126	41,620,126
Retained earnings		226,250,641	173,003,268
Total equity		567,870,767	514,623,394
Non-current liabilities			
Non-current portion of lease liabilities	8	32,808,919	15,710,344
Employees' benefits liabilities		9,812,021	9,778,760
Non-current portion of term loans		521,497,231	532,714,114
Total non-current liabilities		564,118,171	558,203,218
Current liabilities			
Current portion of term loans		288,251,876	269,910,283
Current portion of lease liabilities	8	5,384,695	4,247,528
Accounts payable		237,048,983	64,461,514
Accrued expenses and other current liabilities		11,656,123	20,170,021
Due to a related party	10	3,616,265	10,459,545
Zakat payable	5	2,436,497	2,841,329
Total current liabilities		548,394,439	372,090,220
Total liabilities		1,112,512,610	930,293,438
Total equity and liabilities		1,680,383,377	1,444,916,832



Chairman
Riyadh Alromizan



Chief Executive Officer
Abdulaziz Alsowail



Chief Financial Officer
Abdul Wahab Khattak

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

Cherry Trading Company

(A Saudi Closed Joint Stock Company)

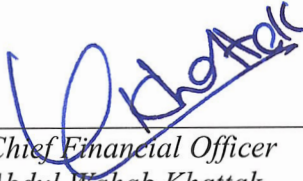
Condensed statement of profit or loss and other comprehensive income**For the three-month and nine-month period ended 30 September 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	4	132,848,368	112,810,910	355,879,468	324,089,963
Cost of revenue		(90,856,997)	(78,744,732)	(240,435,188)	(218,236,923)
Gross profit		41,991,371	34,066,178	115,444,280	105,853,040
Sales and marketing expenses		(1,107,714)	(1,046,352)	(3,593,302)	(2,999,487)
General and administrative expenses		(6,743,268)	(6,367,563)	(20,159,362)	(18,175,139)
Impairment loss on trade receivables		(1,473,605)	(3,665,581)	(2,138,706)	(8,914,133)
Other operating income		4,258,318	1,345,826	9,036,638	3,732,840
Profit from operations		36,925,102	24,332,508	98,589,548	79,497,121
Finance costs		(15,313,582)	(12,290,418)	(44,112,350)	(32,004,853)
Loss from derivative instruments at FVTPL		-	-	-	(40,194)
Net profit before Zakat		21,611,520	12,042,090	54,477,198	47,452,074
Zakat		(408,664)	(540,660)	(1,229,825)	(1,621,980)
Net profit for the period		21,202,856	11,501,430	53,247,373	45,830,094
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		21,202,856	11,501,430	53,247,373	45,830,094
Earnings per share					
Basic and diluted earnings per share, net profit attributable to ordinary shareholders of the Parent Company	6	0.71	0.38	1.77	1.53


 Chairman
 Riyadh Alromizan

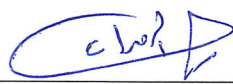

 Chief Executive Officer
 Abdulaziz Alsowail


 Chief Financial Officer
 Abdul Wahab Khattak

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

Cherry Trading Company
(A Saudi Closed Joint Stock Company)
Condensed statement of changes in equity
For the nine-month period ended 30 September 2025
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Share capital</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2024 (Audited)	300,000,000	35,314,843	116,600,139	451,914,982
Net profit for the period (Unaudited)	-	-	45,830,094	45,830,094
Other comprehensive income for the period (Unaudited)	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	45,830,094	45,830,094
Balance as at 30 September 2024 (Unaudited)	<u>300,000,000</u>	<u>35,314,843</u>	<u>162,430,233</u>	<u>497,745,076</u>
Balance as at 1 January 2025 (Audited)	300,000,000	41,620,126	173,003,268	514,623,394
Net profit for the period (Unaudited)	-	-	53,247,373	53,247,373
Other comprehensive income for the period (Unaudited)	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	53,247,373	53,247,373
Balance as at 30 September 2025 (Unaudited)	<u>300,000,000</u>	<u>41,620,126</u>	<u>226,250,641</u>	<u>567,870,767</u>



Chairman
Riyadh Alromizan



Chief Executive Officer
Abdulaziz Alsowail



Chief Financial Officer
Abdul Wahab Khattak

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

Cherry Trading Company

(A Saudi Closed Joint Stock Company)

Condensed statement of cash flows**For the nine-month period ended 30 September 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	Note		
Cash flows from operating activities			
Net profit before Zakat		54,477,198	47,452,074
Adjustments for non-cash items:			
Depreciation of property and equipment	7	98,777,408	77,912,464
Depreciation of right-of-use assets	8	4,042,364	3,013,195
Amortization for intangible assets		105,032	220,268
Provision for employees' benefits liabilities		1,417,258	1,088,182
Impairment loss on trade receivables		2,138,706	8,914,133
Loss from derivative financial instruments at FVTPL		-	40,194
Gain on derecognition of lease		(925,618)	-
Gain on Disposal of property and equipment		-	(17,390)
Finance costs		42,558,189	31,354,835
Interest cost on lease liabilities	8	1,554,161	650,018
		<u>204,144,698</u>	<u>170,627,973</u>
Changes in working capital:			
Inventories		58,018,418	56,665,833
Trade receivables		(33,634,521)	(44,595,858)
Prepayments and other current assets		(31,844,846)	32,292,701
Due to a related party		(6,843,280)	(1,380,785)
Accounts Payable		172,587,469	(90,771,527)
Accrued expenses and other current liabilities		(8,513,898)	12,364,460
Cash generated from operating activities		<u>353,914,040</u>	<u>135,202,797</u>
Purchase of vehicles	7	(329,690,244)	(329,456,129)
Finance cost paid		(42,558,189)	(31,354,835)
Employees' benefits liabilities paid		(1,383,997)	(1,157,411)
Zakat Paid		(1,634,657)	(2,162,640)
Net cash used in operating activities		<u>(21,353,047)</u>	<u>(228,928,218)</u>
Cash flows from investing activities			
Purchase of property and equipment (excluding vehicles)	7	(4,632,658)	(14,410,750)
Cash and cash equivalent transferred on disposal of subsidiary		-	(98,953)
Acquisition to intangible assets		(24,000)	(45,000)
Proceeds from disposal of fixed assets		-	17,391
Net cash used in investing activities		<u>(4,656,658)</u>	<u>(14,537,312)</u>
Cash flows from financing activities			
Repayment of term loans		(177,533,313)	(191,853,588)
Proceeds from term loans		184,658,023	451,953,181
Payment of lease liabilities	8	(5,738,361)	(3,523,905)
Net cash generated from financing activities		<u>1,386,349</u>	<u>256,575,688</u>
Net change in cash and cash equivalents		<u>(24,623,356)</u>	<u>13,110,158</u>
Cash and cash equivalents at the beginning of the period		49,311,449	12,640,167
Cash and cash equivalents at end of the period		<u>24,688,093</u>	<u>25,750,325</u>
Non-cash transactions:			
Transferred from property and equipment to inventory (net)	7	58,833,925	60,921,372
Additions to right-of-use assets and lease liabilities	8	26,716,911	302,781

Chairman

Riyadh Alromizan

Chief Executive Officer

Abdulaziz Alsowail

Chief Financial Officer

Abdul Wahab Khattak

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

CHERRY TRADING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

1. CORPORATE INFORMATION

Cherry Trading Company is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010156896 dated 13 Ramadan 1420H (corresponding to 20 December 1999G).

The principal activities of the Company include the wholesale and retail sale of new and used private vehicles, the activities of car service and maintenance centers, public fares, school transportation, real estate management activities for a commission, and car rental with or without a driver in accordance with license No. 01010217000 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia.

The Parent Company's registered office is located at the following address:
2623 Dammam Branch Road
Ghirnatah district, Riyadh 13242-8025,
Kingdom of Saudi Arabia.

The Company is a subsidiary of Saudi Edarah Holding Company (LLC), which is majority-owned by Mr. Nasser Al-Omair.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in the complete set of annual financial statements. They should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2024 ("last annual consolidated financial statements"). These condensed interim financial statements do not include all of information and disclosures required to prepare a full set of financial statements prepared in accordance with the requirements of IFRS as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to understand the changes in the financial position and performance since the latest annual financial statements. In addition, results for the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for employees' benefit liabilities which are measured at present value of future obligations using the Projected Unit Credit Method and financial investments measured at fair value. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Saudi Riyals (SR), which is the functional and presentational currency of the company.

CHERRY TRADING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements requires the management to use judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities at the reporting date.

The significant judgments made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2024. However, in the view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on future developments.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of amendments and interpretations effective as of 1 January 2025 and the new accounting policies as mentioned in note 15. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Since the subsidiaries were disposed of during the year ended 31 December 2024, the annual financial statements were prepared on a consolidated basis, while the interim condensed financial statements are presented on a standalone basis.

4. SEGMENT INFORMATION

The Company has three segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing strategies. The Company's Chairman, and Company's Chief Executive Officer, Deputy Chief Executive Officer (DCEO) and Company's Chief Financial Officer monitor the results of the Company's operations for the purpose of passing decisions about resource allocation and performance assessment. They are collectively referred to as the "Company's Chief Operating Decision Makers".

For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Lease segment: represents vehicles leased to customers under medium to longer-term arrangements.
- Rental segment: represents vehicles leased to customers under short-term rental arrangements.
- Used car sale segment: represent sales of used vehicles inventory.

No operating segments have been aggregated to form the above reportable operating segments.

Segment results that are reported to the Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenue as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. There are no inter segment revenue reported during the period.

CHERRY TRADING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

4. SEGMENT INFORMATION (CONTINUED)

The following table presents segment information for the period ended:

30 September 2025 (Unaudited)	Long-term leases	Short-term leases	Sales of motor vehicles	Total
Revenue	276,029,436	19,807,024	60,043,008	355,879,468
Depreciation expense – vehicles	(91,108,995)	(4,917,565)	-	(96,026,560)
Cost of vehicles sold	-	-	(58,170,275)	(58,170,275)
Segment profit	184,920,441	14,889,459	1,872,733	201,682,633

30 September 2024 (Unaudited)	Long-term leases	Short-term leases	Sales of motor vehicles	Total
Revenue	239,869,022	14,580,389	69,640,552	324,089,963
Depreciation expense – vehicles	(72,917,102)	(3,244,166)	-	(76,161,268)
Cost of vehicles sold	-	-	(59,034,555)	(59,034,555)
Segment profit	166,951,920	11,336,223	10,605,997	188,894,140

Unallocated income/ (expenses)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Segment profit	201,682,633	188,894,140
Cost of revenue	(86,238,353)	(83,041,100)
Sales and marketing expenses	(3,593,302)	(2,999,487)
General and administrative expenses	(20,159,362)	(18,175,139)
Impairment loss on trade receivables	(2,138,706)	(8,914,133)
Other operating income	9,036,638	3,732,840
Finance cost	(44,112,350)	(32,004,853)
Loss from derivative financial instruments at FVTPL	-	(40,194)
Net profit before Zakat	54,477,198	47,452,074

Details of segment assets and liabilities is given below:

30 September 2025 (Unaudited)	Long-term lease	Short-term lease	Sales of motor vehicles	Unallocated Others	Total
Segment assets	1,230,701,464	48,073,511	1,683,318	399,925,084	1,680,383,377
Segment liabilities	-	-	-	1,112,512,610	1,112,512,610

31 December 2024 (Audited)	Long-term lease	Short-term lease	Sales of motor vehicles	Unallocated Others	Total
Segment assets	1,052,992,385	50,952,831	1,019,668	339,951,948	1,444,916,832
Segment liabilities	-	-	-	930,293,438	930,293,438

CHERRY TRADING COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

5. ZAKAT

The Company has filed its Zakat returns for all years up to 31 December 2024 and settled its Zakat liabilities accordingly. Furthermore, the Company has filed its withholding tax returns up to September 2025 and settled its withholding tax liabilities accordingly. Zakat returns have been approved by ZATCA for all years up to 2018. The movement in the zakat provision for the period/ year is as follows:

	For the nine-month period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance as at the beginning of the period/ year	2,841,329	2,845,696
Provision during the period/year	1,229,825	2,159,940
Relating to transfer of subsidiaries	-	(1,667)
Payment during the period/year	(1,634,657)	(2,162,640)
Balance as at the end of the period/ year	2,436,497	2,841,329

The opening balance as of 1 January 2024 amounted to SAR 2,845,696. Provision of SAR 1,621,980 was recorded for the period ending 30 September 2024. An amount of SAR 1,667 was transferred on disposal of subsidiaries during the period ended 30 September 2024. An amount of SAR 2,162,640 was paid during the period ended 30 September 2024.

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to the Company's ordinary shareholders by the weighted average of number of ordinary shares outstanding during the period. The calculation of diluted earnings per share ('EPS') is not applicable to the Company, as it has no financial instruments or other arrangements that would have a dilutive effect on earnings per share. Also, no separate calculation of earnings per share from continuing operations has been presented since there were no discontinued operations during the period. The calculation of the earnings per share is as follows:

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2025	2024	2025	2024
Net profit attributable to shareholders of the company	21,202,856	11,501,430	53,247,373	45,830,094
Weighted average number of shares	30,000,000	30,000,000	30,000,000	30,000,000
Earnings per share	0.71	0.38	1.77	1.53

CHERRY TRADING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

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

(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

7. PROPERTY AND EQUIPMENT

	Motor vehicles	Other	Total
Cost			
Balance as at 1 January 2024	1,189,338,415	30,520,852	1,219,859,267
Additions during the year	398,540,933	17,731,362	416,272,295
Transfer from vehicles to inventory	(187,896,472)	-	(187,896,472)
Relating to transfer of subsidiaries	(6,075,638)	(904,894)	(6,980,532)
Disposals during the year	-	(71,952)	(71,952)
Balance as at 31 December 2024	1,393,907,238	47,275,368	1,441,182,606
Balance as at 1 January 2025	1,393,907,238	47,275,368	1,441,182,606
Additions during the period	329,690,244	4,632,658	334,322,902
Transfer from vehicles to inventory	(99,502,832)	-	(99,502,832)
Balance as at 30 September 2025	1,624,094,650	51,908,026	1,676,002,676
Accumulated depreciation			
Balance as at 1 January 2024	283,000,553	19,133,663	302,134,216
Depreciation for the year	105,693,760	2,552,655	108,246,415
Transfer from vehicles to inventory	(98,525,686)	-	(98,525,686)
Relating to transfer of subsidiaries	(206,605)	(183,834)	(390,439)
Disposals during the year	-	(71,951)	(71,951)
Balance as at 31 December 2024	289,962,022	21,430,533	311,392,555
Balance as at 1 January 2025	289,962,022	21,430,533	311,392,555
Depreciation for the period	96,026,560	2,750,848	98,777,408
Transfer from vehicles to inventory	(40,668,907)	-	(40,668,907)
Balance as at 30 September 2025	345,319,675	24,181,381	369,501,056
Net book value			
Balance as at 30 September 2025			
(Unaudited)	1,278,774,975	27,726,645	1,306,501,620
Balance as at 31 December 2024 (Audited)	1,103,945,216	25,844,835	1,129,790,051

Cost

The opening balance of cost as of 1 January 2024 amounted to SAR 1,219,859,267, which includes non-vehicle related cost of SAR 30,520,852. Additions during the period ended 30 September 2024 amounted to SAR 343,866,879, which includes non-vehicle related cost of SAR 14,410,750. Transfer from vehicles to inventory during the period ended 30 September 2024 amounted to SAR 129,992,286. An amount of SAR 6,980,532 was transferred on disposal of subsidiaries during the period ended 30 September 2024. The amount of SAR 71,952 relating non-vehicle cost was disposed during the period ended 30 September 2024.

Accumulated depreciation

The opening balance of accumulated depreciation as of 1 January 2024 amounted to SAR 302,134,216, which includes non-vehicle related accumulated depreciation of SAR 19,133,663. Depreciation during the period ended 30 September 2024 amounted to SAR 77,912,464, which includes non-vehicle related depreciation charge of SAR 1,751,196. Transfer from vehicles to inventory during the period ended 30 September 2024 amounted to SAR 69,070,914. An amount of SAR 390,439 was transferred on disposal of subsidiaries during the period ended 30 September 2024. The amount of SAR 71,951 relating non-vehicle cost was disposed during the period ended 30 September 2024.

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8. LEASE

	Right-of-use assets	Lease liabilities
Balance as at 1 January 2024	19,825,100	19,914,829
Additions during the year	5,102,126	5,102,126
Derecognition during the year	(968,233)	(990,476)
Depreciation for the year	(4,215,082)	-
Interest cost on lease liabilities	-	1,075,299
Payments during the year	-	(5,143,906)
Balance as at 31 December 2024 (Audited)	<u>19,743,911</u>	<u>19,957,872</u>
Balance as at 1 January 2025	19,743,911	19,957,872
Additions during the period	26,716,911	26,716,911
Derecognition during the period	(3,371,351)	(4,296,969)
Depreciation for the period	(4,042,364)	-
Interest cost on lease liabilities	-	1,554,161
Payments during the period	-	(5,738,361)
Balance as at 30 September 2025 (Unaudited)	<u>39,047,107</u>	<u>38,193,614</u>
	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Lease liabilities - Current portion	<u>5,384,695</u>	<u>4,247,528</u>
Lease liabilities- Non-current portion	<u>32,808,919</u>	<u>15,710,344</u>

Right of use assets

The opening balance of right of use assets as of 1 January 2024 amounted to SAR 19,825,100. Additions for the period ended 30 September 2024 amounted to SAR 302,781. Depreciation for the period ended 30 September 2024 amounted to SAR 3,013,195.

The Company has lease contracts (leases as a lessee) for leasehold buildings (i.e., workshops, accommodations, and locations) and land. Leasehold buildings have lease terms between 5 to 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Lease liabilities

The opening balance of lease liabilities as of 1 January 2024 amounted to SAR 19,914,829. Additions for the period ended 30 September 2024 amounted to SAR 302,781. Interest cost for the period ended 30 September 2024 amounted to SAR 650,018. Payments during the period ended 30 September 2024 amounted to SAR 3,523,905.

9. SHARE CAPITAL

As at 30 September 2025, the Company's share capital amounted to SR 300 million (31 December 2024: SR 300 million) comprising of 30 million shares, which are fully paid with a value of SR 10 each.

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10. RELATED PARTIES' TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party in ISA 24. Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties were conducted in accordance with approved contractual terms.

Outstanding balances at the end of the period are unsecured, interest free and settled in cash. There have been no guarantees received for any related party payables.

The following are the most significant transactions with related parties carried out by the Group during the nine-month period ended 30 September 2025 and 2024:

A. Key management personnel compensation:

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
Employees' salaries and other short-term benefits	2,932,065	1,497,657
Post-employment benefits	308,552	372,900
	<u>3,240,617</u>	<u>1,870,557</u>

B. The significant transactions and the related balances are as follows:

Related party	Nature of relationship	Nature of transactions	Amount of Transactions			
			for the three-month period ended 30 September		for the nine-month period ended 30 September	
			2025	2024	2025	2024
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Saudi Edarah Holding company	Parent	Expenses paid on behalf of the related party by Cherry	538,812	3,507,215	1,728,510	4,712,290
		Expenses paid on behalf of the Company by Edarah	1,415,914	210,513	3,103,451	2,713,884
		Transfer of subsidiaries	-	-	-	8,373,322
		Sale of used Vehicles	-	-	241,939	-
		Repayments	1,000,000	-	8,000,000	-
H-10 Logistics Services	Entities under common control	Expenses paid on behalf of the related party by Cherry	2,123	1,168,700	77,637	3,379,521
		Services transferred	15,498	26,204	87,055	245,401
		Services received	1,621,776	1,918,657	4,966,583	5,303,048
		Payments	1,512,885	-	4,346,613	-
Elegant Vehicle Carwash Services Company	Entities under common control	Expenses paid on behalf of the related party by Cherry	55,953	-	266,628	1,453,490

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10. RELATED PARTIES' TRANSACTIONS AND BALANCES (CONTINUED)

B. The significant transactions and the related balances are as follows (continued):

Related party	Nature of relationship	Nature of transactions	Amount of Transactions			
			for the three-month period ended 30 September		for the nine-month period ended 30 September	
			2025	2024	2025	2024
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Elegant Vehicle Carwash Services Company	Entities under common control	Services transferred	11,599	-	164,932	265,022
		Services received	250,000	-	435,000	679,526
		Payments	250,000	-	435,000	-
Board of Directors and Audit Committee	Board of Directors and Audit Committee	Board of Directors and Audit Committee remuneration	104,101	-	671,370	-
			30 September 2025		31 December 2024	
Due to a related party			(Unaudited)		(Audited)	
Saudi Edarah Holding Company			3,616,265		10,459,545	
			3,616,265		10,459,545	

11. CONTINGENCIES AND COMMITMENTS

-Contingencies

The Company has outstanding letters of guarantee amounting as at 30 September 2025 to SR 228,043,488 (31 December 2024: SR 220,330,886) issued by local banks in the Kingdom of Saudi Arabia on behalf of the Company in the normal course of business and outstanding letter of credit of amount SR 135,950,091 (31 December 2024: SR nil).

-Commitments

As of 30 September 2025, the Company has no future capital commitments (31 December 2024: nil).

12. FAIR VALUE OF ASSETS AND LIABILITIES

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 by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair values of financial instruments are not materially different from their carrying values.

13. CAPITAL MANAGEMENT

For the purpose of the Company's share capital management, capital includes issued capital, general reserve and retained earnings attributable to the shareholders of the Company. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividends paid to the shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Total liabilities	1,112,512,610	930,293,438
Cash and cash equivalents	(24,688,093)	(49,311,449)
Net debt	1,087,824,517	880,981,989
Share capital	300,000,000	300,000,000
General reserve	41,620,126	41,620,126
Retained earnings	226,250,641	173,003,268
Owners' Equity	567,870,767	514,623,394
Net debt to owners' equity ratio	1.92	1.71

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14. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Concentration risk
- Liquidity risk

The Company's principal financial liabilities consist of term loans, accounts payable, due to related party balance and accounts payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets consist of trade receivables, other current assets; and cash and cash equivalents. The Company's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risks, and price risks), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risks, currency risks and fair value risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies.

The team regularly meets, and any changes and compliance issues are reported to the Board of Directors. The risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees management's compliance with the Company's risk management policies and procedures as well as reviews the effectiveness of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the condensed statement of financial position include cash and cash equivalents, accounts and other receivables, accrued and other current liabilities, lease liabilities and trade payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following types of risk:

- Interest rate risk;
- Foreign currency exchange risk;
- Other price risk

The Company's overall risk management program focuses on the unpredictability of financial market and seeks to minimise potential adverse effects on the financial performance of the Company.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

• **Interest rate risks**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate, because of changes in market interest rates. The Company does not have any fixed rate financial assets and liabilities at fair value through profit or loss. The Company manages interest rate risk by regularly monitoring the interest rate information of its interest-bearing financial instruments.

The Company manages commission rate risk by regularly monitoring commission rate profiles for its commission-bearing financial instruments.

• **Foreign currency risks**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal. The Company's management monitors such fluctuations and manages its effect on the condensed interim financial statements accordingly.

• **Other price risk**

The risk that the value of a financial instrument will fluctuate as a result 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 affected by price risk as there are no significant investment of the Company in shares or commodities.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to risk on its trade and other receivables and cash at banks.

Company has no significant concentration of credit risks. Concentrations of risk arise when a number of customers are engaged in similar business activities, or activities in the same geographical region, or have economic features that would lead to their failure to meet their contractual obligations. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. As the management also constantly monitors the credit exposure towards customers and establishes a provision against these doubtful balances.

To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an overall assessment based on customer profile and payment history. The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial risks and business, together with the review of any relevant third party and market information.

The Company's maximum gross exposure to credit risk at the reporting date is as follows:

Financial assets	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	273,912,639	240,278,118
Receivable from insurance companies	6,386,931	6,388,768
Cash and cash equivalents	24,688,093	49,311,449
	304,987,663	295,978,335

With respect to credit risk arising from the Company's financial assets which include bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts as disclosed in the condensed statement of financial position. The management believes that the credit risk related to bank balances is not significant as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The five largest customers account for 37% of outstanding receivables at 30 September 2025 (31 December 2024: 47%).

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all account and other receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by promissory notes or prepayments, which are an integral part of receivables and are taken into account in calculating impairment. There were no past due or impaired receivables from related parties.

The following table shows information about the exposure to credit risk and ECLs for trade receivables:

30 September 2025 (Unaudited)	<i>Weighted average loss rate</i>	<i>Gross carrying amount</i>	<i>Impairment loss allowance</i>
Low risk	2%	175,478,310	2,738,155
Moderate risk	6%	20,975,840	1,250,741
Doubtful	26%	62,203,723	16,441,694
Loss	100%	15,254,766	15,254,766
		273,912,639	35,685,356
31 December 2024 (Audited)	<i>Weighted average loss rate</i>	<i>Gross carrying amount</i>	<i>Impairment loss allowance</i>
Low risk	4%	187,384,793	7,748,377
Moderate risk	11%	21,919,609	2,444,053
Doubtful	37%	12,073,526	4,454,030
Loss	100%	18,900,190	18,900,190
		240,278,118	33,546,650

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also monitors the levels of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In managing liquidity risk, the Company primarily relies on maintaining access to significant undrawn credit facilities, which provide sufficient headroom to meet short-term obligations as they fall due. In addition, the Company actively monitors its cash flow forecasts to ensure that adequate liquidity is maintained to meet its financial commitments in a timely manner, despite current liabilities exceeding current assets.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

30 September 2025	<i>Carrying amount</i>	<i>Contractual cashflows</i>	<i>Within 1 year 1 to 5 years</i>			<i>More than 5 years</i>	<i>Total</i>
Term loans	809,749,107	875,091,019	325,853,996	549,237,023	-	-	875,091,019
Lease liabilities	38,193,614	49,773,185	7,708,360	28,378,073	13,686,752	-	49,773,185
Accounts payable	237,048,983	237,048,983	237,048,983	-	-	-	237,048,983
Due to a related party	3,616,265	3,616,265	3,616,265	-	-	-	3,616,265
Accrued expenses and other current liabilities	9,507,393	9,507,393	9,507,393	-	-	-	9,507,393
	<u>1,098,115,362</u>	<u>1,175,036,845</u>	<u>583,734,997</u>	<u>577,615,096</u>	<u>13,686,752</u>	<u>-</u>	<u>1,175,036,845</u>
31 December 2024	<i>Carrying amount</i>	<i>Contractual cashflows</i>	<i>Within 1 year 1 to 5 years</i>			<i>More than 5 years</i>	<i>Total</i>
Term loans	802,624,397	883,138,351	311,472,765	571,665,586	-	-	883,138,351
Lease liabilities	19,957,872	24,106,564	5,193,906	14,252,658	4,660,000	-	24,106,564
Accounts payable	64,461,514	64,461,514	64,461,514	-	-	-	64,461,514
Due to a related party	10,459,545	10,459,545	10,459,545	-	-	-	10,459,545
Accrued expenses and other current liabilities	16,423,498	16,423,498	16,423,498	-	-	-	16,423,498
	<u>913,926,826</u>	<u>998,589,472</u>	<u>408,011,228</u>	<u>585,918,244</u>	<u>4,660,000</u>	<u>-</u>	<u>998,589,472</u>

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15. NEW STANDARDS OR AMENDMENTS EFFECTIVE IN 2025 AND SUBSEQUENT YEARS

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB as at 30 September 2025.

A. New currently effective requirements:

Effective date	New Standards and Amendments
1 January 2025	Lack of exchangeability – Amendments to IAS 21

Management conducted a financial impact assessment and found that there was no impact on the condensed interim financial statements as at 30 September 2025.

B. New requirements that will be applied subsequently:

Effective date	New Standards and Amendments
1 January 2026	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards - Volume 11
	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7
1 January 2027	IFRS 18 – Presentation and Disclosure in Financial Statements
	IFRS 19 - Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

Management will assess the financial impact of the new standards and amendments, and it expects that they will not have an impact on the Company's financial statements.

16. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved by the Board of Directors on 30 October 2025 (corresponding to 8 Jumada Al-Awwal 1447H)