

Cherry Trading Company
(A Saudi Joint Stock Company)
Condensed Interim Financial Statements (Unaudited)
For the three-month period ended 31 March 2026
together with the
Independent Auditor's Review Report

Cherry Trading Company
(A Saudi Joint Stock Company)
Condensed interim financial statements (unaudited)
For the three-month period ended 31 March 2026
Together with the Independent Auditor's Review Report

<u>INDEX</u>	<u>Pages</u>
Independent auditor's report on review of condensed interim financial statements	1 - 2
Condensed statement of financial position	3
Condensed statement of profit or loss and other comprehensive income	4
Condensed statement of changes in equity	5
Condensed statement of cash flows	6
Notes to the condensed interim financial statements	7 - 20



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 إي 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 Shareholders of Cherry Trading Company (A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2026 condensed interim financial statements of Cherry Trading Company ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2026;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026;
- the condensed statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed statement of cash flows for the three-month period ended 31 March 2026; 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 Shareholders 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 31 March 2026 condensed interim financial statements of Cherry Trading Company ("the Company") and its subsidiaries 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: 10 May 2026
Corresponding to: 23 Dhu al-Qi'dah 1447 H


Cherry Trading Company
(A Saudi Joint Stock Company)
Condensed statement of financial position
As at 31 March 2026

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

	31 March 2026	31 December 2025
Note	(Unaudited)	(Audited)
Assets		
Non-current assets		
Property and equipment	7 1,416,847,458	1,353,596,897
Right-of-use assets	8 35,616,981	37,041,888
Intangible assets	576,367	618,355
Total non-current assets	1,453,040,806	1,391,257,140
Current assets		
Inventories	7,713,909	6,995,125
Trade receivables	272,686,112	285,036,342
Prepayments and other current assets	64,785,024	38,094,813
Cash and cash equivalents	36,647,817	50,053,237
Total current assets	381,832,862	380,179,517
Total assets	1,834,873,668	1,771,436,657
Equity and liabilities		
Equity		
Share capital	9 300,000,000	300,000,000
General reserve	41,620,126	41,620,126
Retained earnings	261,967,164	243,585,742
Total equity	603,587,290	585,205,868
Non-current liabilities		
Non-current portion of lease liabilities	8 31,762,221	32,550,452
Employees` benefits liabilities	10,272,853	10,142,040
Non-current portion of term loans	633,648,845	528,751,860
Total non-current liabilities	675,683,919	571,444,352
Current Liabilities		
Current portion of term loans	327,260,185	314,639,648
Current portion of lease liabilities	8 4,385,069	4,316,742
Accounts payable	207,719,957	279,904,930
Accrued expenses and other current liabilities	11,509,776	10,633,809
Due to a related party	10 1,418,110	2,446,147
Zakat payable	5 3,309,362	2,845,161
Total current liabilities	555,602,459	614,786,437
Total liabilities	1,231,286,378	1,186,230,789
Total equity and liabilities	1,834,873,668	1,771,436,657


Chairman
Riyadh Alromizan


Chief Executive Officer
Abdulaziz Alsowail


Chief Financial Officer
Abdul Wahab Khattak


The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

Cherry Trading Company
(A Saudi Joint Stock Company)
Condensed statement of profit or loss and other comprehensive income
For the three-month period ended 31 March 2026
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	4	148,442,126	101,933,658
Cost of revenue		(102,794,513)	(63,790,115)
Gross profit		45,647,613	38,143,543
Selling and marketing expenses		(1,418,800)	(1,088,797)
General and administrative expenses		(8,324,666)	(6,586,778)
Impairment loss on trade receivables		(2,572,806)	(2,330,838)
Other operating income		553,325	2,120,502
Profit from operations		33,884,666	30,257,632
Finance costs		(15,039,043)	(14,259,298)
Profit before zakat		18,845,623	15,998,334
Zakat	5	(464,201)	(539,985)
Net profit for the period		18,381,422	15,458,349
Other comprehensive income		-	-
Total comprehensive income for the period		18,381,422	15,458,349
Basic and diluted earnings per share			
Basic and diluted earnings per share, net profit attributable to ordinary shareholder of the Company (in Saudi Riyals)	6	0.61	0.52


Chairman
Riyadh Alromizan


Chief Executive Officer
Abdulaziz Alsowail


Chief Financial Officer
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Cherry Trading Company

(A Saudi Joint Stock Company)

Condensed statement of changes in equity**For the three-month period ended 31 March 2026**

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

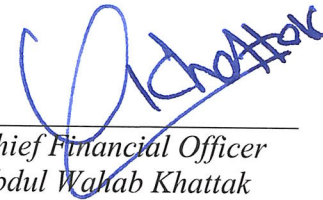
	<u>Share capital</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2025 (Audited)	300,000,000	41,620,126	173,003,268	514,623,394
Net profit for the period (Unaudited)	-	-	15,458,349	15,458,349
Other comprehensive income for the period (Unaudited)	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	15,458,349	15,458,349
Balance as at 31 March 2025 (Unaudited)	<u>300,000,000</u>	<u>41,620,126</u>	<u>188,461,617</u>	<u>530,081,743</u>
Balance as at 1 January 2026 (Audited)	300,000,000	41,620,126	243,585,742	585,205,868
Net profit for the period (Unaudited)	-	-	18,381,422	18,381,422
Other comprehensive income for the period (Unaudited)	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	18,381,422	18,381,422
Balance as at 31 March 2026 (Unaudited)	<u>300,000,000</u>	<u>41,620,126</u>	<u>261,967,164</u>	<u>603,587,290</u>



Chairman
Riyadh Alromizan



Chief Executive Officer
Abdulaziz Alsowail

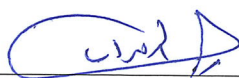


Chief Financial Officer
Abdul Wahab Khattak

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

Cherry Trading Company
(A Saudi Joint Stock Company)
Condensed statement of cash flows
For the three-month period ended 31 March 2026
(All amounts are expressed in Saudi Riyal unless otherwise stated)


	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cash flows from operating activities			
Profit before zakat		18,845,623	15,998,334
Adjustments for non-cash items:			
Depreciation of property and equipment	7	38,455,735	31,279,625
Depreciation of right-of-use assets	8	1,424,907	1,111,907
Amortization for intangible assets		41,988	72,226
Provision for employees' benefits liabilities		429,472	472,419
Impairment loss on trade receivables		2,572,806	2,330,838
Finance costs		14,446,547	14,000,149
Interest cost on lease liability	8	592,496	259,149
		<u>76,809,574</u>	<u>65,524,647</u>
Changes in working capital:			
Inventories		37,244,512	7,398,381
Trade receivables		9,777,424	(12,173,385)
Prepayments and other current assets		(26,690,211)	(30,734,745)
Due to a related party		(1,028,037)	(6,315,610)
Accounts payable		(72,184,973)	16,623,616
Accrued expenses and other current liabilities		875,967	(5,636,804)
Cash generated from operating activities		<u>24,804,256</u>	<u>34,686,100</u>
Purchase of vehicles	7	(122,551,260)	(62,313,171)
Employees' benefits liabilities paid		(298,659)	(366,839)
Lease interest paid		(592,496)	(259,149)
Finance cost paid		(15,284,163)	(14,000,149)
Net cash used in operating activities		<u>(113,922,322)</u>	<u>(42,253,208)</u>
Cash flows from investing activities			
Purchase of property and equipment (excluding vehicles)	7	(17,118,332)	(1,303,765)
Net cash used in investing activities		<u>(17,118,332)</u>	<u>(1,303,765)</u>
Cash flows from financing activities			
Repayment of term loans		(83,090,655)	(43,890,419)
Proceeds from term loans		201,445,793	53,544,383
Principal repayment of lease liabilities	8	(719,904)	(1,136,752)
Net cash generated from financing activities		<u>117,635,234</u>	<u>8,517,212</u>
Net change in cash and cash equivalents		<u>(13,405,420)</u>	<u>(35,039,761)</u>
Cash and cash equivalents at the beginning of the period		50,053,237	49,311,449
Cash and cash equivalents at end of the period		<u>36,647,817</u>	<u>14,271,688</u>
Non-cash transactions:			
Transferred from property and equipment to inventories	7	37,963,296	10,993,785
Additions to right-of-use assets and lease liabilities	8	-	1,245,737



Chairman
Riyadh Alromizan



Chief Executive Officer
Abdulaziz Alsowail



Chief Financial Officer
Abdul Wahab Khattak

The accompanying notes 1 through 17 form an integral part of these condensed interim financial statements.

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2026

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

1. CORPORATE INFORMATION

Cherry Trading Company is a Saudi 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 a driver in accordance with license No. 01010217000 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia.

The 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.

Geopolitical Developments:

The Company continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the Company's operations are solely conducted within KSA region. While the situation remains evolving, the Company maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Company's financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Company's business will continue to be assessed on future reporting dates.

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 annual financial statements for the year ended 31 December 2025 ("last annual financial statements"). These condensed interim financial statements do not include all the 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 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Basis of measurement

These 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 Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

(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 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.

Management has made an initial impact assessment as a result of the current uncertainty, and made appropriate updates to certain assumptions used for estimates including expected credit loss by incorporating changes in macro-economic factors and other variables used in ECL model calculation and considered its residual value estimates. The significant judgments made by management in applying the accounting policies and the methods of computation and the key sources of estimation to those that applied to the financial statements for the year ended 31 December 2025. Whilst this had not had any material impact as at 31 March 2026, in 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

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

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 annual financial statements for the year ended 31 December 2025, except for the adoption of amendments and interpretations effective as of 1 January 2026 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.

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 Makers 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: represents 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.

The following table presents segment information for the period ended:

31 March 2026 (Unaudited)	Long-term leases	Short-term leases	Sales of motor Vehicles	Total
Revenue	98,470,598	5,814,824	44,156,704	148,442,126
Depreciation expense– vehicles	(35,128,500)	(2,300,353)	-	(37,428,853)
Cost of vehicles sold	-	-	(37,149,831)	(37,149,831)
Segment profit	63,342,098	3,514,471	7,006,873	73,863,442
31 March 2025 (Unaudited)	Long-term leases	Short-term leases	Sales of motor vehicles	Total
Revenue	87,965,079	5,182,406	8,786,173	101,933,658
Depreciation expense– vehicles	(28,741,451)	(1,667,017)	-	(30,408,468)
Cost of vehicles sold	-	-	(7,713,427)	(7,713,427)
Segment profit	59,223,628	3,515,389	1,072,746	63,811,763

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

4. SEGMENT INFORMATION (CONTINUED)**Unallocated income/ (expenses)**

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Segment profit	73,863,442	63,811,763
Cost of revenue	(28,215,829)	(25,668,220)
Other operating income	553,325	2,120,502
Sales and marketing expenses	(1,418,800)	(1,088,797)
General and administrative expenses	(8,324,666)	(6,586,778)
Impairment loss on trade receivables	(2,572,806)	(2,330,838)
Finance costs	(15,039,043)	(14,259,298)
Net profit before zakat	18,845,623	15,998,334

Details of the segment assets and liabilities is given below:

31 March 2026 (Unaudited)	Long term lease	Short term lease	Sales of motor vehicles	Unallocated Others	Total
Segment assets	1,306,467,143	65,776,629	2,906,909	459,722,987	1,834,873,668
Segment liabilities	-	-	-	1,231,286,378	1,231,286,378

31 December 2025 (Audited)	Long term lease	Short term lease	Sales of motor vehicles	Unallocated Others	Total
Segment assets	1,262,586,438	62,498,223	2,093,444	444,258,552	1,771,436,657
Segment liabilities	-	-	-	1,186,230,789	1,186,230,789

5. ZAKAT

The Company has filed its Zakat returns for all years up to 31 December 2025 and settled its Zakat liabilities accordingly. Furthermore, the Company has filed its withholding tax returns up to March 2026 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 three- month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at the beginning of the period/ year	2,845,161	2,841,329
Provision during the period/year	464,201	1,638,489
Payment during the period/year	-	(1,634,657)
Balance as at the end of the period/ year	3,309,362	2,845,161

The opening balance as of 1 January 2025 amounted to SAR 2,841,329. Provision of SAR 539,985 was recorded for the period ending 31 March 2025.

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to the Company's ordinary shareholder 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. 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 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit attributable to shareholder of the company	18,381,422	15,458,349
Weighted average number of shares	30,000,000	30,000,000
Basic and diluted earnings per share	0.61	0.52

7. PROPERTY AND EQUIPMENT

	Motor vehicles	Other	Total
Cost:			
Balance as at 1 January 2025	1,393,907,238	47,275,368	1,441,182,606
Additions during the year	464,110,357	6,438,204	470,548,561
Transfer from vehicles to inventories	(195,132,685)	-	(195,132,685)
Balance as at 31 December 2025	1,662,884,910	53,713,572	1,716,598,482
Balance as at 1 January 2026	1,662,884,910	53,713,572	1,716,598,482
Additions during the period	122,551,260	17,118,332	139,669,592
Transfer from vehicles to inventories	(72,670,127)	-	(72,670,127)
Balance as at 31 March 2026	1,712,766,043	70,831,904	1,783,597,947
Accumulated depreciation:			
Balance as at 1 January 2025	289,962,022	21,430,533	311,392,555
Depreciation for the year	131,983,189	3,770,803	135,753,992
Transfer from vehicles to inventories	(84,144,962)	-	(84,144,962)
Balance as at 31 December 2025	337,800,249	25,201,336	363,001,585
Balance as at 1 January 2026	337,800,249	25,201,336	363,001,585
Depreciation for the period	37,428,853	1,026,882	38,455,735
Transfer from vehicles to inventories	(34,706,831)	-	(34,706,831)
Balance as at 31 March 2026	340,522,271	26,228,218	366,750,489
Net book value			
Balance as at 31 March 2026 (Unaudited)	1,372,243,772	44,603,686	1,416,847,458
Balance as at 31 December 2025 (Audited)	1,325,084,661	28,512,236	1,353,596,897

Cost

The opening balance of cost as of 1 January 2025 amounted to SAR 1,441,182,606, which includes non-vehicle related cost of SAR 47,275,368. Additions during the period ended 31 March 2025 amounted to SAR 63,616,936, which includes non-vehicle related cost of SAR 1,303,765. Transfer from vehicles to inventory during the period ended 31 March 2025 amounted to SAR 22,165,950.

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

7. PROPERTY AND EQUIPMENT (CONTINUED)**Accumulated Depreciation**

The opening balance of accumulated depreciation as of 1 January 2025 amounted to SAR 311,392,555 which includes non-vehicle related accumulated depreciation of SAR 21,430,533. Depreciation during the period ended 31 March 2025 amounted to SAR 31,279,625, which includes non-vehicle related depreciation charge of SAR 871,157. Transfer from vehicles to inventories during the period ended 31 March 2025 amounted to SAR 11,172,165.

8. LEASE

	<u>Right-of-use assets</u>	<u>Lease liabilities</u>
Balance as at 1 January 2025	19,743,911	19,957,872
Additions during the year	27,056,101	27,056,101
Derecognition during the year	(4,294,537)	(5,296,693)
Depreciation for the year	(5,463,587)	-
Interest cost on lease liability	-	2,158,276
Payments during the year	-	(7,008,362)
Balance as at 31 December 2025 (Audited)	<u>37,041,888</u>	<u>36,867,194</u>
Balance as at 1 January 2026	37,041,888	36,867,194
Additions during the period	-	-
Depreciation for the period	(1,424,907)	-
Interest cost on lease liability	-	592,496
Payments during the period	-	(1,312,400)
Balance as at 31 March 2026 (Unaudited)	<u>35,616,981</u>	<u>36,147,290</u>
	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Lease liabilities - Current portion	<u>4,385,069</u>	<u>4,316,742</u>
Lease liabilities- Non-current portion	<u>31,762,221</u>	<u>32,550,452</u>

Right of use assets

The opening balance of right of use assets as of 1 January 2025 amounted to SAR 19,743,911. Additions during the period ended 31 March 2025 amounted to SAR 1,245,737. Depreciation for the period ended 31 March 2025 amounted to SAR 1,111,907.

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 2025 amounted to SAR 19,957,872. Additions during the period ended 31 March 2025 amounted to SAR 1,245,737. Finance cost for the period ended 31 March 2025 amounted to SAR 259,149. Payments during the period ended 31 March 2025 amounted to SAR 1,395,901.

9. SHARE CAPITAL

As at 31 March 2026, the Company's share capital amounted to SR 300 million (31 December 2025: SR 300 million) comprising of 30 million shares, which are fully paid with a value of SR 10 each.

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

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 IAS 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 Company during the three-month period ended 31 March 2026 and 2025:

A. Key management personnel compensation:

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Employees' salaries and other short-term benefits	1,522,647	1,284,864
Post-employment benefits	119,745	103,261
	<u>1,642,392</u>	<u>1,388,125</u>

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

Related parties	Nature of relationship	Nature of transactions	Amount of Transactions for the three-month period ended 31 March	
			2026	2025
			(Unaudited)	(Unaudited)
Saudi Edarah Holding Company	Parent	Expenses paid on behalf of the related party by Cherry	28,428	315,610
		Expenses paid on behalf of the Company by Edarah	2,831,589	-
		Repayments	3,075,525	6,000,000
H-10 Logistics Services	Entities under common control	Expenses paid on behalf of the related party by Cherry	17,432	11,878
		Services transferred	5,982	-
		Services received	381,290	766,609
		Payments	1,181,626	-
Elegant Vehicle Carwash Services Company	Entities under common control	Expenses paid on behalf of the related party by Cherry	40,104	116,635
		Services transferred	-	29,447
		Services received	151,160	
		Payments	42,979	
Gulf Address	Other related party	Purchase of Land and settlement	16,908,066	-
Board of Directors and Audit Committee	Board of Directors and Audit Committee	Board of Directors and Audit Committee remuneration	479,547	300,000
Due to a related party			<u>31 March 2026</u>	31 December 2025
			(Unaudited)	(Audited)
Saudi Edarah Holding Company			<u>1,418,110</u>	<u>2,446,147</u>
			<u>1,418,110</u>	<u>2,446,147</u>

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2026

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

11. CONTINGENCIES AND COMMITMENTS

- Contingencies

The Company has outstanding letters of guarantee amounting as at 31 March 2026 to SR 211,314,453 (31 December 2025: SR 241,291,356) issued by local commercial 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 nil (31 December 2025: SR 135,950,091)

- Commitments

As of 31 March 2026, The Company did not have any material future capital commitments (31 December 2025: 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.

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 is unobservable (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall 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 recognizes 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.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, it does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

12. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

	<i>Carrying Amount</i>	
	<i>31 March</i>	<i>31 December</i>
	2026	2025
Financial assets at amortized cost		
Trade receivables	310,005,568	319,782,992
Prepayments and other current assets	6,906,848	5,859,707
Cash and cash equivalents	36,647,817	50,053,237
Financial liabilities measured at amortized cost		
Term loans	960,909,030	843,391,508
Accounts payable	207,719,957	279,904,930
Accrued expenses and other current liabilities	9,018,122	8,763,547
Due to a related party	1,418,110	2,446,147
Lease liabilities	36,147,290	36,867,194

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 shareholder 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 shareholder, 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.

	31 March	31 December
	2026	2025
	(Unaudited)	(Audited)
Total liabilities	1,231,286,378	1,186,230,789
Cash and cash equivalents	(36,647,817)	(50,053,237)
Net debt	1,194,638,561	1,136,177,552
Share capital	300,000,000	300,000,000
General reserve	41,620,126	41,620,126
Retained earnings	261,967,164	243,585,742
Owners' Equity	603,587,290	585,205,868
Net debt to owners 'equity ratio	1.98	1.94

14. FINANCIAL RISK MANAGEMENT

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

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

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's principal financial liabilities consist of term loans trade and other payables, and amount due to related party. 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 and other receivables, bank balances and cash. 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 minimize 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 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 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 minimize potential adverse effects on the financial performance of the Company.

• 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.

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2026

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

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

- **Foreign currency risks**

Foreign 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 investments 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.

The 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	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	310,005,568	319,782,992
Receivable from insurance companies	6,906,848	5,859,707
Cash and cash equivalents	36,647,817	50,053,237
	<u>353,560,233</u>	<u>375,695,936</u>

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 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.

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 28% of outstanding receivables at 31 March 2026 (31 December 2025: 36%).

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements**For the three-month period ended 31 March 2026**

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

14. FINANCIAL RISK MANAGEMENT (CONTINUED)**Credit risk (continued)**

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:

31 March 2026 (Unaudited)	<i>Weighted average loss rate</i>	<i>Gross carrying amount</i>	<i>Impairment loss allowance</i>
Low risk	1%	224,724,595	1,720,232
Moderate risk	10%	27,969,516	2,812,453
Doubtful	45%	44,864,756	20,340,070
Loss	100%	12,446,701	12,446,701
		<u>310,005,568</u>	<u>37,319,456</u>
31 December 2025 (Audited)	<i>Weighted average loss rate</i>	<i>Gross carrying amount</i>	<i>Impairment loss allowance</i>
Low risk	1%	199,787,428	2,617,254
Moderate risk	6%	25,545,277	1,433,848
Doubtful	18%	77,684,974	13,930,235
Loss	100%	16,765,313	16,765,313
		<u>319,782,992</u>	<u>34,746,650</u>

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 manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under 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.

Cherry Trading Company
(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2026

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

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

	Carrying amount	Contractual cashflows	Within 1 year	1 to 5 years	More than 5 years	Total
31 March 2026						
Term loans	960,909,030	1,040,068,680	372,242,563	667,826,117	-	1,040,068,680
Lease liabilities	36,147,290	46,517,485	6,558,360	28,995,165	10,963,960	46,517,485
Accounts payable	207,719,957	207,719,957	207,719,957	-	-	207,719,957
Due to related party	1,418,110	1,418,110	1,418,110	-	-	1,418,110
Accrued expenses and other current liabilities	9,018,122	9,018,122	9,018,122	-	-	9,018,122
	<u>1,215,212,509</u>	<u>1,304,742,354</u>	<u>596,957,112</u>	<u>696,821,282</u>	<u>10,963,960</u>	<u>1,304,742,354</u>
31 December 2025						
Term loans	843,391,508	909,269,918	353,044,354	556,225,564	-	909,269,918
Lease liabilities	36,867,194	47,829,885	6,558,360	27,584,773	13,686,752	47,829,885
Accounts payable	279,904,930	279,904,930	279,904,930	-	-	279,904,930
Due to related party	2,446,147	2,446,147	2,446,147	-	-	2,446,147
Accrued expenses and other current liabilities	8,763,547	8,763,547	8,763,547	-	-	8,763,547
	<u>1,171,373,326</u>	<u>1,248,214,427</u>	<u>650,717,338</u>	<u>583,810,337</u>	<u>13,686,752</u>	<u>1,248,214,427</u>

15. NEW STANDARDS OR AMENDMENTS EFFECTIVE IN 2026 AND SUBSEQUENT YEARS

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB as at 31 March 2026.

A- New currently effective requirements:

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

Management conducted a financial impact assessment and found that there was no impact on the condensed interim financial statements as at 31 March 2026.

B- New requirements that will be applied subsequently:

Effective date	New Standards and Amendments
1 January 2027	IFRS 18 – Presentation and Disclosure in Financial Statements
	IFRS 19 - Subsidiaries without Public Accountability: Disclosures
	Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21
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

Cherry Trading Company

(A Saudi Joint Stock Company)

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2026

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

**15. NEW STANDARDS OR AMENDMENTS EFFECTIVE IN 2026 AND SUBSEQUENT YEARS
(CONTINUED)**

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. SUBSEQUENT EVENTS

Subsequent to the reporting date, on 19 April 2026 (corresponding to 2 Dhu al-Qi'dah 1447H), the Board of Directors resolved to recommend to the shareholders the distribution of cash dividends in respect of the financial year ended 31 December 2025, amounting to SAR 15,000,000 in aggregate, representing SAR 0.50 per share on 30,000,000 outstanding shares (equivalent to 5% of the share par value). The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting.

17. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved by the Board of Directors on 19 Dhu al-Qi'dah, 1447 H corresponding to 6 May 2026.