



Bidaya Finance Company (formerly known as "Bidaya Home Finance Company")

A closed Saudi joint stock company incorporated under the Companies Law in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010432564 issued in Riyadh on 25/06/1436G (corresponding to 14/04/2015G). Offering of Sukuk with a nominal value of (SAR 1,000,000,000) one billion Saudi Riyals, divided into (1,000,000) one million Sukuk, through a Programme for the issuance of these Sukuk in separate series in accordance with the Terms and Conditions and the Applicable Final Terms relating to each series of separate issuances.

This Base Prospectus was issued on ••/••/•H (corresponding to •/•/•G).

Bidaya Finance Company (the "Issuer", "Company", "Bidaya Finance", or "Bidaya") is a Saudi closed joint-stock company incorporated under the Companies Law of the Kingdom of Saudi Arabia. The Issuer operates under Commercial Registration No. 1010432564 issued in Riyadh on 25/06/1436H (corresponding to 14/04/2015G), with a paid-up capital of ten hundred million Saudi Riyals (SAR 900,000,000), divided into ninety million (90,000,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share. Its registered office is located on the 20th Floor of Al Edda'a Tower, King Fahd Road, P.O. Box 93898, Riyadh 11683, Kingdom of Saudi Arabia. The Company was granted License No. 201512/4H/December 2015G by the Saudi Central Bank ("SAMA") to offer real estate finance activities in the Kingdom of Saudi Arabia in accordance with the provisions of the Finance Companies Control Law and its executive regulations. The Issuer's shares are not listed on the Saudi Stock Exchange (Tadawul) and the Issuer did not have any debt instruments listed on the Saudi Stock Exchange prior to the establishment of the Program.

The Sukuk will be issued through a Sukuk issuance programme (the "Programme") with a nominal value of up to one billion Saudi Riyals (SAR 1,000,000,000) divided into one million (1,000,000) Sukuk through the Programme to issue these Sukuk in a series of separate issues (each referred to as a "Series") in accordance with the Terms and Conditions and the Applicable Final Terms for each series of separate issues. The Sukuk will be issued at the nominal value per Suk as set out in the Applicable Final Terms for the relevant issue (the "Sukuk Terms and Conditions"). Each issue, as defined in the "Sukuk Terms and Conditions" for the Sukuk under the Programme, will be based on a declaration agreement (the "Declaration of Agency") entered into on •/•/•H (corresponding to •/•/•G) between Bidaya Finance Company (the Issuer) and Riyadh Capital Company as the Sukukholders' Agent, in addition to the other Sukuk Documents, such as the Murabaha Agreement and the Mudaraba Agreement. As further detailed in the Sukuk Terms and Conditions, the Sukuk grants its holders (the "Sukukholders") the right to receive amounts generated from the Sukuk Assets (as defined in the Sukuk Terms and Conditions). The Sukuk constitute undivided beneficial ownership interests in the Sukuk Assets and represent an undivided interest in the Payment Obligations and will at all times rank pari passu among themselves. They will not exceed the aggregate nominal value of all Sukuk from time to time payable under the Programme, subject to increase in accordance with the Programme Agreement (as defined and set out in the Base Prospectus) and all applicable rules and regulations of the Kingdom of Saudi Arabia.

Each offer period for the relevant Series of the Sukuk will be specified in the Applicable Final Terms (as defined below) (each, an "Offer Period") and the relevant Series of Sukuk will be allocated after the end of the applicable Offer Period and issued on a date (each, an "Issue Date") notified by the Issuer and the Arrangers to the relevant potential investors after the end of the relevant Offer Period. For further details, see the section (15) entitled "Subscription Declarations".

The Sukuk may be distributed on a continuing basis by one or more Dealer(s) (each a Dealer and together the Dealer(s)) appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Sukuk being (or intended to be) distributed by more than one Dealer, be to all Dealer(s) agreeing to distribute such Sukuk.

The Sukuk will be offered to eligible natural persons and legal persons in the Kingdom of Saudi Arabia (the "Kingdom") and any other jurisdiction, where it is lawful to offer the Sukuk. Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed form (an "Investor Application Form") through the websites and platforms of the relevant Dealer(s) and the receiving entities ("Receiving Entities") that provide this electronic service to subscribers, or through any other means provided by the Dealer(s) and the Receiving Entities, prior to the date of completion of the offering process and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application Form. Investor Application Forms will be available from the relevant Dealer(s), or from the Receiving Entities, as applicable, in respect of such Series.

Notice of the aggregate nominal amount of Sukuk and any other terms and conditions not contained herein applicable to each Series will be set out in the Applicable Final Terms. The minimum number of each Series of Sukuk to be subscribed for is 5 Sak, in value of SAR 5,000, of each Series of Sukuk to be issued under the Programme, unless otherwise specified in the Applicable Final Terms, and the maximum number of Sukuk and maximum value of Sukuk to be subscribed for of each Series of Sukuk to be issued under the Programme will be specified in the Applicable Final Terms.

The Issuer may agree with the Arrangers to issue the Sukuk on terms and conditions that differ from those set out in the terms and conditions contained in this Base Prospectus. In the event that such additional terms and conditions are agreed between the Issuer and the Arrangers, the Issuer will obtain the approval of the Authority to publish such additional terms and conditions in a supplementary prospectus subsequent to this Base Prospectus, in accordance with the applicable regulations and following the Authority's approval, in order to clarify such additional terms and conditions relating to the Sukuk.

Financial Advisers and Arrangers Financial Advisors



Merchants Capital



Impact46

Arrangers



Impact46



Merchants Capital

Receiving Agents



This Base Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority" or "CMA") and the application for listing of securities in compliance with the Listing Rules of the Saudi Exchange. The Directors, whose names appear in this Base Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Base Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Saudi Exchange do not take any responsibility for the contents of this Base Prospectus or make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

The Issuer has submitted an application for the registration and offer of the Sukuk to the Capital Market Authority of the Kingdom of Saudi Arabia and to Tadawul for the listing of the Sukuk. This Base Prospectus has been approved and all required documents have been submitted to the relevant authorities. All regulatory requirements have been satisfied and all required corporate approvals have been obtained from Saudi Central Bank (SAMA). The Saudi Central Bank does not make any representation as to the accuracy or completeness of this Base Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

The Issuer has obtained a local credit rating of (BBB- (sau)) from Fitch Australia Pty Ltd, Saudi Arabia branch, which is a national scale rating reflecting the Issuer's capacity to meet its financial obligations. The Issuer's rating should not be considered as a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Series of Sukuk, should be read and construed together with the Applicable Final Terms.

The transaction structure relating to the Sukuk (as described in this Base Prospectus) has been approved by Bidaya's Shari'ah Committee (the "Shari'ah Committee"). Prospective Sukukholders should not rely on such approval in deciding whether to make an investment in the Sukuk and should consult their own Shari'ah advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Shari'ah principles. None of the Issuer, the Arrangers, Dealer (s), the Sukukholders' Agent and the Payment Administrator makes any representation or accept any liability in relation to the completeness of the information contained in the Pronouncement or the Shari'ah compliance of the Sukuk and/or any trading thereof.

The distribution of this Base Prospectus and the offering, sale and delivery of Sukuk issued under the Programme in any jurisdiction other than the Kingdom may be restricted by law. Any Persons who come into possession of this Base Prospectus are required by the Issuer, and the Dealer (s) to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Sukuk issued under the Programme and on distribution of this Base Prospectus and other offering material relating to Sukuk issued under the Programme, see the section (15) entitled "Subscription Declarations" of this Base Prospectus.

The Dealer is responsible for managing the offering process, which includes receiving and reviewing subscription applications in accordance with the CMA regulations, receiving subscription amounts, submitting the final subscriber register to the Registrar, and refunding any excess amounts to investors (if any). The Dealer is also required to coordinate with the financial advisors and Arrangers regarding the offering schedule for each Series and ensure that the Base Prospectus complies with the subscription management mechanism in accordance with the Sukuk terms and conditions (as outlined in section (14) "Details on Sukuk and the Terms & Conditions of the Sukuk").

Any Sukuk to be issued under the Programme may only be offered and sold in the Kingdom in accordance with the Rules on the Offer of Securities and Continuing Obligations.

An investment in Sukuk issued under the Programme involves certain risks and uncertainties. For a discussion of certain factors to be considered in connection with an investment in Sukuk issued under the Programme, see the section "Important Notice" on page (c) and the section (5) (Risk Factors) of this Base Prospectus. The Securities Depository Center Company ("Edaa") will be appointed as registrar (the "Registrar", which expression includes any successor registrar) of the Sukuk issued under the Programme (as described in section (14) (Details on Sukuk and Subscription Terms & Conditions) and section (15) (Subscription Declarations) of this Base Prospectus, respectively). The Sukuk will be in registered form in Specified Denominations of one thousand Saudi Riyals (SAR 1,000) and the aggregate nominal value of each Series will be outlined in the Applicable Final Terms. The Sukuk will be collectively represented at all times by interests in a registered form global sak, without coupons attached (the "Global Sak"), which will be deposited as the Sukukholders' Agent may direct in accordance with the provisions of the Declaration of Agency. The Sukuk may only be held in book entry dematerialised form and definitive sukuk will not be issued to Sukukholders in relation to their holdings of Sukuk.

This Base Prospectus is an unofficial English translation of the official Arabic Base Prospectus and is provided for information purposes only.

Dealer

Musharaka Capital Company





Bidaya Finance Company

IMPORTANT NOTICE

This Base Prospectus provides certain information relating to the Issuer and the Sukuk being offered.

This Base Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia and the application for listing of securities in compliance with the Listing Rules of the Saudi Exchange Company. The directors, whose names appear in this Base Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Base Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Base Prospectus or make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

The Saudi Central Bank ("SAMA") does not make any representation as to the accuracy or completeness of this Base Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

This Base Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Sukuk by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Base Prospectus and the offer or sale of the Sukuk in certain jurisdictions is restricted by law. This Base Prospectus may not be used for, or in connection with, and does not constitute any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorised or is unlawful.

This Base Prospectus contains details and sufficient information related to the Issuer and Sukuk. This Base Prospectus can be obtained by visiting the Issuer's website (<https://www.bidaya.com.sa>), the Authority's website (www.cma.org.sa) and Tadawul's website (www.saudiexchange.sa), website of the Financial Advisors and Arrangers (<https://neomercantiscapital.com>) and (<https://impact46.sa>) and the website of the Dealer (www.musharaka.sa).

No Person has been authorised to give any information or to make any representation about the Issuer, the Programme or the Sukuk (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been made by the Issuer, Arrangers, the Dealer (s), the Sukukholders' Agent, or the Payment Administrator. Neither the delivery of this document nor any sale of any Sukuk shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers and Dealer(s) expressly do not undertake to review the financial Condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Sukuk of any information coming to their attention.

While the Issuer has made all reasonable enquiries as to the accuracy of the information contained in this Base Prospectus as of the date hereof, substantial portions of the market and industry information herein are derived from external sources. While none of the Issuer, the Arrangers, the Dealer (s), the Sukukholders' Agent or the Payment Administrator, nor their respective advisers or affiliates have any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information. The Authority and Tadawul do not take any responsibility for the contents of this Base Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

The information contained in this Base Prospectus is subject to change. In particular, the actual financial state of the Issuer and the value of any Sukuk issued under the Programme may be adversely affected by future developments in inflation, financing charges, taxation, calculation of zakat or other economic, political and other factors, over which the Issuer has no control, see section (5) (*Risk Factors*). As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Base Prospectus might not occur in the way they are expected, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements. Neither the delivery of this Base Prospectus nor any oral, written or printed interaction in relation to any Sukuk issued under the Programme is intended to be or should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Sukuk is to be regarded as a recommendation on the part of the Issuer the Dealer(s), the Sukukholders' Agent or the Payment Administrator or any of their advisers or affiliates to participate in the offering of any Sukuk issued under the Programme. The information provided herein is of a general nature and has been prepared without taking into account any individual investor's investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Base Prospectus and any other information supplied in connection with the Programme or the issue of any Sukuk is responsible for obtaining his own independent professional advice in relation to the Issuer and the offering of the relevant Sukuk and for making his own independent evaluation of the Issuer, an investment in the relevant Sukuk and of the information and assumptions contained herein, using such advice, analysis and projections as he deems necessary in making any investment decision. None of the Arrangers, Dealer(s), the Sukukholders' Agent or the Payment Administrator accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, or for any other statement made or purported to be made by the Arrangers, the Dealer(s), the Sukukholders' Agent or the Payment Administrator or on its behalf in connection with the Issuer, the Programme or the issuance and offering of the Sukuk.

Prospective investors are not to construe the contents of this Base Prospectus as constituting tax, investment, legal or Shari'ah advice. Prior to purchasing any Sukuk, a prospective investor should consult with his, her or its own legal, Shari'ah, business and tax advisers to determine the appropriateness and consequences of an investment in such Sukuk for such an investor and arrive at an independent evaluation of such investment. The sole purpose of this Base Prospectus is to provide background information about the Issuer to assist each recipient in making an independent evaluation of the Programme and any offering and investment in Sukuk issued under the Programme.

None of the Issuer, Arrangers, the Dealer(s), the Sukukholders' Agents or the Payment Administrator makes any representation to any investor in the Sukuk regarding the legality of its investment under any applicable laws. Any investor in the Sukuk should be able to bear the economic risk of an investment in the Sukuk.

Prospective investors should note that the Issuer shall not pay any additional amounts in respect of any withholding required by law to any person who holds Sukuk who is not a "**Qualified Person**". A "**Qualified Person**" means:

- a) a natural person who is considered to be resident in the Kingdom in accordance with the Income Tax Law issued by Royal Decree No. M/1 dated 15/1/1435H (as amended) and the executive regulations thereof (the "**Income Tax Law**"); or
- b) a legal person who is considered to be resident in the Kingdom in accordance with the Income Tax Law and who is holding a current commercial registration number issued by the Ministry of Commerce. However, the requirement for such legal person to hold a current commercial registration number issued

by the Ministry of Commerce would not apply to Saudi Arabian governmental entities and mutual funds established in the Kingdom and managed by a person authorised by the Authority or any other entity established in the Kingdom that is not required by the laws of the Kingdom to hold a commercial registration, and who, in each case, has a bank account with a local bank in the Kingdom; or

- c) any other category of person specified as such in the Applicable Final Terms.

If the prospective investor received this document by e-mail, they should not reply by e-mail to this document. Any reply e-mail communications, including those generated by using the “Reply” function on the prospective investor’s e-mail software, will be ignored or rejected. If the prospective investor receives this document by e-mail, their use of that e-mail will be at their own risk, and it is their responsibility to take precautions to ensure that it is free from viruses and any other similar items of a destructive nature.

If this Base Prospectus has been sent to a prospective investor in an electronic form, they must be aware that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Dealer(s), the Sukukholders’ Agent, the Payment Administrator or any person who controls or is a director, officer, employee or agent of any of the Issuer, the Arrangers, the Dealer(s), the Sukukholders’ Agent, the Payment Administrator or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Base Prospectus distributed to prospective investors in electronic format and the copy made available on the official website of the Authority or the Issuer.

The Sukuk may not be a suitable investment for all investors. Each potential investor in Sukuk must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk, the merits and risks of investing in the Sukuk and the information contained, or incorporated by reference, in this Base Prospectus;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk and the impact the Sukuk will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk;
- d) understand thoroughly the terms of the Sukuk and be familiar with the behaviour of any relevant indices and financial markets; and
- e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent: (i) the Sukuk are legal investment for it; (ii) the Sukuk can be used as collateral for various types of borrowing; and (iii) other restrictions apply to their purchase or pledge of any Sukuk. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Sukuk under any applicable risk-based capital or similar rules.

The Sukuk are complex financial instruments and are of high risk and are not a suitable or appropriate investment for all investors, see section (5-3) (*Risk Factors – Risks Related to the Securities Being Offered*). In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to

the offer or sale of securities similar to the Sukuk. There are risks inherent in holding the Sukuk, including the risks in relation to their subordination and the circumstances in which holders of the Sukuk may suffer loss as a result of holding the Sukuk. See section (5) (*Risk Factors*) for a discussion of certain considerations to be taken into account in connection with an investment in the Sukuk. Institutional or qualified clients generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Sukuk unless it has the expertise (either alone or with a financial adviser) to evaluate how the Sukuk will perform under changing conditions, the resulting effects on the value of the Sukuk and the impact this investment will have on the potential investor's overall investment portfolio.

The Issuer reserves the right, to the maximum extent permitted by applicable laws and regulations, to terminate at any time any further participation by any party in the evaluation process and the offering of the Sukuk and/or reject all bids without any liability or responsibility. The Issuer shall have no obligation to inform any investor or bidder of the grounds of such termination or rejection. The cost and expenses incurred by any prospective investor or successful bidder (which includes, but is not limited to, cost of employing the services of financial, accounting, technical, legal and Shari'ah advisers, travelling expenses, etc.) will be for their own account and neither the Issuer, the Dealer(s), the Sukukholders' Agent nor the Payment Administrator in any way would be held responsible for any such cost, regardless of, without limitation, the conduct or outcome of the bidding, evaluation and selection process.

The distribution of this Base Prospectus and the offering, sale and delivery of Sukuk issued under the Programme in any jurisdiction other than the Kingdom may be restricted by law. Any persons who come into possession of this Base Prospectus are required by the Issuer and the Dealer(s) to inform themselves about and to observe any such restrictions. For further information in respect of certain restrictions on offers, sales and deliveries of Sukuk issued under the Programme and on distribution of this Base Prospectus and other relevant offering material, see section (15) (*Subscription Declarations*) section of this Base Prospectus.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Series of Sukuk, should be read and construed together with the Applicable Final Terms.

Industry and Market Data

In this Base Prospectus, information regarding the real estate financing industry and other data regarding the market segment in which the Issuer operates has been obtained from: (i) the Issuer's estimates; and (ii) data and analysis on the real estate financing industry, which were obtained from various publicly available third-party sources and materials. Such information, sources, and estimates are believed to be reliable, but have not been independently verified by the Issuer, the directors of the Issuer or any of their respective advisers and no representation is made with respect to their accuracy or completeness.

Industry and market data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey of market size. None of the publications, reports or other published industry sources referred to in this Base Prospectus were commissioned by the Issuer or prepared at its request and the Issuer has not sought or obtained the consent from any of these sources to include such market data in this Base Prospectus.

Supplementary Base Prospectus

If at any time during the duration of the Programme, there is a material new event, significant mistake or inaccuracy relating to information contained in this Base Prospectus affecting the assessment of any Sukuk and

whose inclusion or amendment in this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses (if applicable) and prospects of the Issuer and the rights attaching to the Sukuk, the Issuer shall prepare a supplementary prospectus after obtaining CMA's approval and shall supply the Arrangers with the required number of copies of such supplementary prospectus as such Arrangers may reasonably request.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This report analyzes the Company's operational performance and financial position for the financial years ending 31 December 2022G, 2023G, and 2024G, together with the unaudited condensed interim financial statements for the three-month period ended 31 March 2025G and the unaudited condensed interim financial statements for the three-month period ended 31 March 2024G. as detailed below. This financial analysis should be read together with the Company's financial statements and the accompanying notes thereto for the years ended 31 December 2022G (audited), 2023G (audited), and 2024G (audited), the unaudited condensed interim financial statements for the three-month period ended 31 March 2025G (unaudited) and the unaudited condensed interim financial statements for the three-month period ended 31 March 2024G (unaudited), and their accompanying notes.

The annual financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, have been audited, and the unaudited condensed interim financial statements for the three-month period ended 31 March 2025G (unaudited) and the unaudited condensed interim financial statements for the three-month period ended 31 March 2024G (unaudited) have been prepared by Deloitte and Touche & Co. – Chartered Accountants (“**Deloitte**”), as stated in its reports included herein. Deloitte issued unqualified audit reports on the annual financial statements.

The annual financial statements which are included in this Base Prospectus are prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and as modified by the Saudi Central Bank via Circular No. 381000074519 dated 14/07/1438H (corresponding to 11/04/2017G) for the accounting of Zakat and income tax, which requires adoption of all IFRSs as issued by the International Accounting Standards Board (IASB) as laid down under Article (25) of the Executive Regulations of the Real Estate Finance Law which requires the Company to prepare the financial statements based on the International Financial Reporting Standards in the Kingdom of Saudi Arabia (IFRS-KSA).

(The above-mentioned financial statements are an integral part of this Base Prospectus and should be read in conjunction with these statements and their supplementary explanations. These financial statements can be found in Section 18 (*Financial Statements and Certified Accountants' Report*) of this Base Prospectus.)

All amounts in this Section have been rounded off to the nearest thousand riyals (SAR 1000) unless otherwise stated, and the numbers and percentages are rounded to the nearest decimal. As such, if totaled, the numbers may differ from those stated in the tables. Subsequently, all annual percentages, indicators, expenses and accumulated CAGRs are based on rounded figures. Unless otherwise stated, the historical financial statements contained in this Base Prospectus relating to the Issuer are divided as follows:

- The audited financial statements for the year ended 31 December 2024G, which include the restated comparative financial statements for the financial year ended 31 December 2023G, together with the accompanying notes thereto and the audit report thereon (the “**2024G Financial Statements**”);

- The audited financial statements for the year ended 31 December 2023G, which include the restated comparative financial statements for the financial year ended 31 December 2022G, together with the accompanying notes thereto and the audit report thereon (the “**2023G Financial Statements**”);
- The audited financial statements for the year ended 31 December 2022G, together with the accompanying notes thereto and the audit report thereon (the “**2022G Financial Statements**”);
- The unaudited condensed interim financial statements for the three-month period ended 31 March 2025G (hereinafter the “**2025G Interim Financial Statements (Unaudited)**”, and together with the 2024G Financial Statements, the 2023G Financial Statements and the 2022G Financial Statements, the “**Issuer Financial Information**” or the “**Financial Statements**”).
- In the case of other financial information obtained directly from the Issuer, it will be referred to as “**Source: the Issuer**”.

This section may contain forward-looking statements about the Company's future capabilities, based on management's plans and prospects as to its business growth, results of operations, and financial position that could involve prospective risks and uncertainties. Actual results may differ materially from these expectations due to various factors, including risks and future events that may affect the Company's performance, as set out in this Base Prospectus. Please refer to Section 5 (*Risk Factors*) of this Base Prospectus.

Auditors and Unaudited Information

- The 2025G Interim Financial Statements (Unaudited) have been prepared by Deloitte & Touche & Co. - Chartered Accountants (“Deloitte”), as stated in its report included in this Base Prospectus.
- The annual financial statements for the financial years ended 31 December 2024G, 31 December 2023G and 31 December 2022G have been audited by Deloitte, as stated in its reports included herein. Deloitte issued unqualified audit reports on the annual financial statements.
- The Issuer's 2025G interim period ends on 31 March 2025G and references in this Base Prospectus to “2025G” are to the three-month period ended 31 March 2025G.
- The Issuer's financial year ends on 31 December and references in this Base Prospectus to “2022G”, “2023G” and “2024G” are to the 12-month period ended 31 December in each such year.
- All financial information for the interim period ended 31 March 2025G included in this Base Prospectus has been derived from the 2025G Interim Financial Statements (Unaudited).
- All financial information for the year ended as of 31 December 2024G and for the year ended as of 31 December 2023G appearing in this Base Prospectus has been extracted from the audited 2024G Financial Statements.
- All financial information for the year ended as of 31 December 2022G appearing in this Base Prospectus has been derived from the audited 2023G Financial Statements.
- The Issuer publishes its financial statements in Saudi Riyals (SAR). As at the date of this Base Prospectus, the SAR was pegged against the US dollar with a fixed exchange rate of 3.75 Saudi Riyals per US dollar.

Deloitte and its subsidiaries or employees do not own any Company shares or interests that might affect its independence as of the reporting date. Deloitte has given and not withdrawn their written consent to the

reference in this Base Prospectus to their role as the Company's auditors for the financial years ended 31 December 2022G, 2023G, and 2024G.

Financial Information Extracted and Used in this Base Prospectus

- The 2025G Interim Financial Statements (Unaudited), the 2024G Financial Statements, the 2023G Financial Statements, and the 2022G Financial Statements.
- **Statements of the financial position:** The statements of financial position for the interim period ended 31 March 2025G have been extracted from the 2025G Interim Financial Statements (Unaudited). The statements of financial position for the years ended 31 December 2024G, and 2023G were extracted from the 2024G Financial Statements, which include the 2023G statements of financial position. The statements of financial position for the year ended 31 December 2022G were extracted from the 2023G Financial Statements, which include the restated 2022G Financial Statements.
- **Statements of the profit or loss and other comprehensive income:** The statements of profit or loss and other comprehensive income for the interim period ended 31 March 2025G have been extracted from the 2025G Interim Financial Statements (Unaudited). The statements of profit or loss and other comprehensive income for the years ended 31 December 2024G and 2023G were extracted from the 2024G Financial Statements, which include the 2023G statements of profit or loss and other comprehensive income. The financial statements for the year ended 31 December 2022G were extracted from the 2023G Financial Statements, which include the restated 2022G statements of profit or loss and other comprehensive income.
- **Statements of cash flows:** The statements of cash flows for the interim period ended 31 March 2025G have been extracted from the 2025G Interim Financial Statements (Unaudited). The cash flows statements for the years ended 31 December 2024G, and 2023G were extracted from the 2024G Financial Statements, which include the 2023G cash flows statements. The financial statements for the year ended 31 December 2022G, were extracted from the 2023G Financial Statements, which include the restated 2022G statements of cash flows.

Certain Financial Information

- This Base Prospectus includes selected ratio analysis, none of which is subject to any audit or review by independent auditors. These ratios include performance measures, financial ratios, asset quality measures and other ratios. See section (8-2) (*Financial Information- Key Financial and Operational Performance Indicators*).
- The Issuer believes that the presentation of these ratios is helpful to investors as these ratios and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

However, these ratios are not measures of financial performance under IFRS-KSA and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Issuer results of operations or liquidity computed in accordance with IFRS-KSA. Investors may calculate these ratios differently from the Issuer. The Issuer's presentation of these ratios may not be comparable to other similarly titled measures of other companies.

In this Base Prospectus, the following financial ratios and their meanings are utilised.

- **Return on Equity (ROE):** this ratio is calculated by dividing net operational profit / (loss) for the period by total equity at the end of the year.

- Return on Total Assets: this ratio is calculated by dividing net operational profit (loss) for the period by total assets at year-end.
- Net Profit Margin: this ratio is calculated by dividing net operational profit / (loss) for the period by revenue generated during the year.
- Total Debt to Total Assets: this ratio is calculated by dividing total debt including the funding cost (along with the rent liabilities) by total assets at the relevant year end.
- Total Debt to Total Equity: this ratio is calculated by dividing total debt including the funding cost (along with the rent liabilities) by total equity at the relevant year end.
- Total Ijara and Murabaha Receivables, Net to Total Debt: this ratio is calculated by dividing the net Ijara and Murabaha receivables by the total debt including the funding cost (along with the rent liabilities) at the relevant year end.
- Total Ijara and Murabaha Receivables, Net to Equity: this ratio is calculated by dividing the net financing receivables by the total equity at the relevant year end.
- Gross Margin on Net Ijara and Murabaha Receivables: this ratio is calculated by dividing Ijara and Murabaha Income by Net Ijara and Murabaha Receivables at the average of the beginning and end of the period. For the purposes of calculating the ratio for interim financial periods, the amended ratio has been annualised.
- Funding costs: this ratio is calculated by dividing the finance charges during a year by the total debt including the funding cost (including the rent liabilities) of the average of the beginning and end of the period. For the purposes of calculating the ratio for interim financial periods, the amended ratio has been annualised.
- Financing Spread Margin: this ratio is calculated by discounting the funding cost from the total profit margin on the net Ijara and Murabaha Receivables at year-end.
- Non-performing Financing Ratio (Individuals): this ratio is calculated by dividing total non-performing financing that became past due (for 90 days) by total Ijara receivables, net, at year-end.
- Non-performing Financing Ratio (Companies): this ratio is calculated by dividing total non-performing financing that became past due (for 90 days) on total Ijara receivables, net, at year-end.
- Net stable funding ratio (NSFR): is calculated by dividing stable funding (secured financing facilities, Sukuk, and total equity) by the total of both Ijara and Murabaha receivables, net, at year-end.

Certain conventions

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. These percentages are calculated based on the amounts reported in the Issuer's financial statements.

Use of Dates

Dates are referred to in the Gregorian (G) calendar and the Hijri (H) calendar. Unless indicated to the contrary, all references to dates, “year” or “years” herein are to dates or years in the Gregorian calendar.

Currencies

- Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in Saudi Riyals currency. The Issuer’s functional currency is the Saudi Riyal, and the Issuer prepares its unaudited Interim Financial Statements and audited Annual Financial Statements in Saudi riyals, rounded to the nearest thousand.
- Translations of some amounts from U.S. dollars to Saudi Riyal in this Base Prospectus are solely for the convenience of the reader. The Saudi Riyal has been pegged to the U.S. dollar since 1986G at a fixed exchange rate of SAR 3.75 for each US\$1 and, unless otherwise stated, all conversions of U.S. dollar amounts to Saudi Riyal amounts (if any) in this Base Prospectus have been made at this rate.

Third-party and market share data

- This Base Prospectus contains information regarding the Issuer’s business and the industry in which it operates and competes, which the Issuer has obtained from Third-party sources. The Issuer and other institutions operating in the real estate finance industry in Saudi Arabia make available a wide range of financial and operational information to regulatory and market bodies, including SAMA and the Authority. These bodies use certain of the data supplied to publish statistical information, amongst other matters. However, no assurance can be made that the information reported to these bodies by different market participants is, in all cases, directly comparable. Where Third-party information has been used in this Base Prospectus, it has been accurately reproduced and the source of such information has been identified.
- In some cases, independently determined industry data is not available. In these cases, any Issuer market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by the Issuer using its own information and other market information which is publicly available. The Issuer believes that these estimates of market share are helpful as they give prospective investors a better understanding of the industry in which the Issuer operates as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Issuer’s knowledge of the market within which it operates, the Issuer cannot guarantee that a third-party expert using different methods would reach the same conclusions.
- Statistical information relating to Saudi Arabia included in this Base Prospectus has been derived from official public sources, including the General Authority for Statistics (“GASTAT”), SAMA, the Ministry of Finance, the Ministry of Economy and Planning, the International Monetary Fund (the “IMF”) and the Organisation for Petroleum Exporting Countries (“OPEC”). All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Issuer to investors who have purchased Sukuk issued under the Programme.
- Where information has not been independently sourced, it is the Issuer own information.

No incorporation of website information

The Issuer website is www.bidaya.com.sa. The information on this website or any other website mentioned in this Base Prospectus, or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Base Prospectus, and investors should not rely on it.

Rounding

- The unaudited Interim Financial Statements and the audited annual financial statements present the Issuer's results in thousands of riyals. Certain financial data in this Base Prospectus has been rounded to the nearest million, with 500,000 being rounded up and 499,999 being rounded down, or billion, with 500 million being rounded up and 499 million being rounded down. As a result of such rounding, the totals of financial statement data presented in tables in this Base Prospectus may vary slightly from the arithmetic totals of such data.
- In addition, all percentage data in this Base Prospectus has been rounded to one decimal place, with 0.050 being rounded up and 0.049 being rounded down.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended, or re-enacted.

References herein to "this Base Prospectus" shall be deemed to include this document dated [•], together with supplements thereto, if any.

FORECASTS AND FORWARD-LOOKING STATEMENTS

Forecasts set forth in this Base Prospectus have been prepared on the basis of assumptions based on the Issuer's information, as derived from its market experience, as well as publicly available market information. Future operating conditions may differ from the assumptions used and consequently no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Some statements in this Base Prospectus may be deemed to be forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "seeks", "estimate", "project", "will", "would", "may", "could", "continue", "should" or similar expressions or the negative or other variations of such terms or comparable terminology are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position of the Issuer, or the business strategy, management plans and objectives for future operations of the Issuer, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are contained in sections of this Base Prospectus entitled "Risk Factors" and "Description of the Issuer" and other sections of this Base Prospectus. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. These forward-looking statements are based on numerous assumptions regarding the Issuer's present, and future, business strategies and the environment in which the Issuer expects to operate in the future. Important factors that could cause the Issuer's actual results, performance, or achievements to differ materially..

Forward-looking statements speak only as at the date of this Base Prospectus and, without prejudice to any requirements under applicable laws and regulations, the Issuer, the Arrangers and the Dealer(s) expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements in this Base Prospectus to reflect any change in the expectations of the Issuer or any change in events, conditions or

circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, the Issuer cannot assure potential investors that projected results or events will be achieved and the Issuer cautions potential investors not to place undue reliance on these statements.

Pursuant to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Issuer must submit a supplementary prospectus to the Authority if, at any time after the publication of this Base Prospectus (and before completion of any offer of Sukuk), the Issuer becomes aware that:

- 1- there has been an important change in material matters contained in this Base Prospectus; or
- 2- additional important matters have appeared which would have been required to be included in this Base Prospectus.

With the exception of these two cases, the Issuer does not intend to update or change any sector or market information or the forward-looking statements included in this Base Prospectus, whether as a result of new information, future events or otherwise. As a result, the forward-looking events and circumstances discussed in this Base Prospectus might not occur in the way the Issuer expects, or at all. Therefore, Sukukholders should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

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1 Terms and Definitions

In this Base Prospectus, unless the context clearly indicates otherwise, any reference to a law or a provision of a law includes that law or provision as it may be extended, amended, or re-enacted. This also covers, where applicable, any related executive regulations.

Unless otherwise defined in section (14-2) (*Terms and Conditions of the Sukuk*) of this Base Prospectus, or if the context otherwise requires, the following words and expressions herein shall have the meanings ascribed thereto below:

Table No. (1): Terms and Definitions

TERM	DEFINITION
Bidaya Finance Company	It is a Saudi closed joint stock company with commercial registration no. 1010432564 dated 25/06/1436H (corresponding to 14/04/2015G), having its registered office at the 20th Floor Al Ebda'a Tower, King Fahad Road, P.O. Box 93898, Riyadh 11683, KSA, (hereinafter referred to as the "Issuer" or "Company").
SAMA	means the Saudi Central Bank, the official authority responsible for managing monetary policy in the Kingdom of Saudi Arabia, commonly known by its acronym "SAMA". It was established in 1952G under the name "Saudi Arabian Monetary Agency" and was later renamed the "Saudi Central Bank". Its core functions include maintaining monetary stability, regulating the financial sector, issuing the national currency (the Saudi Riyal), managing foreign reserves, and supervising banks and financial institutions to ensure the soundness of the financial system and the protection of consumer rights within the Kingdom.
Tadawul	means the Saudi Exchange Company or the "Saudi Exchange", and includes the electronic securities trading system in the Exchange.
General Assembly	means a general assembly convened in the presence of the shareholders of Bidaya Finance Company under the provisions of the Companies Law and the Articles of Association of the Company, which may be an ordinary or extraordinary general assembly.
Ordinary General Assembly	means an ordinary general assembly of the shareholders of Bidaya Finance Company.
Extraordinary General Assembly	means an extraordinary general assembly of the shareholders of Bidaya Finance Company.
Government	means the government of the Kingdom of Saudi Arabia.

TERM	DEFINITION
U.S. dollars and U.S.\$	means United States Dollar, the legal currency of the United States.
SAR or Saudi Riyals	means the lawful currency of KSA.
Person	means any natural or legal person.
Natural Person	means a human being who has legal capacity, is considered an independent party in financial and legal transactions, can conclude contracts, bear obligations, own assets, and engage in the regular activities authorized by the laws and regulations.
Legal Person	means an independent legal entity established by law or contract (e.g., companies, institutions, investment funds, associations). Recognized in accordance with the Kingdom's laws and regulations, a legal person possesses an independent financial status, with rights to own property, litigate, conclude contracts, and engage in authorized activities.
Taxes	means any amounts imposed by the competent governmental authorities, including, without limitation, income tax and value added tax, applied in accordance with the applicable tax regulations in the Kingdom of Saudi Arabia and subject to the supervision of the Zakat, Tax and Customs Authority. Taxes are calculated based on the income or transactions of the Issuer in accordance with the relevant regulations..
Zakat	means any amount calculated and paid in accordance with the provisions of Shariah by entities subject to Zakat, determined pursuant to the applicable laws and regulations in the Kingdom of Saudi Arabia, including the guidelines of the Zakat, Tax and Customs Authority. Zakat is calculated on the basis of net Zakatable assets in accordance with the approved Shariah standards.
Fees	means any amounts paid for governmental or regulatory services in exchange for providing a specific service, issuing a license, granting a concession, or a regulatory or administrative procedure, such as registration, licensing or listing fees, determined in accordance with the applicable regulations of the relevant regulatory authorities, including, without limitation, the Capital Market Authority and the Zakat, Tax and Customs Authority. Fees are considered part of the operating costs associated with the issuance of the Sukuk or the conduct of commercial activities. Such fees are not considered taxes or Zakat, but are paid in exchange for a direct benefit received by the beneficiary.
Companies Law	The Saudi Companies Law issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H corresponding to 30/06/2022G, which came into effect on 10/01/2023G.

TERM	DEFINITION
OSCOs	means the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority Pursuant to its Resolution No. 3.123.2017 dated 09/04/1439H Corresponding to 27/12/2017G based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, as amended by CMA Board Resolution No. 3.6.2024 Dated 04/04/1446H (corresponding to 07/10/2024G).
Financial Statements	means, with respect to any period, the audited (with respect to annual only) or unaudited financial statements of the Issuer for such period and, where no period is specified, shall be in reference to the most recent financial year or interim financial period of the Issuer for which audited financial statements or unaudited financial statements (as applicable) are available (in each case, prepared on a consolidated basis, as applicable).
Committees	means the Committee for the Resolution of Securities Disputes and the Appeal Committee for the Resolution of Securities Conflicts.
G	means the Gregorian calendar.
GCC	Means the Gulf Cooperation Council (comprising the following countries: the Kingdom of Bahrain, Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates)
IASB	means the International Accounting Standards Board (IASB), an independent body responsible for setting and developing International Accounting Standards, and which forms part of the IFRS Foundation. The Board's objective is to establish high-quality accounting standards used globally to provide transparent and comparable financial information, thereby enhancing confidence in financial markets and assisting investors and stakeholders in making informed decisions. The Board operates in consultation with regulators, professionals and users worldwide, including in the Kingdom, to ensure that the standards reflect economic reality and meet the needs of international financial reporting.
Registrar	The Securities Depository Center Company ("Edaa"), having its registered address at Tawuniya Towers, Unit No. 15, King Fahad Road – Olaya 6896, Riyadh 12211 – 3388, Kingdom of Saudi Arabia.
IFRS	The International Financial Reporting Standards endorsed by SOCPA, which comprise IFRS and the additional requirements and disclosures required by SOCPA and other standards and pronouncements endorsed by SOCPA. These standards include those standards and technical releases relating to matters not covered by IFRS, such as the subject of Zakat.

TERM	DEFINITION
KSA or Saudi Arabia	means the Kingdom of Saudi Arabia, a country located on the Arabian Peninsula, officially established in 1932G by King Abdulaziz bin Abdulrahman Al Saud, and characterised by a monarchical system of government.
MENA region	means all countries that are in the Middle East and North Africa region.
Base Prospectus	means this Base Prospectus dated [●]G relating to the Programme including all information and supplements which form part of the Base Prospectus.
Income Tax Law	means the Income Tax Law issued by Royal Decree No. M/1 dated 15/1/1425H (corresponding to 06/03/2004G).
Investor Application Form	means the form required to be submitted to the Dealer before the end of the Offer Period by the Persons wishing to invest in the Sukuk.
H	means the Hijri calendar
Halalah	halalah means the subunit of the Saudi Riyal.
CMA or the Authority	means the Capital Market Authority of the Kingdom of Saudi Arabia.
ZATCA	means the Zakat, Tax and Customs Authority. * Formerly the General Authority of Zakat and Income Tax (previously the Department of Zakat and Income Tax), a government authority organisationally linked to the Minister of Finance and responsible for Zakat and tax collection. *On 22/09/1442H (corresponding to 04/05/2021G), the Council of Ministers approved the merger of the General Authority of Zakat and Income Tax and the General Authority of Customs into a single authority under the name "Zakat, Tax and Customs Authority."
Ministry of Municipaltites and Housing	The Ministry of Municipal and Housing* in the Kingdom of Saudi Arabia.
Day	means a calendar day.
Consolidation	means the legal and regulatory process through which two or more companies are consolidated into a single entity, which includes undertaking the required statutory procedures, obtaining the necessary approvals from the competent authorities, entering into the relevant agreements, and carrying out the administrative steps required to

TERM	DEFINITION
	complete the process in accordance with the applicable laws and regulations in the Kingdom of Saudi Arabia.
Merger	means the final outcome of the consolidation process, represented by the consolidation of the merging entities into a single existing legal entity, whether through a full or partial merger, resulting in the transfer of rights and obligations to the entity formed by the merger in accordance with the relevant regulations.



2 Corporate Directory

ADDRESS OF BIDAYA FINANCE COMPANY (ISSUER)

Bidaya Finance Company

having its registered office at the 20th Floor Al Ebda'a
Tower, King Fahad Road,
P. O. Box 93898, Riyadh 11683 – Saudi Arabia
Tel: +966 (11) 438 6700
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AUTHORISED REPRESENTATIVES OF THE ISSUER

FIRST REPRESENTATIVE OF THE ISSUER:

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SECOND REPRESENTATIVE OF THE ISSUER:

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Title: CEO
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SECRETARY OF THE COMPANY'S BOARD OF DIRECTORS

Name: Faisal Bin Abdullah Al Qassim

Title: Secretary of the Company's Board of Directors
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STOCK EXCHANGE

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Impact46

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Kingdom of Saudi Arabia
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Website: www.arat.co
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3 Offering Summary

The following is a summary of the Offering. This summary does not contain all of the information that a prospective investor should consider before investing in Sukuk. Each investor should read this entire Base Prospectus and the Applicable Final Terms carefully. In particular, prospective investors should consider carefully the factors set forth under the heading “*Risk Factors*” and the section entitled “*Important Notice*” on page (C). Terms defined in this section shall have the same meanings as assigned to them in Section ((1) “*Terms and Definitions*”) of this Base Prospectus and any reference therein to a specified “*Condition*” shall be construed accordingly.

Issuer's Name, Description, and Incorporation Information	
Name of the Issuer	Bidaya Finance Company (the “ Issuer ”, or the “ Company ”, or “ Bidaya ”).
Incorporation of the Company	A Saudi closed joint stock company with Commercial Registration No. 1010432564 dated 25/06/1436H (corresponding to 14/04/2015G), having its registered office at the 20 th Floor Al Ebda'a Tower, King Fahad Road, P.O. Box 93898, Riyadh 11683, KSA.
Activities of the Issuer	The main activity of the Company is to offer Shariah-compliant financing products, including real estate financing through Ijara (lease-to-own) contracts and Murabaha contracts. In addition, the Company provides new financing products which include, productive asset financing, SMEs financing, financial lease, and consumer financing, in accordance with the applicable regulations, including the provisions of the Finance Companies Control Law and its executive regulations issued by the Saudi Central Bank (SAMA).
Capital of the Company	The authorised, issued and paid-up share capital of the Issuer is nine hundred million Saudi Riyals (SAR 900,000,000).
Total number of shares	The Company’s share capital is divided into ninety million (90,000,000) shares with a nominal value of ten Saudi riyals (SAR 10) per share.
Payment Administrator	Riyad Capital Company with its registered office at 2414 Al-Shohadaa District, Unit No. 69, P.O. Box 13241 – 7279, Riyadh 2414, Kingdom of Saudi Arabia.
Dealer	Musharaka Capital Company (LLC), together with any other Dealer to be appointed in connection with the Programme (together referred to as the “ Dealers ”).
Registrar and Transfer Agent	The Securities Depository Center Company (“ Edaa ”), having its registered address at Plot 1,17 – Financial Boulevard, Al Aqiq District, Riyadh 13519, Kingdom of Saudi Arabia.

The Programme and the Offer Conditions for each series of the Sukuk

Programme	means the programme under which the Issuer may from time to time in the future issue a number of Sukuk in series (each referred to as a "Series") with an aggregate outstanding nominal amount at any time not exceeding the maximum amount authorised under the Programme Agreement (the Aggregate Nominal Amount).
Targeted Participants	The Sukuk will be offered to eligible natural and legal persons in the Kingdom and any other jurisdiction where it is lawful to offer the Sukuk. For a more detailed description of these and other restrictions on offers, sales and deliveries of Sukuk and on the distribution of this Base Prospectus and any offering materials relating to the Sukuk, please refer to Section 15 (<i>Subscription Declarations</i>).
Aggregate Nominal Amount	means, in respect of each Series, the amount specified as such in the Applicable Final Terms. It is noted that at any time the aggregate nominal amount of the outstanding Sukuk shall not exceed one billion Saudi Riyals (SAR 1,000,000,000) divided into one million (1,000,000) Sukuk, subject to increase in accordance with the Programme Agreement and all applicable regulations and laws in the Kingdom.
DURATION	The Programme was established for two 2 years from the Authority's approval for the offering and registration.
Deal Structure	A diagram of the structure of the transaction and the principal cashflows is set out in Section 14-1-6 (<i>Debt Instrument Structure Diagram and Related Cash Flows</i>) in Section 14 (<i>Details on Sukuk and the Terms and Conditions of the Sukuk</i>) of this Base Prospectus.
Description of the Issuer	The Sukuk will be issued in Series. The specific terms of each Series will be set out in the Applicable Final Terms. The Sukuk of each Series will have the same terms and conditions applicable to all tranches, save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which the Periodic Distribution Amounts start to accrue.
Terms of each Series	The specific terms of each Series will be set out in the Applicable Final Terms.
Issue Date	has the meaning given to it in the Applicable Final Terms.
Nominal Amount of the Series	The aggregate nominal amount of each Series of Sukuk will be set out in the Applicable Final Terms.
Currencies	The Sukuk will be denominated in Saudi Arabian Riyals ("SAR").
Specified Denominations	The Sukuk will be registered form in denominations of SAR (1,000).

Issue Price	The Sukuk may only be issued on a fully paid basis and at an issue price as specified in the Applicable Final Terms.
Minimum number of Sukuk to be subscribed for	The minimum number of each Series of Sukuk to be subscribed for is five (5) Sak of each Series of Sukuk to be issued under the Programme, unless otherwise specified in the Applicable Final Terms.
Maximum number of Sukuk to be subscribed for	The aggregate maximum number of the Sukuk of all Series to be subscribed for will be one million (1,000,000) Sak of each Series of Sukuk to be issued under the Programme. The Applicable Final Terms will specify the maximum number of Sukuk to be subscribed for in respect of each Series.
Minimum value of Sukuk to be subscribed for	The minimum value of each Series of Sukuk to be subscribed for is five thousand Saudi riyals (SAR 5,000) of each Series of Sukuk issued under the Programme, unless otherwise specified in the Applicable Final Terms.
Maximum value of Sukuk to be subscribed for	The aggregate maximum value of the Sukuk of all series to be subscribed for is one billion Saudi riyals (SAR 1,000,000,000). The Applicable Final Terms will specify the maximum number of Sukuk to be subscribed for in respect of each Series.
Periodic Distributions	Sukukholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Applicable Final Terms.
Use of Proceeds	The proceeds of each Series of Sukuk issued under the Programme will be used by the Issuer for Bidaya's general corporate purposes.
Targeted Participants	The Sukuk will be offered to eligible natural and legal persons in the Kingdom and any other jurisdiction where it is lawful to offer the Sukuk. For a more detailed description of these and other restrictions on offers, sales and deliveries of Sukuk and on the distribution of this Base Prospectus and any offering materials relating to the Sukuk, please refer to Section 15 (<i>Subscription Declarations</i>).
Subscription procedure	Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed form (an " Investor Application Form ") through the websites and platforms of the relevant Dealer(s) and the Receiving Entities that provide this electronic service to subscribers, or through any other means provided by the Dealer(s) and the Receiving Entities, before the end of the Offer Period and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application Form. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted. The Applicable Final Terms will specify whether the Dealer(s) and Receiving Entities, if any, will be appointed in respect of the issuance of each Series of Sukuk. For further details, please see Section ((15) ' <i>Subscription Declarations</i> ').

Allocation Method and Return of Access	Allocation of the Sukuk of each Series will be at the discretion of the Issuer in consultation with the Arrangers and will be made following the end of the Offer Period. Excess subscription monies paid by individual participants, if any, will be refunded after completion of the allocation of Sukuk of the relevant Series by transfer to the bank account from which the monies were received without any charge or commission being withheld by the Dealer(s) or Receiving Entities, as applicable.
Offer Period	Each offer period for the relevant Series of the Sukuk will be specified in the Applicable Final Terms (each, an “Offer Period”) and the relevant Series of Sukuk will be allocated after the end of the applicable Offer Period and issued on a date (each, an “Issue Date”) notified by the Issuer and Arrangers to the relevant potential investors after the end of the relevant Offer Period. For further details, see Section 15 (<i>Subscription Declarations</i>).
Detailed information about the rights granted to Sukukholders:	The Sukuk constitute undivided beneficial ownership interests in the Sukuk Assets and represent an undivided interest in the Payment Obligations and will at all times rank pari passu among themselves. The Issuer's Payment Obligations under the Sukuk and the Sukuk Documents are unsubordinated, unconditional, and unsecured. The Sukuk will grant their holders equal rights with the Issuer's other current and future debts, except for legally mandated obligations that have general application and may be preferred. • Subject to the Declaration of Agency, Sukukholders' meetings will be held to consider matters affecting their interests, including extraordinary resolution approval of a modification of the Sukuk, its Terms and Conditions, or any relevant provision of the Agency Declaration or any other Sukuk Documents, subject to also the Issuer's approval. • Pursuant to the Declaration of Agency, the Issuer or the Sukukholders' Agent may call a meeting at any time, and the Sukukholders' Agent shall call a meeting upon a written request from Sukukholders who own at least one-third of the aggregate nominal value of the Series then in existence. Each meeting shall be held at such date, time, and place as may be approved by the Sukukholders' Agent. • The Sukukholders' Agent shall issue a document in Arabic (with an English translation) for any meeting that includes: a. A certificate proving that: Each registered Sukukholder of the relevant Sukuk has instructed the Sukukholders' Agent to vote for each of the relevant Sukuk held by it on each resolution; The relevant Sukuk will not be transferable as of the instruction date until the meeting's end or instruction pre-emption; These instructions may not be amended or canceled during the forty-eight (48) hours before the meeting. b. The total nominal value of the relevant Sukuk, distinguishing between resolutions for which instructions were issued to vote for or against;

	c. Authorise one or more persons to vote on the relevant Sukuk according to these instructions. - To issue collective voting instructions and proxy forms, the registered Sukukholder may request the Sukukholder agent to issue collective voting instructions by submitting written instructions no less than forty-eight (48) hours before the scheduled meeting. Any registered Sukukholder may obtain an incomplete and unexecuted authorisation form from the Sukukholders' Agent. The authorisation form and collective voting instructions may not be pending simultaneously for the same Sukuk. - Every matter brought before the meeting is initially decided by a show of hands. Unless a vote is validly called before or at the time of announcing the result, the Chairman's declaration that a resolution has passed or failed, or has passed or failed by a certain majority, is decisive without the need to demonstrate the number of affirmative or negative votes.
Meetings of Sukukholders	A summary of the provisions for holding meetings of Sukukholders for each series to consider their interests is in Condition 16 (<i>Meetings of Sukukholders; Modification</i>).
Status of the Sukuk	Each Sukuk will evidence an undivided beneficial ownership interest of the Sukukholders in the Sukuk Assets of the relevant Series and represent an undivided interest in the Payment Obligations and will at all times rank pari passu, without any preference or priority, with all other Sukuk of the relevant Series issued under the Programme. The payment obligations of the Issuer under the Sukuk and the Sukuk Documents to which it is a party will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least pari passu with all other present and future unsubordinated and unsecured obligations of the Issuer, save for obligations as may be preferred by provisions of law that are both mandatory and of general application.
Sukuk Assets	In respect of each Series, the sukuk assets shall comprise: the Mudaraba Assets, the Murabaha Assets, and the amounts or financial obligations that the Issuer shall pay to the Sukukholders, in addition to any amounts due to the Transaction Account from time to time. None of the Issuer (so long as it performs its obligations under the Sukuk Documents), the Sukukholders' Agent, the Payment Administrator, the Arrangers, or Dealer(s) are responsible for the performance or the profitability of the Sukuk Assets or for the share and amount of the distributions (if any) made to the Sukukholders.
Transaction Account	On the Issue Date and in respect of issuance for each Series of Sukuk, the proceeds of the subscription of the Sukuk shall be deposited by the Sukukholders into a Saudi Riyals denominated account in respect of such Series held in the name of the Sukukholders' Agent (for and on behalf of the Sukukholders) and administered by the Payment Administrator on its behalf (the " Transaction Account ").

Mudaraba Agreement	In relation to each Series of Sukuk, at least fifty one per cent (51%) of the proceeds of the subscription of such Series of Sukuk (the Mudaraba Capital) will be applied by the Mudareb as the capital of the Mudaraba and, in accordance with the terms of the Mudaraba Agreement. The Mudareb shall invest the Mudaraba Capital in the Mudaraba Assets. For further details on the Mudaraba arrangements, see Conditions 14-2-6(f) (<i>Sukuk Assets</i>) and 5(b) (<i>Mudaraba Assets</i>).
Mudaraba Assets	On the Issue Date of each Series of Sukuk, the Mudareb shall invest the Mudaraba Capital for such Series as follows: - an amount of the Mudaraba Capital equal to the Available Amount will be invested by the Mudareb in the Mudaraba as immediately available funds in cash or cash equivalent which are available to the Mudareb in accordance with the terms of the Mudaraba Agreement; and - The remainder of the Mudaraba Capital will be invested by the Mudareb in the Business Portfolio of the Issuer. Under the Mudaraba Agreement, the Mudareb shall be entitled, in its sole and absolute discretion, to: (a) use all or any part of the Mudaraba Assets as it sees fit, subject to the terms of the Mudaraba Agreement (and in particular, in relation to the Available Amount, subject to clause 4.1.e of the Mudaraba Agreement); and (b) commingle its own assets and funds with the Mudaraba Assets.
Murabaha Assets	Has the meaning stated in Condition 14-2-6(f) (<i>Sukuk Assets</i>).
Available Amount	For each Series of Sukuk, the Mudareb is required under clause 4.1(e) of the Mudaraba Agreement to ensure at all times that an amount equal to the applicable Available Amount for the relevant period is maintained as immediately available funds in cash or cash equivalent for the Mudaraba and that such amount is not utilised by the Mudareb unless expressly and specifically instructed otherwise in writing by the Sukukholders' Agent (on behalf of the Sukukholders). Available Amount means: - in the period from and including the Issue Date to but excluding the first Periodic Distribution Date, an amount that is equal to the sum of: (i) the first Periodic Distribution Amount due under the Sukuk; and (ii) the difference between the issued Sukuk's Aggregate Nominal Amount and the Deferred Price of the Murabaha Transaction; and - thereafter, during each Periodic Distribution Period, an amount that is equal to the sum of: (i) the Periodic Distribution Amount falling due on the next Periodic Distribution date under the Sukuk; and (ii) the difference between the issued Sukuk's Aggregate Nominal Amount and the Deferred Price of the Murabaha Transaction.

Mudaraba Income	means the total operating income from the Mudaraba Assets without taking into account the cost of funding sources. For further details, please refer to Condition 14-2-6(g) (<i>Mudaraba Assets</i>).
Murabaha Agreements	In relation to each Series of Sukuk, no more than (49%) forty nine per cent of the proceeds of the subscription of such Series of Sukuk will be applied in a commodity murabaha transaction to be entered into by the Seller and the Purchaser pursuant to the Murabaha Agreement on the terms set out in Condition 14-2-6(h) (<i>Murabaha Agreements</i>).
Murabaha Income	All Deferred Price Payments by the Purchaser which shall be paid into the Transaction Account pursuant to Condition 14-2-6(i) (<i>Use of Proceeds – Transaction Account</i>).
Sukuk Documents	The Sukuk Documents are: (1) the Mudaraba Agreement; (2) the Murabaha Agreement (including any document delivered or executed pursuant to the Murabaha Agreement); (3) the Declaration of Agency; (4) the Payment Administration Agreement; (5) the Registry Agreement; (6) the Global Sak; and (7) any other agreements, fee letters and documents delivered or executed in connection therewith.
Final Maturity For Sukuk	Unless such Sukuk have been previously redeemed, purchased, or cancelled, with respect to each Series of Sukuk, the Sukuk shall be redeemed on the Scheduled Maturity Date, and each Sukukholder shall receive its pro rata share of the Liquidation Distribution Amount. Upon such dissolution, provided that each Sukukholder has received its proportional share of the Dissolution Distribution Amount due to it, the Sukukholders shall cease to have any interest in the Sukuk Assets and no further amounts shall be payable in respect thereof and neither the Issuer nor the Sukukholders' Agent shall have any further obligations in respect thereof. At or prior to 11.00 a.m. (Riyadh time) one (1) Business Day prior to each Periodic Distribution Date, any Partial Periodic Distribution Date or on any Dissolution Date, the Sukukholders' Agent shall instruct the Payment Administrator to pay all monies standing to the credit of the Transaction Account in the following order of priority:
and application of proceeds from the Transaction Account	i: to the extent not previously paid, pari passu and rateably, to each Service Provider to which the Issuer is liable to make a payment, in each case in respect of the amounts owing to each of them under the Sukuk Documents or otherwise in their respective capacities; ii: to each Sukukholder in order to pay: 1- the aggregate amount of any shortfall between the amounts paid to Sukukholders on any previous Periodic Distribution Date(s) and the corresponding Periodic Distribution Amount(s) for such date(s) (each, a Shortfall) to the extent these remain unpaid; and 2- the Periodic Distribution Amount due for the relevant current period or the Partial Periodic Distribution Amount due for the relevant Partial Periodic

	Distribution Period and the Instalment Amount due on the relevant Periodic Distribution Date, as applicable; iii: only if such payment is made on a Dissolution Date, pari passu and rateably, to the Sukukholders the amount due to pay the Dissolution Distribution Amount; and iv: only if such payment is made on a Dissolution Date, to the Issuer for its own account as an incentive fee. Any amounts standing to the credit of the Transaction Account during any Periodic Distribution Period which exceed the corresponding Periodic Distribution Amount, the Instalment Amount (if any), the Shortfall (if any) and any other amounts required to be paid above on the next succeeding Periodic Distribution Date, shall be reinvested by the Mudareb (for the benefit of the Sukukholders) in the Business Portfolio, subject at all times to compliance with Condition 14-2-7 (<i>Covenants and Undertakings</i>) and clause 4.1.e of the Mudaraba Agreement The Payment Administration Agreement states that payment instructions begin on the due date, or, if not a Business Day, on the first Business Day after that day, unless it falls in the following calendar month, in which case it shall be brought forward to the immediately preceding business day. In this case, Sukukholders shall not be entitled to additional distributions or payments for any payment delay resulting from the due date not being a Business Day.
Scheduled Redemption in Part	Unless previously redeemed, or purchased and cancelled in full, and if Condition 14-2-12(gg) (<i>Redemption; Dissolution of Sukuk - Scheduled Redemption in part</i>) is expressed to be applicable in the Applicable Final Terms, the Sukuk shall be redeemed in instalments on each Periodic Distribution Date in an aggregate amount equal to the amount set out opposite the relevant Periodic Distribution Date in the Applicable Final Terms.
Early Redemption of the Sukuk	The Sukuk may only be redeemed by the Issuer prior to the Expiry Date upon: (i) the occurrence of an Event of Default; (ii) the exercise of a Call (if the Call at the Issuer's option is specified in the Applicable Final Terms as being applicable to the relevant Series of Sukuk); or (iii) the occurrence of a Tax Event (as defined in Condition 14-2-12(ii) (<i>Redemption; Redemption of Sukuk – Early Redemption for Tax Reasons</i>)).
Early Redemption for Tax Reasons	Where the Issuer has or will become obliged to pay any additional amounts in respect of the Sukuk pursuant to Condition 14-2-16 (<i>Taxation</i>) as a result of any change in Saudi Arabian tax law and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem the Sukuk at an amount equal to the relevant Dissolution Distribution Amount on the relevant exercise date.

Call Option	If the Applicable Final Terms permit a call option, the Issuer reserves the right to redeem the Sukuk of that Series. This redemption would be carried out according to Condition 14-2-12(hh) (Redemption: Dissolution of Sukuk – <i>Dissolution at the Issuer's Option</i>) before the Scheduled Maturity Date. The redemption amount will be equal to the relevant call option amount, and it can occur: (1) at any time (if the Floating Periodic Distribution Provisions are not specified in the Applicable Final Terms as being applicable); or (2) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are not specified in the Applicable Final Terms as being applicable). To do so, the Issuer must provide Sukukholders with irrevocable notice of the liquidation distribution amount. This notice must be given at least thirty (30) days but no more than sixty (60) days prior to the Dissolution Date, in accordance with Condition 14-2-18 (<i>Notices</i>).
Covenants and Undertakings	The Issuer has agreed to certain restrictive covenants as set out in Condition 14-2-7 (<i>Covenants and Undertakings</i>).
Governing Law	The Sukuk Documents and the Sukuk of each Series are to be governed by, and construed in accordance with, the laws and regulations of the Kingdom of Saudi Arabia and subject to the jurisdiction of the Kingdom of Saudi Arabia's Committee for the Resolution of Securities Disputes and Appeal Committee for the Resolution of Securities Conflicts. All relevant parties (including the Issuer and the Sukukholders) have irrevocably agreed to submit to the jurisdiction of the judicial authorities in the Kingdom of Saudi Arabia. No suit, action or proceedings which may arise out of or in connection with the Sukuk or the Sukuk Documents may be filed or brought outside the Kingdom of Saudi Arabia. No court or any judicial authority outside the Kingdom of Saudi Arabia shall have jurisdiction to hear any such claim.
Taxation	All payments by the Issuer under the Sukuk Documents to which it is a party are to be made without withholding or deduction for, or on account of any Taxes (as defined in Condition 14-2-16 (<i>Taxation</i>)) imposed in the Kingdom of Saudi Arabia (or any political subdivision or any authority thereof or therein having the power to tax) unless the withholding is required by law. In the event that any such deduction is made by the Issuer as a result of any requirement of law, the Issuer will be required to pay additional amounts such that Sukukholders receive the full amount which otherwise would have been due and payable. Prospective investors should note that the Issuer shall not pay any additional amounts in respect of any withholding required by law to any person who holds Sukuk who is not a Qualified Person. For Zakat purposes, the Issuer is required to treat the Sukuk it issues as equity, irrespective of their classification in the Issuer's financial statements. In such case, the Sukuk shall be deducted from the Zakat base of the investors therein if they are held for non-trading purposes and provided that the Issuer has declared, through any document

	accepted by the Authority, that such Sukuk are treated as equity in its Zakat return. The Issuer may not deviate from such treatment during the Sukuk tenor.
Restrictions	There are restrictions on the distribution of this Base Prospectus and the offer or sale of Sukuk of any Series. In particular and only where applicable, in the Kingdom, the distribution of this Base Prospectus and the offering, sale and delivery of the Sukuk are limited solely to those persons who are permitted under the Rules on the Offer of Securities and Continuing Obligations. For a more detailed description of these and other restrictions on offers, sales and deliveries of Sukuk of any Series and on the distribution of this Base Prospectus and any offering materials relating to the Sukuk of a relevant Series, see Section 15 (<i>Subscription Declarations</i>).
Form of Sukuk	Each Series of Sukuk will be issued in dematerialised registered form and will be collectively represented by the Global Sak which will be deposited as the Sukukholders' Agent may direct in accordance with the provisions of the Declaration of Agency. Definitive Sukuk representing holdings of the Global Sak will not be issued however Sukukholders will on request be entitled to receive a statement from the Registrar recording their holding of Sukuk.
Listing and Admission to Trading	Application has been made to Capital Market Authority of the Kingdom of Saudi Arabia for registration and offer of the Sukuk and to the Saudi Exchange ("Tadawul") for the Sukuk to be listed on Tadawul.
Transfers	The Sukuk may be transferred in accordance with the regulations and procedures established by the Registrar and Tadawul by delivering to the Registrar and Tadawul such information as such regulations and procedures shall require in accordance with Condition 14-2-4(c) (<i>Register, Title and Transfers</i>).
Risk Factors	An investment in Sukuk issued under the Programme should be made only after careful consideration of the potential Sukukholders' investment circumstances. See the "Important Notice" on page c and Section 5 (<i>Risk Factors</i>).



4 Summary of Basic Information

4-1 Important Notice for Investors

This summary aims to present a brief overview of the key information included in this Base Prospectus and does not include all the information that may be important to potential Sukukholders. This Base Prospectus should read carefully and fully before making an investment decision regarding the Sukuk.

4-2 Description of the Issuer

Bidaya Finance (formerly Known as Bidaya Home Finance) is a Saudi closed joint stock company established under the Companies Law of the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010432564 issued in Riyadh on 25/06/1436G (corresponding to 14/04/2015G). The Company was granted License No. 41/ع ش/201512 in December 2015G by the Saudi Central Bank ("SAMA") to offer real estate finance activities. In August 2025, the Company completed the process of obtaining the Saudi Central Bank's approval to conduct additional financing activities, including productive asset financing, SMEs financing, financial leasing, and consumer financing, in the Kingdom of Saudi Arabia in accordance with the provisions of the Finance Companies Control Law and its executive regulations. The Company's main activity is providing Shari'ah-compliant financing products, including Ijarah (lease-to-own) and Murabaha contracts, in support of the strategic objectives of Saudi Vision 2030, in particular the Housing Program. The Company seeks to enhance home ownership opportunities for Saudi households, with a focus on integration and coordination with the Ministry of Municipalities and Housing, the Real Estate Development Fund, and the Saudi Real Estate Refinance Company. As part of its ongoing efforts to meet customer needs, the Company has developed integrated financing solutions targeting new customer segments across both the retail and business sectors.

The Company's registered office is on the 20th Floor Al Ebda'a Tower, King Fahad Road, P.O. Box: Box 93898, Riyadh 11683, KSA

4-3 Mission and Overall Strategy

- **Mission:** To offer a suite of innovative and reliable financial solutions for our clients, to achieve more.
- **Vision:** Enabling a brighter future for retail and corporate segments.
- **Strategy:** Our focus is on diversifying financial solutions for retail and corporate clients through comprehensive offerings, ensuring sustainable financing and long-term partnerships with public and private sectors. Our vision, mission, and values reflect our transformation, emphasizing responsibility to clients, shareholders, employees, and the environment.

Our goal is to provide positive customer experiences and build long-term relationships through sustainable solutions and adaptability to market changes, ensuring Sharia compliance. We are committed to full compliance with Islamic Sharia to ensure reliable and transparent financial services.

4-4 Competitive Strengths of the Issuer

The Issuer's competitive advantages are:

- **Experienced executive management:** Highly seasoned executive management team with deep experience in the service provision and risk management of large portfolios, ensuring high performance;

- **Premium branding:** The Company has a strong reputation and high customer experience, enhancing positive interaction and trust.
- **Market leadership:** Remarkable excellence in processing payments and collections, with speed and efficiency in meeting customer requests.
- **Effective risk management system:** A strict risk management system guides credit decisions precisely and thoughtfully during the subscription process.
- **Scalable service platform:** An advanced digital platform covers all regions of Saudi Arabia, enhancing access and service.
- **Deep understanding of the market:** Deep understanding of the real estate finance market and strong business relationship network,
- **Strong central collection system:** Located at the Riyadh headquarters, it houses all central functions of collection services, enhancing operational efficiency.
- **Extensive financing capabilities:** Advanced experience in issuing financing according to market requirements.
- **Innovative digital experience:** A first-of-its-kind simplified online application process provides a seamless and convenient customer experience.

4-5 Market Overview

1- Economic Overview

Since the launch of Vision 2030 in 2016, the Saudi economy has made remarkable progress. Non-oil activities have expanded, inflation has stabilised at contained levels, and unemployment has fallen to its lowest historical rates. According to the International Monetary Fund's statement issued in June 2025, non-oil GDP recorded growth of 4.9% in the first quarter of 2025, driven by increased consumption and private investments in sectors such as retail, hospitality and construction.

In 2024, real non-oil GDP recorded growth of 4.2%, driven primarily by private consumption and non-oil private investment, with the retail, hospitality and construction sectors at the forefront of this growth momentum. Real non-oil GDP is expected to grow by 3.4% in 2025, approximately 0.8% lower compared to 2024, as the implementation of Vision 2030 projects continues through both public and private investments, alongside robust credit growth that supports domestic demand and mitigates the impact of lower oil prices. The fiscal deficit is projected to reach 4.3% of GDP in 2025 as a result of additional spending on Vision 2030 projects, before declining to around 3.3% of GDP by 2030.

In the second quarter of 2025, the unemployment rate among Saudi nationals declined to 7%, its lowest historical level, supported by a 12% increase in private sector employment in 2024. Inflation stabilised at 2.3% in April 2025, with rental inflation slowing down to 8.1% year-on-year, reflecting strong price stability. Inflation is expected to remain anchored around 2%, supported by the credibility of the US dollar peg.

Table No. (2): Macroeconomic indicators

Macro-economic indicators, Saudi Arabia	2016 (actual)	2017 (actual)	2018 (actual)	2019 (actual)	2020 (actual)	2021 (actual)	2022 (actual)	2023 (actual)	2024 (Actual)	2025 (Estimated)
Total GDP at current prices (SAR billion)	2,497	2,681	3,175	3,145	2,754	3,278	4,157	4,003	4,070	4,060
Real GDP Growth (yoy %)	1.9	0.9	3.2	1.1	(3.6)	5.1	7.5	(0.8)	1.3	3.0
Unemployment rate (annual average %)	5.6	5.8	6.0	5.6	7.7	6.1	4.9	4.0	3.5	-
Budget excess/deficit (SAR billion)	(341.1)	238.3	(173.1)	(132.2)	(294.1)	(73.4)	104.1	(80.9)	(115.7)	(200.4)
CPI Inflation (annual rate of change %)	2.1	(0.8)	2.5	(2.1)	3.4	3.1	2.5	2,3	1,7	2.0

Source: Ministry of Finance and International Monetary Fund

2- Regulating and supervising the real estate finance sector

The Saudi Central Bank (SAMA) regulates and supervises licensed financial institutions in Saudi Arabia, including banks, finance, leasing, real estate, insurance, money exchange, and credit information companies.

The Saudi Central Bank (formerly the Saudi Arabian Monetary Agency) was established by Royal Decree No. 30/4/1/1046 on 25/07/1371H (corresponding to 20/04/1952G). It was replaced by Royal Decree No. M/36 dated 11/4/1442H (corresponding to 26/11/2020G), changing the name to the Saudi Central Bank while retaining the English abbreviation (SAMA).

The Saudi Central Bank (formerly the Saudi Arabian Monetary Agency) was established by Royal Decree No. 30/4/1/1046 on 25/07/1371H (corresponding to 20/04/1952G). Pursuant to Royal Decree No. M/36 dated 11/4/1442H (corresponding to 26/11/2020G), its name was changed to the Saudi Central Bank while retaining the English abbreviation (SAMA).

Real Estate Finance and Financial Leasing

In August 2012G, the Saudi Council of Ministers issued legislation approved by Royal Decrees regarding the finance sector, including real estate finance ("Real Estate Finance Law"), financial leasing ("Finance Lease Law"), and the supervision of finance companies ("Finance Companies Control Law"), as set out in more detail below for each case. The Saudi Central Bank issued the executive regulations of these laws in February 2013G.

Real Estate Finance Law

This law provides the organisational structure for authorising and licensing banks and finance companies to enter the real estate market. Specifically:

- Banks may own real estate for mortgage financing – a key feature of Islamic finance products.
- The government announces real estate market activity, and financiers access court records and notaries.
- Beneficiaries must have their credit checked through an approved credit bureau.

The executive regulations of the Real Estate Finance Law outlines the roles of finance companies, the requirements for real estate finance leases, the Saudi Central Bank's licensing criteria for refinancing companies, and the rules governing corporate refinancing activities. In June 2020G, the Saudi Central Bank issued Instructions When Offering Real Estate Finance Products for Individuals, which specify the minimum requirements for financiers who provide real estate financing products to individuals.

Finance Lease Law

This law sets out the rules for financial leasing, specifically:

- The lessor and lessee's responsibilities must be Shariah-compliant (with the lessor bearing asset risk during the lease term and the lessee responsible for relevant use).
- Leased assets may transfer to the lessee at lease maturity.
- Upon a lessee's default, the lessor may request future rental payments, provided that these payments cannot exceed the number of late payments.

The executive regulations of the Financial Lease Law outlines the rights and obligations of lessors and lessees in such contracts. It also specifies rules for rights assignment, instalment payments, related parties' ownership, and the requirements for establishing and registering financial lease companies.

Law on Supervision of Finance Companies

This law establishes the regulatory and supervisory framework for Sharia-compliant finance companies, enabling them to offer financing approved by the Saudi Central Bank (SAMA), including real estate finance.

The executive regulations of the Finance Companies Control Law outlines the Saudi Central Bank's rules and requirements for licensing finance companies, including corporate governance and internal audit standards, as well as other conditions for maintaining licenses.

Home Ownership Promotion

As part of Vision 2030, the 2018G Housing Programme aims to increase Saudi household homeownership to 70% by 2030G. The first phase (2018G-2020G) saw success, with ownership rising from 47% in 2017G to 60% in 2020G.

Main Mechanisms for Strengthening the Real Estate Finance Market:

(1) Saudi Real Estate Development Fund

- The Real Estate Development Fund (REDF) aims to provide diverse and balanced financing programs for all societal segments.
- The REDF's mission is to integrate with MoMH to deliver beneficiary-focused programs and offer professional investment and financing solutions for adequate housing,
- including Sakani, a real estate initiative supporting first-time Saudi homebuyers.
- By 2021G, the Saudi Real Estate Development Fund (REDF) had contributed SAR 155 billion to the real estate finance market.

(2) Saudi Real Estate Refinance Company

- To build a mortgage ecosystem, the Saudi Real Estate Refinance Company (SRC) was established in 2017G to enhance market liquidity by acquiring portfolios from real estate finance companies.
- SRC's portfolio amounted to SAR 28,9 billion divided into Murabaha and Ijarah contracts, with a total debt of SAR 23,6 billion as of 31 December 2024G, including Sukuk issuance amounting to SAR 20,2 billion.

(3) Other Government Initiatives (Mortgage Law and VAT Exemption)

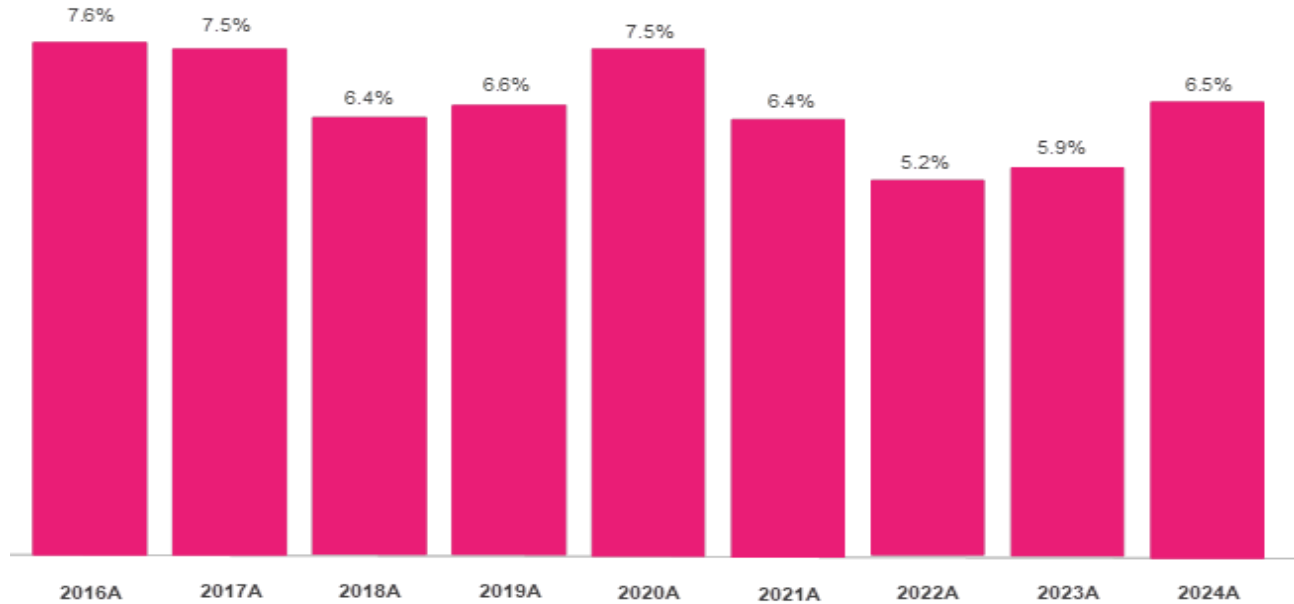
- The Saudi Central Bank has implemented measures and initiatives to promote mortgage growth and strengthen the Kingdom's legal framework, including the Mortgage Law and Finance Lease Law.
- Since 2018G, the loan-to-value (LTV) ratio has increased to 90% for first-home buyers. For those purchasing a second home, the LTV ratio remains at 70% for mortgages issued by banks and 85% for financing from non-bank entities.
- This is in addition to the government's 15% VAT exemption on real estate transactions.

The Housing Program's initial success stems from effectively meeting housing demand by improving access to suitable properties through digital platforms such as "**Sakani**", which facilitates affordable real estate financing. From 2018G to 2020G, Sakani served 1.1 million Saudi families. The Programme has stimulated housing sector supply through private sector partnerships with real estate developers and home builders, and the establishment of the National Housing Company and "**Etmam**", which streamlined developers' processes with a digital platform.

3- The Real Estate and Finance Sectors in the Kingdom of Saudi Arabia

The Saudi Arabian real estate market has shown significant growth, supported by the Saudi government's focus on increasing citizen ownership. The real estate sector is integral to any economy and a key component of prosperity. Saudi Vision 2030's Housing Programme aims to increase homeownership to 70% by 2030G. This is pursued through MoMH's several initiatives, primarily the subsidised financing program, which also aims to increase housing unit supply. These initiatives include partnerships with real estate developers for off-plan sales and facilitating regulatory procedures for housing plan and project approvals. In 2019G, MoMH updated the housing support matrix to broaden its reach and benefit a larger segment of the population.

The real estate sector has maintained its contribution to real GDP, with a strong contribution as a percentage of the real GDP, as shown in the following chart:



Source: GASTAT

*The 2024G results represent the third quarter only.

In addition to banks, real estate financing companies, and SRC, the SAMA-licensed Real Estate Development Fund develops diverse financing programs for all societal segments and partners with MoMH to implement beneficiary programs.

Commercial banks and non-bank real estate financing companies' total real estate financing balance reached SAR 911.556 billion by 2024G, excluding REDF loans, which totaled SAR 155.02 billion by 2020G, according to Saudi Central Bank data.

The following table shows each player's contribution to the real estate market since 2016G:

Table No. (3): The following table shows each player's contribution to the real estate market

Source of Refinancing by Type of Institution (SAR million)	2016G	2017G	2018G	2019G	2020G	2021G	2022G	2023G	2024G
Banks	200,402	210,992	238,544	297,372	428,411	568,856	687,833	767,270	883,279
REDF	157,742	157,264	153,517	156,975	155,018	N/A	N/A	N/A	N/A
Real Estate Finance Companies	13,592	14,752	16,809	20,908	24,012	26,307	27,031	27,198	28,277
Total	371,736	383,008	408,870	475,255	607,441	595,163	714,864	794,468	911,556

Source: SAMA statistics

The Saudi real estate market saw significant development in 2021G and 2022G due to the SRC's efforts. Its activities focused on enhancing liquidity for mortgage financiers by purchasing mortgage portfolios or providing direct short-term financing (which is financing granted directly by the financier to the client to cover urgent financial needs,

repayable over a short period not usually exceeding 12 months). Increased borrowing and capital injections from the Public Investment Fund (PIF), the Company's sole owner, have supported the Company's capital structure and strengthened its role in the local real estate finance market. In 2021G, the Saudi Central Bank authorised the Company to acquire residential mortgage portfolios, resulting in a SAR 2.5 billion real estate portfolio financing commitment with REDF. This has enabled finance companies and banks to offer affordable housing financing to real estate finance clients.

To support the real estate market, SRC began issuing sukuks under a SAR 10 billion program, which was subsequently doubled to SAR 20 billion, injecting further liquidity into the housing sector. In March 2023G, the Company announced a 26-basis point reduction in long-term financing rates for 20 to 30-year mortgages, which is expected to boost affordable housing demand and support sustainable real estate sector growth. Through these efforts, the Company aims to improve market liquidity, provide capital and risk management solutions for financiers, and increase affordable real estate financing, contributing to the Kingdom's Vision 2030 objectives for increased citizen homeownership.



5 Risk factors

The purchase of any Sukuk may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in any Sukuk.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Sukuk, but the inability of the Issuer to pay any amounts on, or in connection with, any Sukuk may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Sukuk are exhaustive. There may also be other considerations, including some which may not be presently known to the Issuer or which the Issuer currently deems immaterial, that may impact any investment in Sukuk.

Although the Issuer believes that the various structural elements described in this Base Prospectus mitigate some of these risks for Sukukholders, there can be no assurance that these measures will be sufficient to ensure payment to Sukukholders of the Periodic Distribution Amount, any Instalment Amount, any Partial Periodic Amount or the applicable Dissolution Distribution Amount (which is payable in accordance with the Conditions) in respect of any Sukuk on a timely basis or at all.

An investment in the Sukuk is only appropriate for those investors who are able to evaluate the risks and the benefits of the investment and those who have sufficient resources to sustain any loss resulting from such investment. Prospective investors should also read the detailed information set out in the below risks and other information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

The risks set out below are not presented in any assumed orderly manner that could reflect the anticipated impact on the Issuer, importance, materiality or any likelihood of occurrence.

5-1 Risks related to the Issuer

5-1-1 Credit Risks

The Issuer is exposed to the credit risk of its financing portfolio and that exposure is a part of the Company's business nature and its business model. These risks include the client's inability to meet its obligations, resulting in the Company incurring a financial loss. Credit risk arises primarily from lending activities that give rise to receivables from Ijara contracts. Lessees may fail to meet their contractual obligations for a variety of reasons, including changes in the client circumstances or changes in the value of collateral relating to such obligations.

Credit losses could arise from a deterioration in the credit quality of its clients from a general deterioration in local or global economic conditions, or from systemic risks within the financial systems, any of which could affect the recoverability and value of the financing assets which warrants an increase in the necessary provisions for the impairment of finances and other credit exposures.

The Issuer faces inherent risks from customer defaults, which can lead to increased provisions for credit losses and the write-off of assets. Such events would directly reduce the Issuer's profitability.

Real estate financing is a form of secured financing, whereby the Issuer retains title deeds of the financed properties in its name as collateral until all amounts due from clients have been fully settled. For the financial period ended 31 March 2025G, the Issuer's Ijara receivables, net of credit loss provisions, amounted to SAR 2,134,310 thousand compared to SAR 2,708,584 thousand for the same period in 2024G. For the financial year ended 31 December 2024G, they amounted to SAR 2,046,902 thousand compared to SAR 2,573,596 thousand for the year ended 31 December 2023G, and for the financial year ended 31 December 2022G, they amounted to SAR 2,582,044 thousand. This

represented a coverage ratio of 136% of net Ijara receivables as at 31 March 2025G compared to 127.9% for the same period in 2024G, and 134.9% of net Ijara receivables as at 31 December 2024G compared to 134.3% for the financial year ended 31 December 2023G (31 December 2022G: 130.5%). With respect to the valuation methodology of financed properties, when reviewing a client's financing application, the Company appoints independent real estate valuers accredited by the Saudi Authority of Accredited Valuers (Taqeem) to conduct two separate valuations of the property offered as collateral. Each valuation is based on generally accepted professional real estate valuation methods, such as the market (comparative) approach, the cost approach and the capitalisation approach, depending on the nature of the property under valuation. Following receipt of the two valuations, the average of the two values is taken as the fair value of the property, and the financing amount is determined based on either the average of the two valuations or the financing amount requested by the client, whichever is lower.

Table No. (4): Average Fair Value of Guarantees

The average fair values of collateral (SAR'000s)	Financial year ended 31 December			The three-month period ended 31 March	
	2022G (Audited)	2023G (Audited)	2024G (Audited)	2024G (Unaudited)	2025G (Unaudited)
Current	3,031,484	3,056,539	2,388,746	3,029,790	2,579,026
1 - 30 days	174,180	2,540	186,405	200,783	168,111
31 - 60 days	62,965	185,781	78,047	78,310	51,596
61 - 90 days	15,097	86,508	1,775	48,109	39,294
More than 90 days	85,830	124,124	106,758	106,782	63,603
Total	3,369,556	3,455,492	2,761,731	3,463,775	2,901,629

Source: Issuer's Financial Statements.

The Company is exposed to the risk of fluctuations in the fair value of its collateral as a result of changes in the composition of its financed real estate portfolio and the sale of a portion of such portfolio to the Saudi Real Estate Refinance Company during the period between 2022 and 2025. Such fluctuations may result in a reduction in the level or quality of collateral coverage, which could adversely affect the Company's ability to enforce its rights in the event of client default, including in cases where promissory notes issued by customers are relied upon as part of the collateral structure. Collateral, including promissory notes, is not recognised on the statement of financial position unless legal ownership is effectively transferred to the Company. As a result, the Company is required to rely on accounting estimates when calculating expected credit losses, which may not reflect the amounts ultimately realised. In the event that ownership of the underlying assets is recovered, any remeasurement or disposal of such assets at fair value or fair value less costs to sell may result in the recognition of losses or material volatility in the Company's financial results and financial position. For further information, please refer to Subsection 12-2-4 (*Sale of Lease Contract Portfolios to the Saudi Real Estate Refinance Company*.)

In addition, following the Issuer's receipt of new financing licences and its expansion into productive asset financing, SMEs financing, financial leasing, and consumer financing, credit risk may increase due to differences in the credit characteristics of customers targeted under these activities compared to residential mortgage customers. Credit assessment models and risk engines applicable to the new products may require an initial observation period during the early stages of product rollout, which could increase the likelihood of deviations from the credit assumptions historically applied to the residential mortgage portfolio. This may, in turn, adversely affect the future quality of the credit portfolio and the level of expected credit losses.

5-1-2 Risks related to decline in fair value and real estate collateral

The Issuer is exposed to risks of a decline in the fair value of the properties held as collateral or difficulty in handling them when needed.

The fair value of the collateral was determined using a combination of cost and market value approaches. These valuations were independently conducted by external valuers accredited by the Issuer. A decline in the value or market liquidity of collateral could impair the Issuer's ability to fully recover the value of its receivables, or in some cases, lead to incomplete recovery. This risk is particularly elevated if a customer becomes insolvent and bankruptcy proceedings begin.

Such scenarios could adversely affect the Issuer's ability to recover funds extended to customers, which could have a material adverse financial effect on the Issuer's operational performance, financial results, and future prospects.

5-1-3 Risks related to the management of debt recovery and provisions for credit loss

The Issuer might struggle to manage the restructuring of past due financing customer contracts or recover their full value, which might result in additional provisioning and expectations of recoverability. The Issuer deploys a comprehensive approach to assess the impairment value of its Ijara portfolio, utilizing the Expected Credit Loss (ECL) model for estimating potential losses.

This approach accurately reflects the Issuer's financial position, guided by trends in the improvement or deterioration of receivable quality, with debts categorized into three distinct stages.

- **Stage 1:** All financing portfolios automatically fall under Stage 1. In this stage, the Issuer recognises an allowance based on the 12-month ECL. Profit is calculated based on the gross carrying amount of the asset, without deducting credit allowances.
- **Stage 2:** Receivables that have been delinquent for 30 days or more are identified as carrying a significant credit risk. In such cases, the Issuer may recognise an allowance for the lifetime ECL. Stage 2 applies to accounts that are not currently credit impaired and show no objective evidence of impairment.
- **Stage 3:** When accounts become past due for 90 days or longer, they are flagged as defaulted accounts with clear objective evidence of impairment.

As of 31 March 2025G, the value of the past due but solvent portfolio amounted to SAR 215.19 million, representing 10% of Ijara receivables (before provisions). As of 31 December 2024G, the value of the past due but not impaired portfolio was SAR 212.7 million, representing 10.3% of Ijara receivables (before provisions). As of 31 December 2023G, the value of past due but not impaired value of the portfolio amounted SAR 217.6 million, representing 8.4% of Ijara receivables (before allowance), compared to SAR 200.6 million, representing 7.7% in the year ended 31 December 2022G. As such any objective evidence of the actual default of a customer could result in recognizing the past due but not impaired as being impaired which might result in an increase of the impairment value for 90+ day delays beyond the recorded SAR 59.35 million, representing 4.7% of the Ijara receivables (before provisions) in the financial period ended 31 March 2025G.

The following table shows the categorisation of the Ijara receivables according to the credit quality:

Table No. (5): Categorisation of the Ijara Receivables According to the Credit Quality

Credit quality of Ijara Receivables (SAR'000s)	Financial year ended 31 December			The three-month period ended 31 March	
	2022G (Audited)	2023G (Audited)	2024G (Audited)	2024G (Unaudited)	2025G (Unaudited)
Neither past due nor impaired	2,326,772	2,276,667	1,763,684	3,029,790	1,886,611
1 - 30 days	140,427	2,222	146,934	200,783	136,774
31 - 60 days	48,863	143,778	64,269	78,310	45,064
61 - 90 days	11,267	71,609	1,515	48,109	33,349
Impaired (more than 90 days)	76,100	107,672	97,347	106,782	59,355
Total	2,603,429	2,601,948	2,073,749	3,463,775	2,161,153

Source: Issuer's Financial Statements

The Collection Department employs strict preventative measures, such as sending reminders before due installments, which helps to reduce the likelihood of late payments. The Company is exposed to financial risks arising from customers' payment defaults, potentially causing financing portfolio impairment and the accumulation of unpaid debt.

As the Issuer enters into new financing activities with tenors and collateral structures that differ from those applicable to real estate financing contracts, patterns of default, partial repayment, or rescheduling may change, particularly in the consumer financing and small and medium-sized enterprises financing segments. Such developments may result in increased complexity in debt recovery, restructuring processes, and the estimation of credit loss provisions, which may, in turn, affect the level of required provisions and their consistency with the methodologies historically applied to the residential real estate financing portfolio.

5-1-4 Risks related to interest rate fluctuations and their potential impact on the Issuer

The Company's financing-reliant operations make profit margins vulnerable to liquidity fluctuations and SAIBOR-linked interest rates. For example, a sudden interest rate increase could adversely impact profitability. The Issuer's bank credit facilities are based on SAIBOR throughout the facility period.

Also, the Company has financing agreements with relevant parties, as described in the summary of the secured financing agreements concluded by the Company (please refer to Section (5-2-12) of this Base Prospectus). However, there can be no assurance that the Company can meet its financial obligations on time. This could lead to delay in payment in respect of the concluded agreements, allowing banks to cancel credit facilities and demand immediate repayment, adversely impacting the Company's performance, financial position, and ability to finance and implement future plans.

Changes in US interest rates, directly reflected in SAIBOR rates due to the Saudi Riyal's peg to the US dollar, and the expansion of government bond and sukuk programs may increase domestic interest rates. This increase in financing costs, if the Company cannot secure alternative financing or pass the effects on to customers, will materially and adversely affect the Company's business, results of operations, financial position, and future prospects.

5-1-5 Risks related to access to financing and its impact on the Issuer's business continuity

Access to finance is essential for an Issuer's business continuity and expansion, as it relies on shareholder capital and external financing for a large portion of its operations. An Issuer's liquidity may be adversely affected if it cannot raise long-term financing by adding equity or obtaining short- to medium-term debt from capital markets or banks

and financial institutions. The Issuer's ability to secure financing depends on financial market stability, investor confidence, and external views of the financial services sector.

Furthermore, negative investor or financier views on the Issuer's financial Condition or prospects may reduce financing opportunities. This negative image can result from: losses in receivables provisions, activity declines, or regulatory authorities taking significant action against it or its business sector.

If the Issuer cannot raise financing as mentioned, it may have to liquidate assets to meet obligations. The Issuer may struggle to sell assets or may be forced to sell them below market value, which could harm its business results, cash flows, and financial position, including its Sukuk obligations.

5-1-6 Risks related to asset-liability mismatch and its impact on the Issuer's liquidity

The Issuer is confronted with a risk of liquidity imbalance due to disparities in the maturity of its assets and liabilities. To bridge this gap, the Issuer secures short and medium-term Shari'ah compliant credit facilities and Sukuk. Most Issuer financing is long-term, increasing the risk of asset and liability maturity imbalances.

The table below summarise the Company's financial assets and liabilities' maturity profile based on discounted cash flows, from the statement of financial position date to the contractual maturity date as of 31 March 2025G.

Table No. (6): Maturity Data for the Company's Financial Assets and Liabilities as of 31 March 2025G

Financial period ended 31 March 2025G (Unaudited) (SAR '000)	Carrying Value	Up to three months	More than three months and less than one year	More than one year and less than five years	More than five years	Non-fixed maturity	Total
Financial Assets							
Cash and Cash Equivalents	21,960					21,960	21,960
Investments at fair value through other comprehensive income (FVOCI)	893					893	893
Ijara Receivables	2,161,154	24,400	76,951	343,074	1,716,729		2,161,154
Murabaha Receivables	681,898	32,795	50,785	569,555	28,763		681,898
Deposits and other receivables	152,968		152,968				152,968
	3,018,873	57,195	280,704	912,629	1,745,492	22,853	3,018,873
Financial Liabilities							
Financing facilities – Secured	2,057,650	899,450	636,482	348,800			2,057,650
Finance lease liability	1,884		832	1,052			1,884
Accrued expenses and other liabilities	81,043		81,043				81,043
	2,140,577	899,450	717,525	523,602	-	-	2,140,577
Gap/Deficit	878,296	(842,255)	(436,821)	389,027	1,745,492	22,853	878,296

Source: Issuer's Financial Statements

The table below summarises the maturity data of the Company's financial assets and liabilities based on discounted cash flows, on the basis of the remaining contractual maturity date as at the date of the statement of financial position and up to the contractual maturity date of 31 December 2024G.

Table No. (7): Maturity Data for the Company's Financial Assets and Liabilities as of 31 December 2024G

Financial year ended 31 December 2024G (Audited) (SAR'000)	Carrying Amount	Up to three months	More than three months and less than a year	More than one year and less than five years	Over five years	Non-fixed maturity	Total
Financial assets							
Cash and cash equivalents	145,335	-	-	-	-	145,335	145,335
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,073,749	612,768	1,460,981	-	-	-	2,073,749
Murabaha receivables	561,711	56,551	505,160	-	-	-	561,711
Deposits and other receivables	131,532	-	-	-	-	131,532	131,532
	2,913,220	669,319	1,966,141	-	-		2,913,220
Financial liabilities							
Financing facilities - secured	1,908,543	524,341	1,384,202	-	-	-	1,908,543
Finance lease liability	1,840	-	-	-	-	1,840	1,840
Accrued expenses and other liabilities	121,083	-	-	-	-	121,083	121,083
	2,031,466	524,341	1,384,202	-	-	122,923	2,031,466
Gap/deficit	881,754	144,978	581,939	-	-	(122,923)	881,754

Source: Issuer's Financial Statements

The table below summarise the maturity profile of the Company's financial assets and liabilities based on discounted cash flows, from the statement of financial position date to the contractual maturity date as of 31 December 2023G.

Table No. (8): Maturity Data for the Company's Financial Assets and Liabilities as of 31 December 2023G

Financial year ended 31 December 2024G (Audited) (SAR'000)	Carrying Amount	Up to three months	More than three months and less than a year	More than one year and less than five years	Over five years	Non-fixed maturity	Total
Financial assets							
Cash and cash equivalents	24,193	-	-	-	-	24,193	24,193
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,601,948	14,725	158,244	440,235	1,988,744	-	2,601,948
Murabaha receivables	106,668	6,450	8,910	91,308	-	-	106,668
Deposits and other receivables	139,059	-	104,791	-	-	34,268	139,059
	2,872,761	21,175	271,945	531,543	1,988,744	59,354	2,872,761
Financial liabilities							
Financing facilities - secured	1,833,084	320,155	1,209,504	303,425	-	-	1,833,084
Finance lease liability	2,486	-	907	1,579	-	-	2,486
Accrued expenses and other liabilities	146,550	-	-	146,550	-	-	146,550
	1,982,120	320,155	1,210,411	451,554	-	-	1,982,120
Gap/deficit	890,641	(298,980)	(938,466)	79,989	1,988,744	59,354	890,641

Source: Issuer's Financial Statements

If the Issuer has difficulty securing additional or renewing existing credit facilities cost-effectively and promptly, this could cause a liquidity gap and harm its operations and financial performance.

5-1-7 Risks related to the cessation of government support for the housing sector and its impact on portfolio quality and the volume of new business

The Company relies heavily on government housing support programs, which contribute to portfolio quality and generating new business. As part of Vision 2030, the Government launched multiple programs to enable home ownership. In particular, the Ministry of Municipalities and Housing and the Real Estate Development Fund programs were amongst the most successful programs that led to an increase in citizens' home ownership. The Issuer has utilised a number of those programs, which contributed to the expansion of the Issuer's financing portfolio; however, any reduction or suspension of these programmes may lead to a decline in the number of eligible customers and an increase in default rates, which could adversely affect growth and asset quality, particularly given the absence of any assurance that support will continue at the same level or that sustainable alternatives will be available. The support programmes include the following:

- **Mortgage Guarantee Scheme (MGS):** A programme offered by the Real Estate Development Fund in cooperation with licensed banks and financing companies. It aims to protect financing institutions from losses by covering 80% of the unpaid principal balance after 90 days of customer default and to enable a wider segment of customers, including those with limited income, to obtain mortgage finance by reducing financiers' risk exposure. It is available to applicants who meet the following criteria whereby the applicant must be a Saudi national, aged between 20 and 75 years, with a stable income in line with mortgage financing conditions, and must have paid instalments for at least 90 days before the guarantee is triggered in the event of default.
- **Down Payment Guarantee (DPG):** A programme offered by the Real Estate Development Fund and the "Sakani" programme, in cooperation with licensed banks and financing companies. It aims to assist customers in covering part of the down payment (e.g. 5–10% of the property value) to facilitate home ownership and enhance customers' financial capacity to repay future instalments by reducing the initial down payment burden. It is available to applicants who meet the following criteria whereby the applicant must be a Saudi national, registered under the "Sakani" programme, and applying for the purchase of a first home (with a value up to SAR 800,000).
- **Subsidised Financing Programme (SFP):** A programme offered by the Ministry of Housing through the "Sakani" programme, in cooperation with licensed banks and financing companies. It aims to support eligible customers by covering part of their monthly installments to reduce the financial burden, facilitate repayment, and encourage customers to pay on time to maintain a good credit record. Eligibility applies to those who meet the following conditions: the applicant must be registered under the "Sakani" programme and have a monthly income that complies with the mortgage financing requirements. It is worth noting that customers benefiting from the Mortgage Guarantee Scheme (MGS) and Down Payment Guarantee (DPG) programmes will also have their financing covered under the Subsidized Financing Programme.

As at 31 March 2025G, the Issuer's real estate Ijara portfolio covered by credit enhancement programmes represented 45.3% of total Ijara contracts before deduction of credit loss provisions, compared to 45% for the same period in 2024G. At the end of the financial year ended 31 December 2024G, the ratio was 44.8%, compared to 46.2% in 2023G (2022G: 63.9%), under one or more of the following credit enhancement programmes.

The following table sets out the proportion of Ijara receivables covered by the above-mentioned credit enhancement instruments for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (9): Ijarah Receivables Covered by the Credit Enhancement Programmes

Ijarah Receivables Covered by Credit Enhancement Programmes (SAR'000)	Financial year ended 31 December			The three-month period ended 31 March	
	2022G (Audited)	2023G (Audited)	2024G (Audited)	2024G (Unaudited)	2025G (Unaudited)
Mortgage Guarantee Scheme (MGS)*	228,624	438,355	335,695	444,204	331,006
Down Payment Guarantee (DPG)**	630,208	188,519	101,106	188,729	97,080
Covered by one or more of the above programmes***	803,591	574,335	492,795	598,016	550,916
Total	1,662,423	1,201,209	929,596	1,230,949	979,002

Source: Issuer's Financial Statements.

*Represents the portfolio covered by the Mortgage Guarantee Scheme and the Subsidised Financing Programme

**Represents the portfolio covered by the Down Payment Guarantee and the Subsidised Financing Programme

***Represents the portfolio covered by the Mortgage Guarantee Scheme, the Down Payment Guarantee, and the Subsidised Financing Programme

5-1-8 Risks related to the reliance on the Saudi Real Estate Refinance Company ("SRC") as the main counterparty for portfolio sale activities

Selling the receivables portfolios to third parties is an important part of the Issuer's business model and an important source of liquidity. As of 31 December 2024G, the Issuer sold real estate portfolios to SRC with total value of sales amounted to SAR 952,727 thousand, compared to SAR 588,077 thousand as of 31 December 2023G (2022G: (488,798). The total value of portfolios sold to the Saudi Real Estate Refinance Company up to the first quarter of 2025G amounted to SAR 3,077 thousand.

The Issuer's significant reliance on SRC as its main portfolio purchaser creates a concentration risk, which results in limiting the Issuer's ability to sell more portfolios when needed to fuel its growth plans. That concentration also affects the Issuer's ability to bargain for better selling terms and realising higher capital gains on the sold portfolios. Further, If SRC were to become an inactive purchaser of portfolios, the Issuer's liquidity position might be affected which might negatively affects its future expansion and growth plans.

In addition, the Saudi Real Estate Refinance Company provides the Issuer with funding facilities, signed as of 20/12/2017G, in the form of Murabaha, secured in the amount of SAR 990,000 thousand. These facilities are intended to finance the Company's activities in respect of Ijara contracts for real estate units. Tightening of the secured facility terms by SRC might also affect the Issuer's profitability, posing an additional risk to the stability of its business.

5-1-9 Risks related to concentration of servicing agreements with Saudi Real Estate Refinance Company ("SRC") and The Ministry of Municipalities and Housing

The Issuer's servicing income is largely generated from servicing agreements with SRC associated with mortgage portfolios sold to SRC. The Issuer's Service Agreements with SRC are 5.0 % of its total revenues at the end of the first quarter of 2025G, compared to 5.2% for the same period in 2024G, while it amounted to 4.8% at the end of the financial year ended 31 December 2024G, compared to 5.6% for the financial year ended 31 December 2023G, and 6.3% for the financial year ended 31 December 2022G. If SRC cannot meet its contractual obligations, pay fees to the Issuer, or if there are financial defaults and an inability to meet lease obligations of mortgage customers in the

relevant portfolios under the servicing agreements, this may adversely affect the Issuer's results of operations and financial performance.

Besides the Issuer's cooperation with SRC, it has a major strategic alliance with the Ministry of Municipalities and Housing. This partnership involves a Services Agency Agreement between the Issuer and the Real Estate Development Fund, where MoMH provides financial support to the Issuer for real estate financing.

Under this agreement, MoMH entrusts Bidaya with funds for real estate transactions. During the contract period, Bidaya will oversee and manage these contracts, ensuring compliance with legal and financial requirements. The last transaction under this partnership with the Ministry of Municipalities and Housing was in 2021G, and the portfolio managed by Bidaya Finance Company from this partnership is SAR 269,452 million as of the financial year ended 31 March 2025G.

The Issuer's operations heavily rely on two major parties. This dependency creates significant risks should either party default, potentially causing direct adverse effects on the Issuer's revenue flows, liquidity, and overall financial results.

5-1-10 Risks related to tightening the maximum receivables threshold imposed by Saudi Central Bank

According to the executive regulations of the Finance Companies Control Law, the aggregate finance amount offered by a financing company shall not exceed five times the capital and reserves for finance companies carrying out real estate finance activities and three times the capital and reserves for finance companies carrying out other finance activities, unless a non-objection letter from SAMA is obtained. SAMA may increase the limit on the aggregate finance amount to the extent it deems appropriate, taking into account the financial position of the finance company, its performance and the market conditions.

As of 31 March 2025G, the net Ijara and Murabaha receivables of the Issuer is 3.3x of its capital and reserves. As of 31 December 2024G, this ratio stood at 3x compared to 3.1x and 2.8x as of 31 December 2023G and 2022G, respectively. Any change of these regulations or imposing lower thresholds may require the Issuer to increase its capital base or to reduce the Issuer's future growth plans. This restriction could adversely affect the Issuer's expansion and financial flexibility, impacting overall performance and the ability to respond to market opportunities.

5-1-11 Risks related to credit-related contingent liabilities

The Issuer has credit-related contingent liabilities and commitments primarily associated with forward Ijarah tranches payable to real estate developers.

Approved but unutilised facilities and non-binding offers under customer consideration and subject to due diligence were approximately SAR 7.31 million as of 31 March 2025G, compared to SAR 14.03 million as of 31 December 2024G (SAR 10.07 million as of 31 December 2023G and SAR 69.78 million as of 31 December 2022G). The Issuer's obligations for future lease payments to real estate developers were valued at SAR 64.08 million as of 31 March 2025G, compared to SAR 70.87 million as of 31 December 2024G (SAR 107.68 million as of 31 December 2023G and SAR 165.66 million as of 31 December 2022G).

These facilities, offers, and commitments may adversely affect the Issuer's financial position, especially if commitments increase or non-binding offers unexpectedly become actual financing, which may affect the Issuer's cash liquidity and ability to meet obligations or implement operational and financing plans.

5-1-12 Risks related to early payment and its impact on the Issuer's revenue

Prepayment risk is a critical concern for the Issuer's business model. It allows customers to settle their obligations before payment due dates without any additional costs. This results in a loss of expected interest income. This also poses the challenge of reallocating the Issuer's funds at potentially lower profit rates or alternatively in an environment of rising profit rates, it would result in de-pricing of its fixed rate portfolios.

5-1-13 Risks related to customer default and resulting expropriation

The Issuer is highly exposed to risks from customer non-performance on financing obligations. This occurs when customers cannot make payments for extended periods, requiring procedures to expropriate, seize, and sell the financed property to settle financial dues. This results in delays in the recovery of due amounts and the potential reduction of actual collections compared to the carrying value of the asset, which adversely impacts the Issuer's cash flows and financial performance..

5-1-14 Risks related to introducing new products and entering specialised markets

The Issuer faces operational and financial risks from introducing new products or entering new specialised markets. Since inception, the Issuer has been a dedicated provider of financing to the residential real estate sector. During 2023G, the Issuer launched new products for the commercial real estate sector in an effort to grow its business. It takes a lot of operation and financial efforts and requires in-depth knowledge of the market and the industry, a strong network to find potential clients, and familiarity with the most recent trends in this niche.

The Company may need to allocate more resources to develop and execute transactions, increasing the risk of high expenses that could adversely impact financial and operational results if these products underperform

Entering into the non-residential real estate financing sector may increase the risks faced by the Company. The ratio of non-performing financings, defined as those exceeding (90 days) past due, to the Company's total net Ijara and Murabaha contracts amounted to 4.6% for the financial period ended 31 March 2025G, compared to 0.0% for the same period in 2024G.

In addition to its previous expansion into commercial real estate financing, the Issuer intends to introduce new financing products in the areas of consumer financing, small and medium-sized enterprises financing, productive asset financing, and financial leasing, which represents a material expansion of its business model. Such expansion requires the development of specialised knowledge of the newly targeted markets, the establishment of digital distribution channels, and the implementation of underwriting and operational processes that differ from those applied to real estate financing. It may also require the allocation of additional operational and financial resources. If sufficient business volumes or profit margins are not achieved in these activities during the initial phase of product activation, this may have a material adverse effect on the Issuer's operating results and financial performance.

5-1-15 Risks related to the Chairman of the Board of Directors being the Chairman of the Executive Committee

Combining the roles of Chairman of the Board and Executive Committee Chairman can create conflicts of interest and role overlap, potentially weakening internal controls and compromising Board independence. Decision-making may also concentrate in one person, affecting corporate governance effectiveness and reducing shareholder and stakeholder confidence in decision transparency and impartiality.

5-1-16 Risks related to the control of certain major shareholders and its impact on the interests of Sukukholders

The Issuer is significantly influenced by Major Shareholders who can direct its business through direct or indirect cooperation with other shareholders. Conflicts between the interests of Major Shareholders and the Issuer's creditors, including Sukukholders, could negatively affect the Sukukholders' interests.

5-1-17 Risks related to the implementation of the Issuer's Growth Strategy

The Issuer's Growth Strategy primarily depends on its ability to simultaneously achieve multiple factors for successful future performance. These factors include: (i) aligning its current IT systems adequately and the associated capital investment requirements; (ii) managing efficiently the operations and employees of expanding businesses, (iii) managing a growing number of departments without over-committing management or losing key personnel; (iv) maintaining its existing customer base; (v) developing new products and/or penetrate sub- market segments; and (vi) apply its risk management policy effectively to an enlarged group.

Any failure to manage these factors in an integrated manner may result in higher costs and/or reduced profitability. Moreover, the Issuer's growth strategy and implementation may be affected, altered or reduced according to the general economic Condition of the economy that may adversely affect the Issuer's financial performance and profitability

The Issuer's current growth strategy extends beyond expanding its residential real estate financing customer base to include the development of a multi-product digital business model, based on the launch of new products during the period from the first half of 2026 through the first half of 2027. This expansion increases the complexity of strategy execution, as the Issuer is required to achieve simultaneous alignment across the development of technology systems, the build-out of new credit capabilities, the attraction of suitable talent, and the effective management of risks across a broader range of products. Any failure to implement these elements within the targeted timelines may result in higher costs and reduced profitability compared to the approved plans.

5-1-18 Risks related to the financial health of other institutions and their impact on the Issuer

The Issuer is exposed to risks arising from the deterioration of the financial position of other financial institutions due to the high level of interconnectedness within the financial sector. The financial sector depends on confidence and interconnectedness among its institutions, and if one institution faces financial difficulties, as occurred during the 2008–2009 crisis following the bankruptcy of Lehman Brothers, the risk may spread to other institutions connected to it through loans or other financial services. This could lead to liquidity crises or losses impacting the entire market. Such risk may result in difficulties in raising funding, direct financial losses, and disruption of the Issuer's day-to-day operations, all of which could adversely affect its financial position and future prospects.

5-1-19 Risks related to reputation and their impact on the Issuer

Like all financial institutions, the Issuer's success hinges on customer trust, making it susceptible to reputational damage from litigation, misconduct, operational failures, negative publicity, or even inaccurate press speculation. The Issuer's reputation may also be adversely affected by the conduct of third parties over whom it has no control, including entities to which it finance or in which it has invested. For example, if one of the Issuer's clients becomes associated with financial scandals or widely publicised improper behaviour, the Issuer's own reputation may be affected.

As part of the financial services industry, the Issuer is vulnerable to negative repercussions on the industry's reputation due to scandals or unethical practices by competitors or other institutions. Such events may adversely affect public opinion, investor perceptions, and regulatory stances, which in turn harm the Issuer's reputation. Any

damage to the Issuer's reputation could cause existing customers to withdraw their business and lead potential customers to be reluctant to do business with the Issuer, which could have an adverse effect on the Issuer's business, results of operations and financial condition.

5-1-20 Risks related to the compliance of Islamic finance products with Sharia law and their impact on the Issuer's reputation

All of the Issuer's products are reviewed and approved by its Shari'ah Supervisory Committee. In doing so, each member of the committee must employ his interpretative efforts in accordance with methodological rules or principles of Islamic jurisprudence. While various Islamic schools of thought agree on the general methodology and the basic principles, if any issues are called into question relating to the extent of Shari'ah compliance of Shari'ah committee approved products offered by the Issuer, the Issuer's reputation could be negatively affected, which may in turn have an adverse effect on the Issuer's business, results of operations, financial condition, and prospects.

5-1-21 Risks related to operational system failures and their impact on the Issuer's business

The Issuer relies on information systems and technologies to operate its business, including financial and accounting systems, data processing systems and customer service delivery platforms. Any malfunction or disruption of these systems, or their exposure to fraudulent attacks, results in financial losses, operational downtime, legal liability and damage to the Issuer's reputation. These systems may also fail to accommodate future growth, or their development and maintenance costs may increase to levels that materially impact the financial position. The systems are also exposed to risks of natural or human-induced disasters such as fires, floods, power outages and sabotage, and deficiencies in disaster recovery planning may exacerbate operational losses. In addition, the Issuer's reliance on external service providers such as Microsoft exposes it to the risk of service interruptions or deterioration, which could adversely affect the quality of its operations, its reputation and its financial results.

This risk is of additional significance in light of the Issuer's reliance, under its new business model, on an integrated digital platform for the delivery of the new financing activities. The launch of consumer financing, small and medium-sized enterprises financing, and financial leasing is dependent on the readiness of application origination systems, finance management systems, risk drivers, credit assessment systems, and digital service channels. Any malfunction, delay, or failure in the completion or integration of such systems may limit the Issuer's ability to offer the new products in accordance with the approved plans, adversely affect customer experience, and potentially slow the growth of the new activities.

5-1-22 Risks related to information security

The Issuer relies heavily on its information systems and technology, making it increasingly vulnerable to cyberattacks. As is the case with other financial institutions in the Kingdom of Saudi Arabia, the Gulf Cooperation Council, and around the world, the risks of information security threats are increasing, and customer data on an ongoing basis. Threats targeting computer systems include independent hackers and cybercriminal groups.

Given the rapidly evolving and increasingly sophisticated nature of cybersecurity risks, future attacks could result in significant security breaches. If the Issuer fails to effectively manage these cyber risks, or to continually review and update its processes to address new threats, it could suffer operational damage, including the exposure of confidential information, significant financial and regulatory losses, and adverse effects on its reputation and brand.

As the Issuer expands its use of digital channels to deliver an end-to-end digital financing journey for the new activities, its exposure to cybersecurity risks associated with the exchange of customer data and the processing of applications through electronic platforms increases. This risk becomes more significant as the volume of digital

transactions grows, the range of products expands, and systems become more integrated. Any successful cyber breach or attack could result in the disruption of the new financing activities or the disclosure of sensitive data, which may adversely affect the Issuer's reputation and its regulatory compliance.

5-1-23 Risks related to dependence on Key personnel and their impact on the issuer's operations

The Issuer relies heavily on the efforts and skills of its senior management team and key personnel to implement its strategy and efficiently manage its day-to-day operations. As the Issuer's business becomes increasingly complex and management responsibilities increase, the need for highly experienced and skilled personnel continues to grow.

However, the Saudi labor market is experiencing intense competition for qualified employees with experience in the financial services sector, increasing the risk of losing key members of the senior management team or key employees. The resignation of any such member could lead to a loss of organisational focus, poor operational execution, and a delay or failure to achieve business strategies, necessitating the reallocation of management resources to address these challenges.

The Issuer's future success also depends on its ability to attract, retain, and motivate qualified employees. If the Issuer fails to retain key employees or attract additional talent, its financial position, cash flows, and results of operations could be adversely affected, affecting its ability to meet its financial obligations under the Sukuk.

As the Issuer proceeds with the development and implementation of the new financing activities, its reliance on key personnel increases, as these activities require specialised expertise in consumer financing, small and medium-sized enterprises financing, and financial leasing, in addition to experience in digital transformation and the management of risks associated with such activities. If the Issuer is unable to attract or retain such key personnel, the execution of the new business model may be adversely affected, which could result in delays in product launches or weaknesses in the quality of execution.

5-1-24 Risks related to employee misconduct and improper practices and their impact on the Issuer

The Issuer faces significant risks resulting from any misrepresentation, misconduct, or improper practices by its employees, which could expose it to direct or indirect financial losses and damage its reputation. These practices include engaging in corrupt or illegal acts to gain business, leaking confidential customer information, or failing to comply with internal company procedures.

Detecting or deterring misconduct is not always guaranteed, and in some cases, the Issuer's preventative measures may be ineffective, meaning that the success of anti-misconduct measures cannot be fully assured. These actions may result in financial losses for the Issuer due to compensation for affected customers or business partners or regulatory fines and penalties. In addition, misconduct may cause significant damage to the Issuer's reputation, which could adversely affect its business, results of operations, financial condition, and prospects.

5-1-25 Risks related to risk management and internal controls and their impact on the Issuer's business

The Issuer faces a wide range of risks, including credit, market, liquidity, operational, reputational, cybersecurity, human, and legal risks. Failure to effectively manage these risks could significantly and adversely affect the Issuer's business, results of operations, financial condition, prospects, and market reputation.

The Issuer's risk management methods may be insufficient or inconsistently applied to mitigate all risks. Some methods rely on market information, which may not accurately predict future risks, especially unidentified or unforeseeable ones. Other practices, like the "Know Your Customer" policy, may be inaccurate or incomplete.

There is no guarantee that the Issuer's risk management policies and procedures will fully protect the Company from credit, liquidity, market, or other operational risks. Also, full employee compliance with these policies and procedures is not guaranteed, increasing the Issuer's risk exposure.

The Issuer may also experience operational disruptions, unauthorised transactions, or errors from computer or communication system failures. The Issuer's ability to manage these risks is limited by available tools and technologies. Any shortcomings in risk management or internal policies pose a tangible threat to the Company's performance, which could materially and adversely affect the Issuer's business, results of operations, and financial condition.

As the Issuer transitions from a business model primarily focused on real estate financing to a model that includes multiple financing activities, its risk management framework and internal control systems require enhancement and development to accommodate the characteristics of the new products and the different customer segments. Any delay in updating risk management policies or in calibrating internal models to reflect the nature of the new activities may limit the effectiveness of the existing framework in identifying and managing the credit, operational, and compliance risks associated with the implementation of the new business model.

5-1-26 Risks related to accounting policies and assumptions and their impact on the Issuer's financial disclosure

The Issuer's financial disclosures are based on the applicable accounting policies following International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board and the Saudi Organisation for Chartered and Professional Accountants. These disclosures rely on key accounting estimates and assumptions relating to the recognition of revenues and expenses, and the valuation of assets and liabilities. Any change in such assumptions or estimates may result in material adjustments to book balances or a restatement of the financial statements, which would directly impact the financial results and the disclosures provided to investors.

5-1-27 Risks related to the Company's business focus on finance products

The Company's activities are primarily focused on providing Shariah-compliant real estate financing products to individuals and small and medium-sized enterprises (SMEs) through Ijara and Murabaha contracts, which exposes it to the risk of customer non-performance in meeting their financial obligations. Companies face risks such as bankruptcy, new legislation, intense competition and the loss of key contracts, all of which may weaken their profit margins, affect their liquidity, increase operating costs and constrain their repayment capacity. Individuals are exposed to risks such as income volatility, changes in incentives and allowances, and reductions in salaries and benefits, which contribute to higher non-performance rates.

These risks are further amplified by the introduction of the Saudi Bankruptcy Law on 18 August 2018G, which allows for preventive settlement, financial reorganisation and liquidation proceedings, including those applicable to small debtors. The application of such proceedings to the Company's individual customer base, which represents the largest segment, hinders the recovery of the Company's receivables and places it in direct competition with other creditors, thereby limiting its ability to recover its debts and adversely affecting its business, financial position, results and future prospects.

5-1-28 Risks related to the Company's failure to obtain and renew necessary licenses, permits and certificates

The Company is subject to a number of laws and regulations that require it to obtain the necessary licenses and permits from the competent regulatory authorities in the Kingdom to exercise its Financing activities. These licenses include approvals from the Saudi Central Bank, commercial registration certificates from the Ministry of Commerce, social insurance subscriptions, and registration with ZATCA.

If the Company fails to renew its licenses or comply with its terms, it may face license revocation or financial penalties, which could lead to the complete disruption or cessation of its operations. Any loss of necessary licenses or permits due to non-compliance could cause material harm to the Company's business, results of operations, financial condition, and prospects. Please see Section (12-4) of this Base Prospectus (Legal Information – Intangible Assets, Trademarks, and Licenses).

In light of the Company's receipt of new licences to conduct consumer financing, small and medium-sized enterprises financing, productive asset financing, and financial leasing activities, compliance with the regulatory requirements applicable to such activities becomes increasingly critical. These requirements include obtaining the necessary Shariah and regulatory approvals prior to the commercial launch of each product. Any delay in completing such approvals, or any failure to comply with the supervisory requirements applicable to the new activities, may result in delays in commencing operations, restrictions on the scope of permitted products, or the imposition of additional remedial requirements by the regulatory authorities. Such developments may also affect the timeline for implementing the expansion strategy under the new business model and limit the Company's ability to fully utilise the licences granted to it, which may, in turn, adversely affect the Company's growth expectations and its operating and financial results.

5-1-29 Risks related to the Company's protection of trademarks

The Company relies on its name, reflected in its logo, to market its services and products. This logo supports its business and competitive position, and provides it with a clear distinction in the market among customers. The Company owns a trademark in its name, registered under registration certificate number (1437002885) in category (36). Its protection is effective from 09/02/1447H (corresponding to 15/07/2025G) and ending on 09/02/1457H (corresponding to 17/04/2035G). If the Company fails to effectively protect its trademark when renewing its registration certificate or pursuing similar trademarks, this will adversely affect its value, which will adversely affect the Company's business, results of operations, financial position, and prospects.

5-1-30 Risks related to existing or potential cases or disputes against the Issuer

The Company faces a number of legal cases and disputes before public courts and competent regulatory authorities, including the General Secretariat of the Zakat, Tax, and Customs Committees and the Banking Disputes Committee. These cases include debt collection cases, claims related to contract termination, tax refunds and overpayments, as well as compensation claims.

As at 15 June 2025G, the Company held 318 promissory notes against non-performing customers with a total value of SAR 178,194,248, in respect of which enforcement actions have been initiated and judgments have been issued and are currently being executed. The Company is also facing a number of legal cases pending before the General Court, the Committees for the Resolution of Financing Disputes, and the Enforcement Court, covering matters such as proof of property ownership, compensation for damages, contract termination, recovery of payments and others. These cases involve financial claims of varying amounts, some of which have resulted in preliminary judgments, while others remain under litigation, and their outcomes may result in additional financial obligations or adverse

effects on the Company's liquidity, profitability and overall financial performance. Please refer to Section (12) (*Legal Information*) of this Base Prospectus.

As for the existing or potential cases or disputes against the Issuer and given the nature of the Company's business and dealings, the Company remains vulnerable to further legal litigation, which may include matters beyond its direct control. As a result, the Company may find itself involved in new lawsuits or complaints, either as a defendant or plaintiff. It is currently difficult to accurately estimate the cost or outcome of these cases, as the outcome depends on court decisions and may include compensation or fines.

5-1-31 Risks related to failure by the audit committee and the nomination and remuneration committee to perform their duties as required

The Company relies heavily on the effectiveness of its oversight committees to ensure regulatory compliance, the accuracy of financial reporting, and the smooth implementation of its strategies. Any failure by the Audit Committee to perform its role could lead to risks related to the accuracy of the financial statements and the integrity of the internal control systems, which could adversely affect the Company's financial position.

The Nominations and Remuneration Committee plays a key role in attracting administrative talent and developing recruitment policies. Any shortcomings in this area could disrupt the efficiency of corporate performance and impact business sustainability. Furthermore, the Sharia Committee's failure to perform its duties to ensure compliance with Sharia provisions could adversely affect the Company's reputation and reduce investor and customer confidence.

Any failure by these committees to perform their responsibilities poses a significant threat to the Company's stability and its ability to meet its regulatory and financial obligations, which could adversely affect its financial performance and operational future.

5-1-32 Risks related to failure to register contracts on the E-leasing platform

Failure to register lease contracts on the electronic platform creates legal and regulatory risks. This increases the likelihood of legal disputes and difficulties in collecting receivables. Insufficient digital documentation undermines the Company's formal guarantees to customers and increases its vulnerability to a loss of confidence from regulatory bodies and financing providers. This could damage the Company's reputation and increase its exposure to financial and regulatory challenges, hindering its operations and financial stability.

5-1-33 Risks related to unsecured financing

The Company's business model is based on providing Islamic financing products backed by real estate collateral, which enables the Company to recover its rights in cases of non-performance through the liquidation of real estate assets. In the event that unsecured financings are extended, the Company becomes exposed to a high level of risk, as the recovery of amounts relies solely on the financial solvency of customers without any tangible collateral.

Such risks are amplified in times of market volatility or economic downturn, which may lead to the non-performance of a significant number of unsecured customers, thereby resulting in substantial financial losses due to the absence of enforceable collateral. These losses directly affect the Company's stability, financial position, operating results and its ability to meet its obligations and achieve its strategic objectives.

5-1-34 Risks related to accounts payables

The Issuer faces risks if accounts payable aren't settled on time, which could adversely affect its financial position. Accumulating accounts payable or delaying payments may harm the Company and its relationships with government agencies and suppliers. This could limit the Issuer's ability to obtain additional financing or expand.

Increasing accounts payable without clear repayment plans may increase the Issuer's future financial burdens and expose it to additional liquidity risks. Ineffective management of accounts payable could significantly threaten the Company's financial stability, strategic objectives, results of operations, and overall financial performance.

As at 31 March 2025G, the balance of accrued expenses and other liabilities amounted to SAR 101,217 thousand, compared to SAR 160,523 thousand for the period ended 31 March 2024G. As at 31 December 2024G, the balance amounted to SAR 140,513 thousand, compared to SAR 165,696 thousand as at 31 December 2023G. This balance represents payables due to the Ministry of Housing relating to the financing of property purchases for Ijara customers, which amounted to SAR 6,227 thousand as at 31 March 2025G, compared to SAR 84,606 thousand for the period ended 31 March 2024G, and SAR 78,179 thousand as at 31 December 2024G, compared to SAR 80,387 thousand as at 31 December 2023G. In addition, this balance includes payments under Ijara financing arrangements not executed as at the date of the financial statements, amounting to SAR 6,310 thousand compared to SAR 1,268 thousand for the period ended 31 March 2024G. As at 31 December 2024G, this balance amounted to SAR 5,811 thousand compared to SAR 5,957 thousand as at 31 December 2023G. Furthermore, the balance of accounts payable to suppliers in the ordinary course of the Company's business amounted to SAR 54,196 thousand as at 31 March 2025G, compared to SAR ٢٤,٨٨٢ thousand for the period ended 31 March 2024G, and SAR 22,940 thousand as at 31 December 2024G, compared to SAR 44,217 thousand as at 31 December 2023G.

5-1-35 Risks related to Zakat and income tax

The Company submitted zakat declarations and obtained certificates from ZATCA for all years since its establishment until 2025G, where it paid zakat according to certificate No. 1116258745 dated 03/11/1446H (corresponding to 30/04/2025G), which remains valid until 13/11/1447H (corresponding to 30/04/2026G). If claims are filed for previous years, this may affect the Company's financial position. The Kingdom also issued the VAT Law, effective 1 January 2018G. The rate was raised in 2020G to 15% on several products and services, including financial services provided by companies in accordance with the law. Any violation or incorrect application of the law by management or employees may expose the Company to fines or penalties or harm its reputation, which increases operating costs and expenses, and may reduce the Company's competitiveness and the level of demand for its products and services, which adversely affect its financial performance and future results.

5-1-36 Risks related to real estate financing constituting the largest percentage of total financing

The Company focuses on providing real estate financing products to individuals and companies through leasing and Murabaha contracts, with real estate financing for individuals representing the largest percentage of its portfolio. This focus exposes the Company directly to the risks of residential real estate market fluctuations. Any decline in property values or legislative changes may reduce the value of financed assets, increase non-performance rates and weaken the Company's ability to recover its receivables.

In addition, volatility in the Kingdom's real estate sector, resulting from changing government policies and housing initiatives, affects the level of demand, and any decrease in such demand would translate into financial losses or reduced profit margins, thereby constraining the Company's ability to meet its obligations and other financial challenges.

5-2 Risks related to the Market and Industry in which the Issuer Operates

5-2-1 Risks related to changes in real estate finance regulations and their impact on the Issuer's business

The Issuer is subject to the laws and regulations governing the financial services sector in the Kingdom, including the Companies Law, the Real Estate Finance Law, and its executive regulations, and is supervised by the Saudi Central Bank. The Saudi non-banking finance sector is constantly evolving, which may limit the Issuer's ability to respond to market opportunities and increase the financial burden of regulatory compliance.

In addition, the Issuer's expansion into further financing activities pursuant to approvals granted by the Saudi Central Bank, or any activities that may be approved in the future, subjects the Issuer to additional regulatory and supervisory requirements that may differ in nature and degree. Such requirements may result in increased operational and regulatory costs or impose limitations on the scope of such activities, which may have a material adverse effect on the Issuer's business, financial results, and financial position.

Regulations may change or be interpreted in ways that adversely affect the Issuer's operations, including increased annual expenses. In the event of non-full compliance, the Issuer may be subject to regulatory penalties, including fines, suspension of operations, or license revocation, which could adversely affect its business, financial results, and prospects.

5-2-2 Risks related to non-compliance with Saudisation requirements in the Kingdom of Saudi Arabia

The Saudisation Law in the Kingdom requires all companies to employ a specified percentage of Saudi nationals within their workforce depending on the nature of their activity. The Company may face challenges in attracting and retaining qualified Saudi talent, and failure to comply with these requirements may result in regulatory accountability and punitive measures, including fines, suspension of visa applications and restrictions on the transfer of sponsorship for non-Saudi employees. Non-compliance may also lead to additional costs where the Company is required to recruit Saudi or foreign employees at higher costs, which would have a direct and adverse impact on the Company's business, financial position, operating results and future prospects. For details of the Company's Saudisation ratios, please refer to Section (7) (*Organisational Structure*).

5-2-3 Risks related to the imposition of new laws and regulations that affect the Company's operations

The Company is subject to the supervision of several government agencies in the Kingdom of Saudi Arabia, including the Saudi Central Bank, the Ministry of Commerce, the Ministry of Investment, municipalities, Civil Defense, and CMA. Following the registration and offering of Sukuk, the Company is subject to risks related to potential changes in laws, regulations, circulars, and policies, including those related to taxes.

The legislative and regulatory environment in the Kingdom is constantly evolving, making it vulnerable to frequent changes, which increases the costs of complying with these regulations. In the event of non-compliance, the Company may be subject to fines or penalties from regulatory authorities, adversely affecting its revenue growth or leading to the suspension of its operations or licenses. The new laws and regulations may also impact cash flows, collections, and lending, which could adversely affect the Company's financial and operational position.

Moreover, Saudi courts have broad discretion in interpreting laws and regulations. They do not follow the doctrine of binding precedent and do not regularly publish their decisions, increasing legal uncertainty.

5-2-4 Risks related to the lack of government commitment to support the Issuer

There is no government commitment to provide support to the Issuer. Furthermore, the sukuk issued under the Programme are not backed by a guarantee from the government, the Issuer, its shareholders, or any other party, leaving the returns of these sukuk vulnerable to risks without a government guarantee.

5-2-5 Risks related to uncertainty about the future development of the real estate finance sector in Saudi Arabia

The real estate financing sector in the Kingdom is exposed to uncertainty regarding the sustainability of its growth. The experience of the COVID-19 pandemic and the decline in oil prices in 2020G led to a slowdown in lending, higher default rates and increased provisioning. Any future slowdown in the sector's growth would directly result in reduced lending opportunities, higher levels of non-performing financings, and a decline in the Issuer's profitability, financial performance, operating results and future prospects.

5-2-6 Risks related to economic factors affecting the Issuer's business success in Saudi Arabia

The Issuer's business success is significantly affected by developments in the Saudi economy, as its performance depends on factors beyond its control. These factors include fluctuations in oil prices (a major source of the Kingdom's revenues), changes in government spending, inflation rates, the foreign direct investment climate, and regulatory and financial changes.

Any negative developments in these factors, such as a decline in oil prices or a reduction in government spending, could lead to a decline in investor confidence and turmoil in the financial markets. This could adversely affect the Issuer's ability to achieve its operational and financial objectives and maintain stable financial growth.

5-2-7 Risks related to the Issuer's business concentration in Saudi Arabia

Given that all of the Issuer's operations and assets are located in the Kingdom of Saudi Arabia, its performance is directly affected by local economic factors. The continuity and growth of the Issuer's business depend on the government policies supporting economic diversification, the developments in non-oil sectors, balanced public spending, alongside fiscal policies aimed at controlling inflation. The Issuer is exposed to specific risks, such as oil price volatility or reductions in public spending, which could affect market liquidity and demand for its products, threatening its ability to achieve its operational and financial objectives.

Changes in US monetary policy, due to the Saudi Riyal's peg to the US dollar, affect the domestic financing environment, including interest rates, which in turn impact the cost of funding and demand for the Issuer's products. In 2024G, the Saudi Central Bank reduced the repurchase (repo) rate three times, reaching 5.0% in December, with the aim of supporting non-oil sectors such as real estate and infrastructure, which represent core areas of the Issuer's business. Nevertheless, such reductions may place pressure on expected profit margins, particularly in an environment of tightened liquidity.

Furthermore, the performance of non-oil sectors, such as real estate, community services, transport and manufacturing, represents an important factor in determining demand for the Issuer's products, especially in light of government initiatives linked to Vision 2030G. These sectors have experienced significant growth in recent years, enhancing opportunities for the Issuer's business expansion and growth, while at the same time increasing its sensitivity to any economic or regulatory changes.

5-2-8 Risks related to economic diversification efforts in Saudi Arabia

The Kingdom's economic diversification efforts face risks associated with the speed and effectiveness of implementing reform programmes such as Vision 2030G and the National Transformation Programme. The

introduction of new fees and the removal of subsidies may increase the cost of living, reduce purchasing power and slow economic growth. Absorbing the growing population of young Saudis into the labour market also represents a material challenge, and failure to provide sufficient employment opportunities may lead to higher unemployment rates and adversely affect macroeconomic stability. Any slowdown or disruption in these reforms would negatively impact the business environment and directly affect the Issuer's performance, financial position, operating results and future prospects.

5-2-9 Risks related to the political environment

The Issuer's business, assets and customers are concentrated within the Kingdom of Saudi Arabia, which exposes it directly to the effects of the political environment. These risks include geopolitical and regional instability, civil unrest, changes in government policies and military conflicts in the region. Any such developments may place pressure on the Saudi economy, including market volatility and reduced levels of economic growth, which would adversely impact the stability of the Issuer's business, its financial position, operating results and future prospects.

5-2-10 Risks related to US trade tensions and their impact on global economic stability.

Rising global trade tensions present a direct risk to the Issuer's business, as they may lead to fluctuations in oil prices, disruptions in supply chains and higher import costs, all of which would adversely affect domestic economic performance and, in turn, impact demand for the Issuer's products and its profitability.

5-2-11 Risks related to Natural Disasters and Pandemics, Such as the COVID-19 Pandemic

In 2020G, the world witnessed the outbreak of the COVID-19 pandemic on a global scale, which caused widespread disruption to the international economy. Restrictions on travel and transportation, along with the complete suspension of commercial and social activities, led to a sharp decline in global trade flows, a fall in equity and bond markets, rising unemployment rates, reduced global demand for oil and a fall in oil prices.

During the pandemic, the Kingdom implemented strict measures to curb the spread of the virus, including suspending international flights, halting certain public and private sector activities, imposing restrictions on movement, closing commercial markets and shopping centres, and suspending Umrah, all of which had a direct impact on domestic economic activity.

The future outbreak of epidemics and infectious diseases remains an ongoing risk to the global and Saudi economies, including the possibility of further or prolonged declines in oil prices. Any such epidemic would cause economic disruption that could adversely affect the Issuer's business, financial position, operating results and future prospects.

5-2-12 Risks related to a slowdown in global economies and their impact on the Saudi economy

The Kingdom of Saudi Arabia maintains extensive trade relations with major oil-importing economies. Any slowdown in these economies, including that arising from the COVID-19 pandemic or the current global economic conditions, adversely affects the Kingdom's foreign trade and balance of payments, and directly impacts its economic and financial position.

Furthermore, continued economic contraction or geopolitical uncertainty in the United States, China or other key trading partners would exacerbate risks to the Kingdom's trade and materially affect the Saudi economy and its financial stability.

5-2-13 Risks related to any change or removal of the Saudi Riyal's exchange rate peg to the US Dollar and its impact on the Saudi economy

The Saudi Riyal's peg to the US dollar exposes the Issuer to risks arising from fluctuations in US monetary policy or the potential depegging of currencies in the region, which may lead to exchange rate volatility and affect the stability of costs and revenues, thereby adversely impacting the Issuer's financial performance.

While the long-term impacts of such actions are uncertain, it is likely that any such de-pegged currency would face a devaluation against the U.S. dollar immediately following the removal of the peg. While the government and the Saudi Central Bank continue to maintain the currency peg at its current level, there is no guarantee that unforeseen future events—including an increase in the rate of decline in the government's reserve assets—will not prompt the government to reconsider its exchange rate policy. Any de-pegging or revaluation of the current exchange rate, whether in Saudi Arabia or across the broader region—particularly if accompanied by a significant depreciation of the relevant currency against the US dollar or other major currencies—could contribute to higher inflation, increase the burden of external debt service, and damage investor confidence, leading to capital outflows and market volatility. Each of these could have a material adverse effect on the economic and financial Condition of Saudi Arabia. This, in turn, could have a material adverse effect on the Issuer's business, results of operations, financial condition, or prospects.

5-2-14 Risks related to the increased level of competition in the sector in which the Company operates

The real estate financing sector in the Kingdom is experiencing an increasing degree of competitiveness following the Saudi Central Bank's approval for non-mortgage finance companies to engage in real estate financing activities. According to data from the Saudi Central Bank, there are six licensed real estate finance companies and 14 commercial banks in the Kingdom, in addition to other finance companies that have obtained licences to operate in this sector. The entry of these new entities directly intensifies competition, increasing pressure on returns, profit margins and market stability.

The Company's competitiveness depends on the size of its financial resources, the breadth of its geographic presence, its ability to reach customers and its adherence to Shariah principles in product design. Furthermore, the Company's ability to provide innovative and prompt financing solutions, maintain its reputation in the market and adopt effective marketing channels are critical factors in its competitive position.

In addition, the Company's expansion into other financing activities pursuant to approvals granted by the Saudi Central Bank, or any activities that may be approved in the future, may expose it to increased levels of competition from banks and financial institutions with greater resources and experience. This may result in increased pricing pressure, reduced profit margins, and higher customer acquisition costs, which could adversely affect the performance of such activities, the Company's business, its financial results, and its future prospects. Any shortcomings in providing products and services aligned with customer expectations, or in competing on price and quality, would directly lead to a loss of market share and have an adverse impact on the Company's business, profitability, operating results and future prospects.

5-2-15 Risks related to the imposition of new taxes or fees

While the Company is currently subject only to Zakat, a 15% value-added tax on its service fees, and a 5% real estate transaction tax on the sale of any of its assets, the possibility of additional fees or taxes being imposed by the government in the future may pose a potential risk. If new corporate taxes or additional fees are imposed, this is expected to have a direct and adverse effect on the Company's net profits, which will in turn lead to a decline in the Company's overall financial performance, a weakened financial position, and an adverse effect on its prospects.

5-2-16 Risks related to value-added tax

The VAT Law, which was issued by KSA and came into force on 1 January 2018G, imposes a 5.0 per cent VAT on a number of products and services. On 1 July 2020G, the Ministry of Finance announced an increase in the rate to 15% (fifteen percent). Given the recent implementation of this law and the high tax rate announced, any violation or error in implementing the VAT regulations by the Company's management or employees could lead to increased operating costs and expose the Company to fines or penalties. It could also adversely affect the Company's reputation and exacerbate the financial and operational challenges it faces.

5-2-17 Risks related to the highly regulated and evolving financial services industry in Saudi Arabia

The financial services sector in Saudi Arabia is subject to a stringent and dynamic regulatory environment, with the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA) mandated to develop regulations and policies that safeguard the sector's stability and integrity. With increasing financial compliance requirements, financial institutions find themselves obligated to implement risk management procedures at multiple levels, from operational and financial risks to legal obligations.

In addition, financial institutions rely on advanced tools and technologies to manage risks and respond to potential challenges. These tools include clear compliance policies and monitoring to combat financial crime and cyber fraud. Non-compliance or failure to meet regulatory requirements may result in severe financial penalties, affecting companies' reputation and market standing.

5-2-18 Risks related to the New Companies Law and its Implementation

Based on the new Companies Law issued by Royal Decree M/132 on 1 Dhu al-Hijjah 1443H (corresponding to 30 June 2022G), which entered into force on 26 Jumada al-Thani 1444H (corresponding to 19 January 2023G), the management of the Company conducted an evaluation of its impact on the Bylaws and subsequently amended said Articles to conform with the provisions of the new Law. The revised Bylaws received shareholder approval during the Extraordinary General Assembly convened on 24 September 2024G, and were thereafter ratified by the Ministry of Commerce on 31 October 2024G.

5-2-19 Risks related to the increase in government fees applicable to non-Saudi employees

Since 2016G, the Saudi government has imposed additional fees on the employment of non-Saudi workers as part of its efforts to promote Saudisation. With effect from 1 January 2018G, monthly fees of SAR 400 per non-Saudi employee were introduced, which gradually increased to SAR 800 in 2020G. In addition, with effect from 1 July 2017G, financial charges were imposed on the dependants and family members of non-Saudi workers, starting at SAR 100 per month and rising annually to SAR 400 in 2020G. These fees have increased the cost of non-Saudi labour and placed additional financial pressure on companies.

Furthermore, on 15 October 2020G, the Ministry of Human Resources and Social Development launched the Labour Reform Initiative, which came into effect on 14 March 2021G, granting expatriate workers the freedom to transfer to other jobs upon the expiry of their contracts without the need for their employer's consent. This change has enhanced workers' ability to leave their jobs, making it more difficult for companies to retain them.

The rising costs imposed on non-Saudi labour, together with increased labour mobility, may compel the Company to raise wages or incur additional costs to replace or retain employees. This situation increases the Company's financial burdens and adversely affects its financial results, operational stability and future prospects.

5-2-20 Risks related to exposure to market volatility

The Issuer's business model inherently exposes it to substantial risks from market volatility. The Issuer could be adversely affected by market risks that are outside its control, including, without limitation, material adverse changes in financing costs. An increase in finance cost generally may decrease the value of the Issuer's fixed-profit financing portfolio and may increase the Issuer's funding costs.

In addition, fluctuations in interest rates may result in a pricing gap between the Issuer's interest-rate-sensitive assets and liabilities. Interest rates are sensitive to many factors beyond the Issuer's control, including the policies of central banks (e.g. SAMA and the U.S. Federal Reserve) political factors, domestic and international economic conditions.

Fluctuations in interest rates may also adversely impact the financial Condition of the its clients and their ability to honour the financing contract which, in turn, may impact the Issuer's quality of its credit exposures to those clients. Ultimately, there can be no assurance that the Issuer will be able to protect itself from any adverse effects of future changes in interest rates.

The following table depicts the sensitivity to a reasonably possible change in profit rates, with other variables held constant, on the Company's profit or loss. The sensitivity of income is the effect of the assumed changes in profit rates on the Ijarah income for one year, based on the floating rate of the current financial assets as of 31 March 2025G, 31 December 2024G, 2023G and 2022G.

Table No. (10): Sensitivity to a reasonably possible change in profit rates, with other variables held constant

Currency (SAR'000)	Change in basis points	Sensitivity of profit and loss	Up to three months	Between three months and up to one year	More one year and up to five years	Over five years
31 March 2025G	+/- 25	3,565	98	353	1,009	2,170
31 December 2024G	+/- 25%	3,394	122	237	945	2,090
31 December 2023G	+/- 25%	2,911	28	242	825	1,816
31 December 2022G	+/- 25%	3,803	102	207	910	2,582

Source: the Issuer's Financial Information

5-3 Risks related to the Offered Securities

5-3-1 Risks related to Investing in Sukuk as a complex financial instrument and their suitability for investors

The Sukuk of any Series may not be a suitable investment for all investors. Therefore, Each potential investor in Sukuk must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Sukuk, the merits and risks of investing in the Sukuk and the information contained, or incorporated by reference, in this Base Prospectus;
- have access to and knowledge of appropriate analytical tools to evaluate an investment in the relevant Sukuk in the context of their own financial situation and the potential impact of such an investment on their overall investment portfolio;

- have sufficient financial resources and liquidity to bear all the risks of an investment in the relevant Sukuk, including where the currency of payment is different from the potential investor's local currency;
- Fully understand and comprehend the terms of the relevant Sukuk and are familiar with the behavior of any relevant financial indices and markets, and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The absence of any of the factors listed above may result in an investor entering into an investment that is not suitable for their financial situation and investment goals which may lead to adverse results or results that are contrary to their expectations or goals.

5-3-2 Risks related to the legal considerations of investing in Sukuk

The investment activities of some investors are subject to investment laws and regulations or to review of such laws and regulations by certain governmental or regulatory bodies. Each potential investor should consult its legal advisers to determine whether and to what extent: (a) the relevant Sukuk constitutes legal investments for it; (b) the relevant Sukuk can be used as collateral for various types of financing; and (c) other restrictions apply to any purchase or pledge of any Sukuk by the investor. Financial institutions should consult their legal advisors or appropriate regulators to determine the appropriate transaction for the relevant Sukuk under any applicable risk-based capital or similar rules and regulations to avoid breaching any laws and regulations, or the provisions of contracts or agreements to which they are party.

5-3-3 Risks related to currency conversion for holders of Saudi Riyal-denominated Sukuk

Sukukholders will be paid in Saudi Riyals. If the investor's financial activities are primarily denominated in a currency other than Saudi Riyals, they will be exposed to certain currency conversion risks. These risks include: (i) the risk that exchange rates may significantly change (including changes due to the devaluation of the Saudi Arabian Riyal or revaluation of the investor's currency); and (ii) the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. In recent years, exchange rates between certain currencies have been volatile, and such exchange rate volatility may continue in the future. Any appreciation of the investor's currency relative to the Saudi Riyal would reduce the equivalent value in that investor's currencies of the Periodic Distribution Amounts and any partial Periodic Distribution Amount payable in respect of the relevant Sukuk, the equivalent value in that investor's currencies of the liquidation distribution amount payable on the relevant Sukuk, and the equivalent market value in that investor's currencies of such Sukuk. In addition, exchange controls could adversely affect the availability of a specified foreign currency at the time of payment of amounts on the relevant Sukuk. As a result, investors may receive less than expected, or no payment at all.

5-3-4 Risks related to investing in Securities in emerging markets

Investing in securities involving emerging markets, such as Saudi Arabia, generally involves a higher degree of risk than investments in securities of Issuers from more developed countries. Generally, investments in emerging markets are only suitable for sophisticated investors who fully recognise, and are familiar with, the type and magnitude of the risks involved in investing in emerging markets.

The Saudi Arabian economy is vulnerable to future adverse effects similar to those experienced by other emerging market countries. In addition, as a result of "contagion," Saudi Arabia could be negatively affected by adverse economic or financial developments in other emerging market countries. Key factors affecting the environment

include the timing and magnitude of interest rate increases in the United States, further evidence of an economic slowdown in China, geopolitical tensions in the Middle East, and other significant and similar global events.

Accordingly, there can be no assurance that securities with emerging market risk—such as the Sukuk issued under the Program—will not be adversely affected by events elsewhere, particularly in emerging markets.

5-3-5 Risks related to the unsecured nature of the Sukuk

A Sukuk of any series is an unsecured obligation of the Issuer, meaning that Sukukholders have no security interest in the Issuer's assets. In the event of liquidation, Sukukholders will rely solely on the Issuer's obligations under the terms of the Sukuk and related documents. In the event that the Issuer fails to meet its financial obligations, Sukukholders cannot access the Issuer's assets to collect their dues.

This increases the risk to Sukukholders, as their rights are limited to claiming liquidation distributions or fulfilling specific obligations from the Issuer, without the right to resort to the Issuer's direct assets to settle these dues.

5-3-6 Risks related to the issuance of additional securities and their impact on the priority of recovery of sukukholders in the event of bankruptcy

The Issuer may issue additional securities of equal or higher priority than the Sukuk, which could adversely affect the Sukukholders' ability to recover their dues in the event of bankruptcy. Under the Saudi Bankruptcy Law, certain claims have priority, such as those of secured creditors. If these claims are settled first, there may not be enough funds left to fully repay the Sukukholders, increasing the risks of Sukuk-related investments.

5-3-7 Risks related to the lack of Sukuk guarantees

Sukukholders should be aware that no guarantees are provided regarding the Sukuk by the Issuer, its shareholders, or any Third-party. In the event of the Issuer's default, Sukukholders will not have recourse to specific financial collateral or assets to recover their losses. Consequently, the risk associated with investing in these Sukuk is significantly elevated, as repayment is solely contingent upon the Issuer's ability to fulfill its financial obligations.

5-3-8 Risks related to the permanent and immediate lack of liquidity

There is no guarantee that a secondary market for the Sukuk of any series will develop, that it will provide Sukukholders with investment liquidity, or that it will be maintained throughout the term of the Sukuk. Any sale of Sukuk by Sukukholders in any secondary market that may emerge and develop may be at a lower price than the original purchase price of the relevant Sukuk for various reasons, including the possibility that such a market may not be liquid. Accordingly, Sukukholders may not be able to sell their Sukuk easily or at prices that provide them with returns comparable to similar investments with a developed secondary market. An investor in the Sukuk must be prepared to hold the Sukuk until maturity. Lack of liquidity may have a material adverse effect on the market value of the Sukuk.

Furthermore, the process of transferring ownership of any Sukuk is subject to the regulations and procedures of the Registrar and Tadawul. The transfer of Sukuk may be subject to fees imposed by the Registrar and Tadawul, with all such fees being borne solely by the transferor and transferee Sukukholders. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such charges imposed by the Registrar or Tadawul.

5-3-9 Risks related to call option and early redemption of Sukuk for tax reasons and their impact on Sukukholders' returns and reinvestment potential.

If the call option provision is exercised, as will be specified in the Applicable Final Terms, the Sukuk may be redeemed at the Issuer's option (in whole, but not in part) on the voluntary redemption date of the Sukuk series for the relevant Liquidation Distribution Amount.

In addition, the Sukuk may be redeemed prior to their scheduled maturity date if the Issuer is obligated or becomes obligated to pay additional amounts to fund each Periodic Distribution Amount, any Premium Amount, any Partial Periodic Distribution Amounts, or the relevant Liquidation Distribution Amount due to Condition 14-2-16 (*Taxation*), and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. In such cases, the Issuer may redeem the Sukuk prior to their scheduled maturity. Early redemption in either case could reduce the return the Sukukholder would have realised had the Sukuk been redeemed on the scheduled maturity date.

The call option feature) of any Sukuk is likely to limit its market value. During any period in which the Issuer may elect to redeem the Sukuk, the market value of those Sukuk will generally not rise substantially above the liquidation amount payable. This may also be true prior to any resolution and liquidation period. The Issuer may be expected to redeem the Sukuk when the cost of funding is lower than the profit rate on the Sukuk. At such times, the investor will generally not be able to reinvest the redemption proceeds at an effective profit rate equal to the Sukuk profit rate and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

5-3-10 Risks related to rating downgrades and the performance of similar securities

Credit ratings play a significant role in determining credit spreads and secondary market trading prices for debt issues. External factors beyond the Issuer's control may adversely affect the credit rating assigned to debt instruments, just as positive rating actions for comparable real estate finance entities may occur. This susceptibility to external influences could negatively impact investor sentiment regarding the risk-return profile of the Sukuk issued under this Programme, potentially leading to increased market price volatility.

5-3-11 Risks related to the Issuer obtaining an unfavorable future rating

The Issuer has obtained a local credit rating of (BBB- (sau)) from Fitch Australia Pty Ltd – Saudi Arabia Branch. This is a rating that is more quickly and adversely affected by negative economic conditions compared to higher ratings. The Issuer has also obtained a programme credit rating of [(BBB-)] from Fitch Australia Pty Ltd – Saudi Arabia Branch. A future downgrade in the credit rating, or the assignment of an unfavourable credit rating, may impact credit margins, given the significant role credit ratings play in determining the cost of funding. Credit ratings represent an assessment by credit rating agencies of a company's financial condition, operating performance, strategic position and ability to meet its financial obligations.

Furthermore, a downgrade in the credit rating would lead to increased financing costs, reduced liquidity, and difficulties in issuing new debt instruments on favorable terms. This, in turn, would have an adverse effect on the Issuer's financial position. It could also hinder the Issuer's ability to issue equity or debt, or make the terms less favorable. Financiers may also impose stricter terms on future financing or refinancing agreements, affecting the Issuer's profit margins, business, results of operations, cash flows, and financial condition.

5-3-12 Risks related to the Saudi Interbank Offered Rate (SAIBOR) and its impact on Sukuk with variable periodic distribution

Effective 2 January 2022G, the Saudi Interbank Offered Rate (SAIBOR) methodology was gradually strengthened. The applicable margin percentage was set to reflect the offered rate relative to the SAIBOR required rate at 16%, with no cap applied from 2 January 2022G to 19 November 2022G. Effective 20 November 2022G, the margin ratio began to be gradually reduced from 16% to 9% by 30 November 2022G. On 1 December 2022G, a new maximum margin of 50 basis points was introduced, gradually reducing it to 20 basis points by 15 December 2022G. From 15 December 2022G, the margin ratio has been permanently fixed at 9% and the maximum at 20 basis points.

Any material changes to the SAIBOR calculation methodology or the cessation of its publication could have direct adverse effects on investors. For example, such changes could lead to instability in the rate of return, making it difficult to predict the level of returns generated by Sukuk with variable periodic distribution. Also, any modification to the SAIBOR rate or its replacement with another index could cause a decline in the value of the Sukuk if the new index does not closely represent the actual market, increasing investors' financial risks.

Furthermore, any deviation from historical levels in SAIBOR performance could affect the market liquidity of Sukuk and reduce their attractiveness to new investors. As a last resort, uncompetitive fixed rates may be imposed, potentially reducing potential long-term returns. Given these risks, investors should be aware of the potential adverse effect of any changes in SAIBOR calculations on the value and income of Sukuk and ensure they consult their financial advisors to carefully assess these risks before making any investment decisions.

5-3-13 Risks related to Shari'ah-compliance and its impact on Sukuk

The Shariah Committee has confirmed to the Issuer that the Sukuk Documents are, in its opinion, Shariah-compliant. However, there is no assurance that the Sukuk will be Shariah-compliant, as there can be no assurance that the Sukuk Documents or the issuance and trading of any series of Sukuk will be deemed Shariah-compliant by other Shariah authorities or Shariah scholars. Nor does the Issuer, the Dealer(s), the Financial Advisors and Arrangers, the Sukukholders' Agent, or the Payment Administrator provide any assurance to potential investors regarding the Sukuk's Shariah compliance. Prospective investors should note that differences in jurisprudential opinions are possible, as different Shariah standards may be applied by different Shariah authorities.

Prospective investors should obtain independent Shariah advice regarding the Sukuk Documents' Shariah compliance and ensure that the Sukuk meets their individual compliance criteria, including the issuance and trading of Sukuk in secondary markets.

Potential investors should also note that the performance of any obligations related to the Sukuk Documents may, in the event of a dispute, be subject to the proceedings of courts and judicial committees under the laws of the Kingdom of Saudi Arabia. In such cases, the courts will interpret the terms contained in the Sukuk Documents in accordance with the laws of the Kingdom of Saudi Arabia governing such documents. Although the laws of the Kingdom of Saudi Arabia are based on the provisions of Islamic Sharia, various courts and judicial committees in the Kingdom (including relevant judicial committees) may adopt different interpretations of Sharia principles.

5-3-14 Risks related to the trading, clearing, and settlement of the Sukuk

Each series of Sukuk will be accepted into the Registrar's clearing and settlement system. However, no assurance can be provided that the clearing or settlement of the Sukuk will be free from interruptions or errors arising from inexperience or unfamiliarity with the relevant trading, clearing, and settlement systems, or from deficiencies within those systems. Arrangers and Dealer(s) are not obligated to provide prices for the Sukuk or establish a market for

them. Any sale of a particular Sukuk series by Sukukholders in any secondary market may be at a price lower than the original purchase price for such Sukuk.

5-3-15 Risks related to the Registry Agreement

Completion of the registration of Sukuk under any Sukuk series on Tadawul and their trading by investors requires the signing of a registration agreement with the Depository. However, as of the relevant issuance date for any Sukuk issue, the registration agreement may not have been executed and no Sukuk may have been registered with the Registrar. Investors should be aware that trading of Sukuk through the Depository System may not be immediately possible as of the closing date of the subscription period for the relevant issue under the Programme Agreement (as defined in section (15) (*Subscription Declarations*) of this Base Prospectus). The registration agreement may not have been concluded by the closing date of the subscription period, potentially delaying the Sukuk's registration in the system at that time. Consequently, completing this registration may require a period, albeit short, before an investor can trade the Sukuk. This could temporarily affect investors' ability to trade the Sukuk in the short term after closing. Therefore, the Issuer commits to signing the Registration Agreement and securing Sukuk registration through the Depository System as soon as practicably possible.

5-3-16 Risks related to majority resolutions in the meetings of Sukukholders.

The Terms and Conditions include provisions relating to calling Sukukholders to meetings to discuss matters affecting their interests. These provisions allow a specified majority to bind the remaining Sukukholders, including those who didn't attend, didn't vote, or voted against the majority. The provisions for any meeting in the Terms and Sukuk Documents are entirely subject to the Companies Law, which takes precedence.

5-3-17 Risks related to the Murabaha Transactions

Risks Relating to Taxation

With respect to each Sukuk Series, according to the Murabaha Agreement (as defined in the Conditions), the Purchaser acquires commodities from the Seller (as defined in the Murabaha Agreement) to sell them to independent purchasers in a commodity market. Upon purchase and acceptance of a sale offer, the Purchaser legally owns the commodities for a limited time. This ownership or subsequent sale may become subject to increased taxation due to changes in law. Increased tax costs for the Buyer's acquisition or sale of commodities will adversely affect the Buyer's ability to meet its obligations (including payment obligations) related to the relevant Series.

Risks related to price volatility

Commodity trading prices largely depend on the general Condition of the commodity market. Oversupply and undersupply significantly impact commodity trading prices. If oversupply or dumping occurs in the commodities market after the Issuer buys commodities, the price at which the commodities can be sold or purchased may decrease. This commodity trading adversely affects the Issuer's ability to achieve satisfactory returns from selling the commodities.

Conversely, a shortage in commodity supply may cause unexpected price increases, raising the cost of owning or selling commodities to independent buyers. The Issuer's ability to obtain necessary commodity quantities at competitive prices may be negatively affected by this shortage, which could impair satisfactory returns and increase financial pressure.

Additional import or export licenses or new government requirements in the commodities market after the Issuer purchases commodities may also adversely affect the prices of commodities offered or sold.

These price fluctuations directly affect the Issuer's ability to obtain satisfactory prices for commodities offered for sale. This, in turn, adversely affects the Issuer's ability to fulfill its obligations (including payment obligations) under the Murabaha Agreement and, consequently, its obligations related to the relevant Sukuk Series.

Risks related to commodities

When purchasing goods from the Seller and before selling them to a third-party purchaser, the Purchaser bears the operational risks of ownership for a limited time. These risks include, without limitation:

- a. The goods may suffer damage that reduces their value during storage or transportation.
- b. The Purchaser's storage and/or transportation of the commodities may cause environmental damage (pollution, leakage, or contamination), potentially violating environmental laws or regulations and making the buyer liable to legal or financial penalties.
- c. The commodities may be subject to theft and/or vandalism.
- d. The commodities may be damaged by terrorist attacks, natural disasters, fires, or other catastrophic events beyond the buyer's control.

To the extent that these risks are not fully mitigated or covered by insurance on the underlying commodities, any such event could materially and adversely affect the value of the commodities and/or the Purchaser's ability to sell them. This could, in turn, affect the Purchaser's ability to meet its obligations (including payment obligations) under the Murabaha Agreement and, consequently, the Issuer's ability to meet its obligations (including payment obligations) related to the relevant Sukuk Series.

Risks Related to suppliers

The Issuer should acquire and sell certain quantities and types of commodities from time to time at satisfactory prices to fulfill its obligations under the Murabaha Agreement and relating to the Sukuk. The Purchaser's ability to perform these obligations (including payment obligations) could be materially and adversely affected if the Purchaser is unable to secure the required quantities or types of commodities from suppliers.

5-3-18 Risks related to the Mudaraba Assets

Under the Mudaraba Agreement, at least 51% of the offering proceeds of each Sukuk series, less the available amount, will be invested directly in the Issuer's business to generate profits. These profits will be used, under certain circumstances described in the Terms, to pay Sukukholders in connection with the Sukuk. If any of the risks related to the Issuer's business occur or affect the Issuer's business, the value of the investment in these Mudaraba Assets and the profits earned from them may decline. This could materially and adversely affect the Issuer's ability to meet its payment obligations for the relevant Sukuk series.

5-3-19 Risks associated with payments under Sukuk

Sukukholders should note that the Periodic Distribution Amounts or Partial Periodic Distribution Amounts on the relevant Payment Date will be paid solely from the Mudaraba profits and not from any Murabaha income. Accordingly, periodic distributions to Sukukholders depend solely on the profits of the Mudaraba, which exposes them to the risk of reduced or irregular returns in the event of weak performance of the Mudaraba activity. This may affect the Issuer's ability to meet its obligations towards the Sukukholders.

5-3-20 Risks related to taking investment decisions as a result of the interpretation of the statistical data contained in this Base Prospectus by prospective investors

The statistics in this Base Prospectus (e.g., GDP, inflation, market size, government debt, the real estate finance sector, and the annual financial results of real estate finance companies) should be interpreted cautiously. They were obtained from sources including the General Authority for Statistics (GASTAT), the Saudi Central Bank, the Capital Market Authority, the International Monetary Fund (IMF), and OPEC. These statistics, as well as financial ratios and analyses based on this data, may not have been compiled like data from other sources and may differ from statistics published by third parties. This reflects that underlying assumptions and methodologies can vary between sources. There may also be significant discrepancies between preliminary, estimated, or projected statistics in this Base Prospectus and actual results, as well as between the statistics in this Base Prospectus and comparable data previously disclosed by or on behalf of the parties mentioned above.

5-3-21 Risks related to the governing law and jurisdiction

Each Sukuk series and the Transaction Documents are subject to and must be interpreted according to Saudi Shariah-based laws. The relevant principles of Islamic law are generally construed and applied pursuant to the teachings of certain schools of jurisprudence. In this regard, the Saudi courts may decline to enforce any contractual or other obligations (including any provisions relating to the payment of profit) if it is their view that the enforcement thereof would be contrary to the principles of Shari'ah.

Several Saudi courts have jurisdiction over specific types of claims, with commercial disputes falling under the jurisdiction of commercial courts. Commercial disputes do not include disputes from transactions governed by the Capital Market Law and its related laws and regulations. Disputes arising under the Capital Market Law of the KSA (issued by Royal Decree No. (M/30) dated 2/6/1424H (corresponding to 1/8/2003G) as amended by Royal Decree No. (M/16) dated 19/1/1441H (corresponding to 18/9/2019G)) and its executive regulations are heard before a quasi-judicial body known as the Committee for the Resolution of Securities Disputes established pursuant to paragraph (a) of Article 30 of the Capital Market Law and the appeal Committee for the Resolution of Securities Conflicts formed pursuant to paragraph (i) of Article 30 of the Capital Market Law (the "**Committees**").

Subject to Condition 14-2-20 (*Governing Law and Jurisdiction*), the Committees have exclusive jurisdiction to hear and decide any claim or legal proceeding and to settle any disputes arising from or related to the Sukuk. Prospective Sukukholders should note that, to the Issuer's knowledge, securities similar to the Sukuk have not been the subject of judicial interpretation or enforcement in the Kingdom.

However, investors should be aware that the Kingdom's courts and judicial committees, including the Committees, have broad discretion in how to apply Sharia principles to specific facts. Prior decisions of these courts and committees are not binding precedents for subsequent disputes. Furthermore, the decisions of the various courts and judicial committees within the Kingdom, as well as royal decrees, orders, ministerial decisions, departmental circulars, and other pronouncements issued by official bodies in the Kingdom that possess the force of law, are not typically indexed and compiled in a centralised, fixed repository, nor are they consistently made available to the public. Therefore, it is uncertain how and to what extent the Sukuk, the Conditions, and/or the Sukuk Documents will be enforced by the relevant Committees or any Saudi court or judicial body, should such jurisdiction become necessary.

In some cases, obtaining legal remedies under Saudi law may not be possible in a timely manner. As a result of these and other factors, the outcome of any legal disputes in the Kingdom may be uncertain, which may adversely affect the value of the Sukuk.

5-3-22 Risks related to the Court's ability to enforce specific performance of the Issuer's obligations Under the Sukuk Documents

If the Issuer fails to perform its obligations under any Sukuk Series or any Sukuk Document, potential remedies for the Sukukholders' Agent (on behalf of the Sukukholders) include: (i) obtaining an order enforcing specific performance of the Issuer's obligations, or (ii) claiming damages.

There is no assurance that a court will order specific performance, as such remedies are generally discretionary. Injunctive relief, awards of specific performance, and other judicial remedies are rarely granted within the Kingdom. The number of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Sukukholders' Agent and the Sukukholders to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Issuer to perform its obligations set out in the Sukuk and the Sukuk Documents. Damages for loss of profits, consequential damages or other speculative damages are not awarded in the Kingdom by the courts or other adjudicatory authorities, and only actual, direct and proven damages are awarded. Therefore, the level of damages a court may award for the Issuer's breach of obligations under the Sukuk Documents is uncertain.

5-3-23 Risks related to regulatory changes and their impact on the Issuer's ability to fulfill its obligations under the Sukuk Documents

The structure of each Sukuk issuance under the Programme is based on Saudi Arabian law as of the date of this Base Prospectus. No assurance can be given about the impact of any potential court decision or change in Saudi Arabian law or administrative practice after the date of this Base Prospectus. The risk lies in the possibility that any change in the Kingdom's regulations or the issuance of new judicial decisions may affect the validity or enforceability of the Sukuk structure as set out in the issuance documents, which could limit the Issuer's ability to meet its obligations towards the Sukukholders.

5-3-24 Risks related to compliance with the Bankruptcy Law and related laws and their impact on the Issuer's ability to fulfill its obligations under the Sukuk Documents

The Bankruptcy Law was issued under Royal Decree No. M/50 dated 28/05/1439H (corresponding to 14/02/2018G) (the "**Bankruptcy Law**"), establishing general bankruptcy procedures. If the Issuer's insolvency satisfied the eligibility conditions for such bankruptcy procedures, this could adversely affect the Issuer's ability to perform its obligations in respect of the Sukuk. There is little precedent to predict how claims by or on behalf of the Sukukholders would be resolved in the event of the Issuer satisfying the eligibility conditions of any such bankruptcy procedures and, accordingly, it is uncertain exactly how and to what extent the Sukuk Documents would be enforced by a Saudi Arabian adjudicatory body in that situation and, therefore, there can be no assurance that Sukukholders will receive repayment of their claims in full or at all in these circumstances.

In addition, there is a material likelihood that a Saudi Arabian adjudicatory body could consider void a contractual provision that seeks to terminate a contract in the event of a preventative settlement or financial restructuring process being instigated. This is based on Article 23 of the Bankruptcy Law, which states that contracts should continue during preventative settlement or financial restructuring processes and any Condition to the contrary is null and void. Whilst there is an exemption for finance contracts, it is not clear whether the Conditions or the Sukuk Documents will fall within the scope of this exemption. It is open to a contractual party to apply for its contract to be terminated, pursuant to article 24 of the Bankruptcy Law, if the party undergoing preventative settlement fails to comply with its obligations in the period after the commencement of preventative settlement. Furthermore, in accordance with Article 27 of the Law of Systemically Important Financial Institutions, any application for bankruptcy proceedings concerning the relevant financial institution is subject to the approval of the Saudi Central

Bank. This approval requirement enables the Saudi Central Bank to initiate a remediation plan for the financial institution as an alternative to bankruptcy proceedings.

5-3-25 Risks related to the failure of judicial authorities in the Kingdom to enforce all events of default under the Sukuk Documents

There is a risk that Saudi courts and judicial committees may limit enforcement of defaults under the Sukuk Documents to those directly related to the non-payment of due amounts. The risk lies in the possibility that the judicial authorities in the Kingdom may not enforce all events of default set out in the Sukuk documents, except for defaults relating to non-payment of amounts due, which would limit the Sukukholders' ability to assert their legal rights in the event of other defaults by the Issuer.

5-3-26 Risks related to fines and compensation

The judicial system of Saudi Arabia, which is founded upon Islamic Sharia principles, emphasises the award of compensation for actual losses rather than the imposition of punitive fines. Consequently, if a court or judicial committee in the Kingdom construes any provision within the Sukuk Documents as an agreement to pay a penalty rather than a genuine pre-estimate of actual damages, that provision may not be enforceable.

Furthermore, any compensation provided by the Issuer pursuant to the Sukuk Documents or in relation to any Sukuk series may not be enforceable under Saudi laws and regulations if it (a) purports to be effective notwithstanding any conflicting judgment or court order, or (b) contravenes any applicable law or public policy.

5-3-27 Risks related to tax implications in Saudi Arabia

Sukukholders may be subject to income tax, withholding tax, Zakat, or other taxation in the Kingdom as a result of acquiring, holding, or disposing of the Sukuk. Potential Sukukholders should seek professional advice on the tax implications of acquiring, holding, or disposing of the Sukuk. For a further information of taxation and zakat issues relating to the purchase, holding or disposition of the Sukuk, see the Section (16) (*Taxation and Zakat*) of this Base Prospectus.

5-3-28 Risks related to notices

The Electronic Transactions Law was issued pursuant to Royal Decree No. M/18 dated 08/03/1428H (corresponding to 26 March 2007G) as amended pursuant to Royal Decree No. M/57 dated 01/08/1436H (corresponding to 19 May 2015G). According to the law, notices given by way of facsimile or other electronic means are prima facie acceptable forms of notification in the Saudi Courts.

Parties to an agreement governed by Saudi law which stipulates that notices may be given by way of facsimile or other electronic means may rely on such notices, provided that such provisions are stipulated in the relevant agreement as the agreed form of communication between such parties, as clarified by Circular No. 34 dated 24/04/1439H.

The risk lies in the possibility that notices relating to the Sukuk, if sent through electronic means such as fax or email, may not be considered sufficient or legally binding if such means are not expressly provided for in the Sukuk documents. This may affect the effectiveness of legal communication between the Issuer and the Sukukholders and could lead to disputes or delays in proceedings.

5-3-29 Risks related to the Sukuk Ownership Registry

The Company also faces risks related to the potential cancellation of some real-estate title deeds financed thereby by competent agencies in case of unlawful issuance of such deeds or if they have a regulatory default as defined by such agencies. Accordingly, in case of the emergence of any resulting risks, this would have a material adverse impact on the Company's business, results of operations, financial position and prospects.

5-3-30 Risks related to continuing obligations following the issuance of Sukuk

This Sukuk Programme represents the Issuer's first experience issuing securities to the public. The new issuance will provide the Issuer with the opportunity to reach a broader investor base and increase liquidity channels. However, it will also require the Issuer to comply with additional CMA regulations, particularly those related to ongoing obligations. This compliance requires compliance with the applicable provisions of Part (7) ("Continuing Obligations") of the Rules on the Offer of Securities and Continuing Obligations. Disclosures made by the Issuer to the public must be complete, clear, accurate, and not misleading. This includes, but is not limited to:

- Within three months of the end of the financial year, the Issuer must submit to the CMA a report issued by the board of directors, which must also be made available to shareholders;
- Disclosing certain events in accordance with Article 80 "Disclosure of Certain Events" of the Rules on the Offer of Securities and Continuing Obligations.
- Any material changes in the Issuer's business that are not generally known and could affect its assets, liabilities, financial position, or normal course of business must be disclosed to the CMA and the general public immediately.

Failure to comply with these requirements may result in violations that may require remedial action, in addition to other appropriate steps required by the Authority, which may include exercising the Authority's authority to suspend or delist the Issuer's securities and taking other actions in accordance with its rules.



6 The Company and the nature of its business

6-1 Company Overview

Bidaya Finance (formerly known as Bidaya Home Finance) is a Saudi closed joint stock company established under the Companies Law of the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010432564 issued in Riyadh dated 25/06/1436H (corresponding to 14/04/2015G). The Company was granted a license no. 41/ع ش/201512 in December 2015G by the Saudi Central Bank ("SAMA") to offer real estate finance activities. In addition to its real estate financing activities, the Company completed, in August 2025, the process of obtaining a licence from the Saudi Central Bank to conduct productive asset financing, small and medium-sized enterprises financing, financial leasing, and consumer financing activities in the Kingdom of Saudi Arabia, in accordance with the Finance Companies Control Law and its Implementing Regulations.

The Company's registered office is on the 20th Floor Al Ebda'a Tower, King Fahad Road, P.O. Box 93898, Riyadh 11683, KSA.

6-2 Corporate History

The Company's concept was initially promoted by the Saudi Public Investment Fund (PIF) and Islamic Corporation for the Development of the Private Sector (ICD) with the goal of establishing a national and innovative home financing solution for KSA. The Company was eventually founded and launched as a Saudi closed joint stock Company with a total paid-up equity capital of SAR 900 million. Headquartered in Riyadh, the Company is licensed and regulated by SAMA, and offers a variety of Shari'ah-compliant home financing products to end-users and partners.

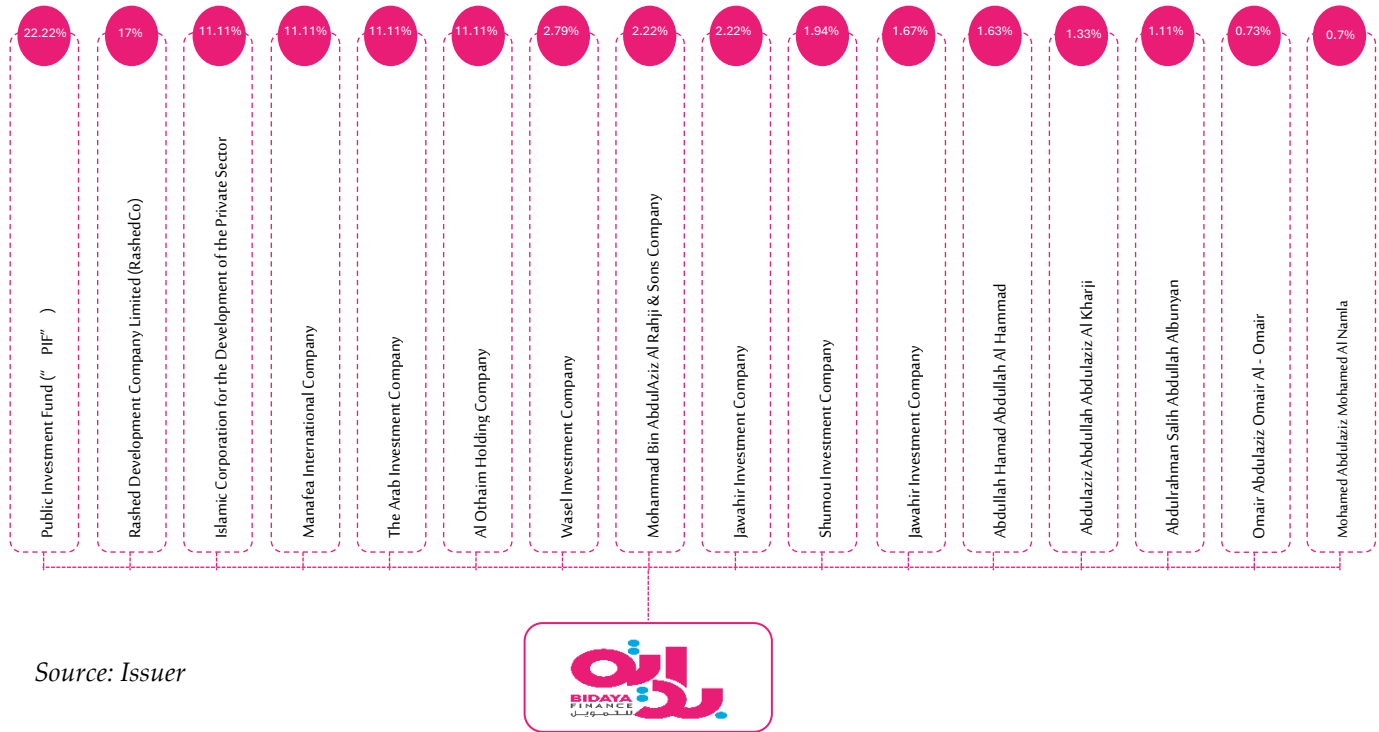
Following the granting of the SAMA license in December 2015G, a soft launch took place on 27 January 2016G through a high-profile event that was attended by a wide segment of society. Though the Company commenced commercial operations in January 2016G, the financing activity ramped up from March 2016G onward. By virtue of its creative strategy, the Company managed to establish itself as a key player in the Islamic real estate funding sector in KSA. The Company provides distinctive products, such as lease-to-own financing and Murabaha contracts, with the aim of supporting the strategic objectives of the Housing Program.

The Company focuses its efforts on enhancing home ownership opportunities for Saudi households through strategic partnerships with the Ministry of Municipalities and Housing, the Real Estate Development Fund, and the Saudi Real Estate Refinance Company. In addition, the Company seeks to expand the scope of its services to meet the needs of various segments of society across both the retail and business sectors by developing integrated solutions that address their diverse requirements.

6-3 Organisational Description of the Company

Bidaya Finance Company is owned by sixteen (16) shareholders. It is worth noting that the Company is not part of any group and does not own any subsidiaries, as illustrated in the following chart:

Figure No. (1): Organisational Structure



6-4 Share Capital of the Company

The authorised, issued and fully paid-up share capital of the Company is (SAR 900,000,000) nine hundred million Saudi riyals divided into (90,000,000) ninety million ordinary shares with a nominal value and fully paid up of (10) ten Saudi riyals per share.

6-5 Ownership Structure

Table No. (11): Bidaya Finance Company's Direct Ownership Structure

Names of Shareholders	Investor Type	No. of Shares	Share Value	Holding Date	Holding Percentage (%) as of the date of this Base Prospectus
Public Investment Fund ("PIF")	<i>A governmental entity</i>	20,000,000	200,000,000	14/04/2015G	22.22%
Rashed Development Company Limited (RashedCo)	A company	15,300,000	153,000,000	14/04/2015G	17.00%
Islamic Corporation for the Development of the Private Sector	A public institution	10,000,000	100,000,000	14/04/2015G	11.11%
Manafea International Company	A company	10,000,000	100,000,000	14/04/2015G	11.11%
The Arab Investment Company	A company	10,000,000	100,000,000	14/04/2015G	11.11%
Al Othaim Holding Company	A company	10,000,000	100,000,000	14/04/2015G	11.11%
Wasel Investment Company	A company	2,506,696	25,066,960	31/03/2022G	2.79%
Mohammad Bin AbdulAziz Al Rahji & Sons Company	A company	2,000,000	20,000,000	31/03/2022G	2.22%
Jawahir Investment Company	A company	2,000,000	20,000,000	14/04/2015G	2.22%
Shumou Investment Company	A company	1,747,625	17,476,250	31/03/2022G	1.94%
Jawahir Investment Company	A company	1,500,000	15,000,000	14/04/2015G	1.67%
Abdullah Hamad Abdullah Al Hammad	An individual	1,458,026	14,580,260	20/07/2023G	1.62%
Abdulaziz Abdullah Abdulaziz Al Kharji	An individual	1,200,000	12,000,000	28/07/2022G	1.33%
Abdulrahman Salih Abdullah Albunyan	An individual	1,000,000	10,000,000	31/08/2023G	1.11%
Omair Abdulaziz Omair Al - Omair	An individual	660,716	6,607,160	31/03/2022G	0.73%
Mohamed Abdulaziz Mohamed Al Namla	An individual	626,937	6,269,370	24/11/2024G	0.70%
Total		90,000,000	900,000,000		100.00%

Source: Issuer

6-6 Overview of the Current Major Shareholders

6-6-1 Public Investment Fund ("PIF")

The Public Investment Fund is the largest shareholder in the Company. It was established in 1391H (corresponding to 1971G) pursuant to Royal Decree No. (M/24). The concept of "sovereign wealth funds" owned by countries around the world emerged from the need to safeguard and stabilise national budgets and economies—particularly in response to extreme fluctuations in revenues and exports. These funds aim to generate higher returns on cash reserves, help nations utilise liquidity efficiently, and boost savings for future generations. "Sovereign wealth funds" operate with independence, with most of their resources derived from commodity revenues. They aim to invest a portion of financial surpluses in viable investment opportunities. The Fund carries out its operations to fulfill its investment responsibilities within the Kingdom, particularly as these responsibilities have become closely aligned with the objectives of Vision 2030G. Over the past decades, the Fund has played a pivotal role as a national economic

pillar by establishing major vital companies locally and supporting numerous strategic projects that have strengthened the national economy. This exceptional role played by the Fund enabled the Kingdom's economy to achieve significant qualitative leaps, positioning it to join the G20 of the world's strongest economies.

In 1436H (corresponding to 2015G), the Fund experienced a transformative shift in its journey following the issuance of the Cabinet Decision No. (270), which stipulates its affiliation with the Council of Economic and Development Affairs. The Fund's Board of Directors was restructured under the chairmanship of His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, the Crown Prince, Prime Minister, Chairman of the Council of Economic and Development Affairs, and Chairman of the Public Investment Fund Board. Since then, the Board of Directors has worked on establishing a clear strategic vision for the Fund, aligned with the objectives of Saudi Vision 2030G, with the goal of building a sustainable and diversified economy.

The Public Investment Fund focuses on building a diversified and high-quality investment portfolio that includes both domestic and international investments across multiple sectors and geographic regions. Through collaboration with global strategic partners and leading investment managers, the Fund serves as a key investment arm of the Kingdom, aiming to generate high financial returns and create long-term value. The Fund seeks to become a global investment powerhouse and the most influential sovereign wealth fund in the world, with a focus on creating new sectors and opportunities that help shape the future global economy, in addition to supporting the Kingdom's economic transformation.

The Fund's mission is to engage in active, long-term investments to achieve sustainable returns, to become the preferred global investment partner, and to drive economic development and diversification of the Saudi economy, thereby enhancing the Kingdom's position on the international stage.

6-6-2 Rashed Development Company Limited (RashedCo)

The Company was established in 1950 in the city of Al Khobar in the Kingdom of Saudi Arabia, and the Group conducts its economic activities across a wide range of sectors, such as: Trade and industry, contracting, real estate development, and services.

6-6-3 Islamic Corporation for the Development of the Private Sector

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral development financial institution and a member of the Islamic Development Bank Group (IsDB). The Corporation was established in November 1999 to support economic development in member countries by providing financing for private sector projects, promoting competition and entrepreneurship, offering advisory services to governments, and encouraging cross-border investments.

The Corporation's authorised capital amounts to four (4) billion US dollars, of which two (2) billion US dollars are available for subscription. The Corporation's shareholding structure consists of the Islamic Development Bank (45%), 56 member countries (46%), and 5 public financial institutions (9%). The Corporation aims to establish, expand, and modernise the private sector by financing companies or projects. The Corporation selects projects based on their contribution to economic development, considering factors such as job creation and contribution to exports. The Corporation also provides advisory services to governments and private sector institutions regarding policies aimed at enhancing the efficiency of sector operations, developing capital markets, and promoting best business practices. In addition, the Corporation works to complement the activities of the Islamic Development Bank in member countries, as well as the activities of international financial institutions.

6-6-4 Manafea International Company

Manafea International Company was established in 2006 in the city of Jeddah, in the Kingdom of Saudi Arabia. It is a limited liability Company engaging in several activities, including: Commercial services, the purchase of land and real estate for the purpose of development, investment through sale and leasing on behalf of the Company, as well as maintenance and operations.

6-6-5 The Arab Investment Company

The Arab Investment Company was established in mid-1974. It is an Arab joint-stock Company owned by the governments of seventeen Arab countries, with an authorised capital of 1,200 million US dollars and a paid-up capital of 1,059 million US dollars.

The primary purpose of the Company, as defined in its Bylaws, is *"to invest Arab funds with the aim of developing Arab resources by participating in investment projects across the agriculture, industry, trade, transportation, and services sectors, based on sound economic and commercial principles, thereby supporting and advancing the Arab economy."* The Company enjoys all the guarantees and privileges provided by the investment laws applicable in the participating countries, including full freedom of capital movement and protection from nationalisation and confiscation.

The Company conducts its activities in two main areas:

- Investing in economically viable projects within the agricultural, industrial, and service sectors across the Arab countries.
- Providing banking and financial services to private and public sector institutions both within and outside the Arab countries.

6-6-6 Al Othaim Holding Company

Al Othaim Holding Company was established in 1376H (corresponding to 1956G) under the name of Saleh Al Othaim Trading Establishment. It is a leading Saudi holding Company specializing in investment, headquartered in Riyadh, the capital of the Kingdom of Saudi Arabia. Al Othaim Holding boasts over 60 years of high-level investment experience in Saudi Arabia and the Middle East, making it one of the largest and most influential names in the Arab world in the field of investments.

The name was changed to Al Othaim Holding in 2005G. Al Othaim Holding Company utilises an integrated investment system that spans across various regions of the Kingdom. Its investment base is diversified across commercial, real estate, and investment activities. It serves as the parent Company under which a group of companies operates, including: Abdullah Al Othaim Markets Company, Al Othaim Investment and Real Estate Development Company, and Abdullah Al Othaim Tourism and Entertainment Company. As of 2008G, Al Othaim Holding completed its transformation from a private Company into a public joint-stock Company and listed one of its subsidiaries, *"Abdullah Al Othaim Markets, for trading on the Saudi Exchange"*.

6-7 The General Nature of the Company's Business

6-7-1 Overview of the Company's Business

The Company's core activity is providing Shari'ah-compliant financing through Ijarah and Murabaha contracts, supporting the housing program's strategic goals. The Company seeks to enhance opportunities for Saudi families

to own suitable homes, with a focus on the integration with the Ministry of Municipalities and Housing, the Real Estate Development Fund, and the Saudi Real Estate Refinance Company.

As part of its ongoing efforts to meet customer needs, the Company has developed integrated financing solutions targeting new customer segments across both the retail and business sectors. In this context, the Company has obtained the required regulatory approvals to add new financing activities, including consumer financing, financial leasing, small and medium-sized enterprises financing, and productive asset financing. These products have not yet been launched, as the Company is currently completing the development of the digital customer journey, the supporting technology infrastructure, and the related operational governance framework prior to launch. The Company intends to introduce these products gradually once readiness is achieved, in a manner that ensures an integrated digital experience and enhanced efficiency in customer service.

6-7-2 The Company's Business Model

Bidaya Finance Company's business model is centered on offering real estate financing as its primary product to clients. This financing is secured, with the Company retaining ownership of the title deed or holding a first-ranking mortgage on the real estate asset until all obligations are fully repaid. This type of financing naturally features risk-mitigating characteristics over time, as the property's value typically increases due to inflation, thereby reducing the loan-to-value (LTV) ratio. Additionally, the customer's equity in the property increases as the scheduled installments are paid. Moreover, the rising income of younger clients over time reduces the burden of installments as a percentage of their monthly income. The Company is also working to expand the financing solutions offered to customers in both the retail and business sectors in order to meet their evolving needs and expectations.

The Company's policies and procedures are designed in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia, while ensuring full compliance with the requirements of Islamic real estate financing. The Company has also adopted a unique business model that focuses on creating mutual benefit for both capital owners and corporate and retail clients. This approach enhances the efficiency of its operations and contributes to meeting market needs with flexibility and effectiveness.

The Company relies on its capital resources to finance new contracts and build a diversified financing portfolio, in addition to offering portfolio origination and management services for third parties. This diversification provides the Company with operational flexibility, enabling it to manage risks effectively and achieve sustainable returns. The Company also targets multiple segments in the market, including individuals and investors, in addition to collaborating with government entities to support The objectives of Saudi Vision 2030.

As part of the update to its business model and the expansion of its activities, the Company has obtained regulatory approvals to add a range of new financing activities, including consumer financing, financial leasing, small and medium-sized enterprises financing, and productive asset financing. It should be noted that, as of the date of this Prospectus, the Company has not yet commenced offering these products. The Company is currently completing the development of the digital customer journey, the related technology and regulatory infrastructure for each activity, and the update of relevant policies and procedures to ensure operational readiness and compliance with the applicable laws and regulations. The Company plans to launch these activities on a phased basis once the required operational capabilities are fully in place, in order to support its expansion and enhance its ability to serve a broader range of customers across both the retail and business sectors. For further information, please refer to Section ((6-7-12) 'The Company's Future Business and Expansion of its Business Model').

The real estate financing business model is designed in accordance with the requirements of Islamic real estate financing, as well as the laws and regulations of the Kingdom. The Company's business model follows a

comprehensive strategy known as “Originate–Season–Sell–Service,” a global approach in the real estate financing sector that combines operational efficiency and financial flexibility to achieve its objectives and serve its clients effectively. The following table outlines the key elements of the Company’s business model.

Table No. (12): The Company’s Business Model For Real Estate Financing

Item	Explanation
(1) Originate (Financing Portfolios)	The Company offers real estate financing based on a strict credit policy that takes into account the type and value of the property unit as well as the creditworthiness of the finance applicant. The Company seeks to originate financing portfolios based on the following strategies: Origination for Retention: Direct financing is intended to retain the property as a long-term asset on the Company’s balance sheet. This type of financing is directed toward commercial properties or clients who are not purchasing their first home, enabling the Company to achieve sustainable returns by investing in long-term value assets. Origination for Sale and Servicing: It focuses on facilitating first-time homeownership, with this type of financing specifically designed to support individuals in purchasing new homes, thereby enhancing first-time ownership opportunities. Origination for Servicing: This type targets middle- and low-income segments and is offered based on the terms of agreements signed between the Company and the Ministry of Municipalities and Housing, to support financing these segments in line with sustainable development policies. This classification aims to align real estate financing with the specific needs of beneficiaries, ensure that market requirements are met, and uphold regulatory standards and the requirements of related parties.
(2) Season	Retention of real estate financing portfolios on the balance sheet for a period ranging from 3 to 6 months, in accordance with the minimum regulatory requirements.
(3) Sale and Reinvestment	Sale of real estate financing portfolios to the Saudi Real Estate Refinance Company on a non-recourse basis. Reinvestment of proceeds from the sale into financing new contracts, thereby enhancing the Company’s ability to provide sustainable financing services.
(4) Servicing	Leveraging the Company’s operational capabilities to manage real estate financing portfolios, whether those portfolios have been sold to the Saudi Real Estate Refinance Company or originated on behalf of the Ministry of Municipalities and Housing. The servicing scope includes overseeing contract collections related to the portfolios and managing maintenance requests, ensuring performance quality and operational efficiency.

Source: Issuer

6-7-3 The Company's Digital Platform

Bidaya Finance Company is considered a pioneer in offering innovative financing solutions centered on digital transformation, which strengthens its position in the market. The Company continuously strives to enhance its services by accelerating digital transformation, with the goal of improving the customer experience and reducing service delivery times.

The Company relies on technology as a key driver of business growth and as a means to ensure the delivery of high-quality and efficient services. This is implemented through an integrated approach that encourages customers to engage with the Company's digital platform, which enables them to conveniently carry out a range of operations such as submitting documents, applying for financing, and tracking the status of their application. The Company facilitates this interaction through a streamlined three-step process accessible via its official website: www.bidaya.com.sa.

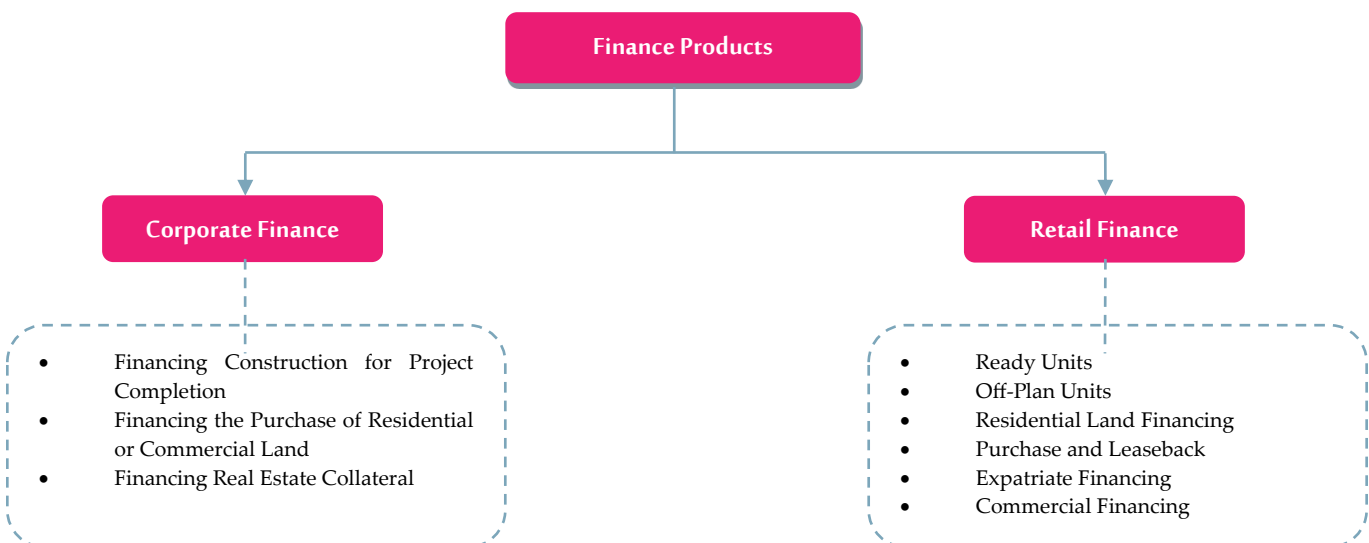
6-7-4 Description of the Financing Products Offered by the Company

The Company offers a diversified range of financing products designed to meet the varying needs of its retail and corporate customers, through financing structures that comply with the principles of Shariah, including Ijarah and Murabaha arrangements. These products include the Company's existing real estate financing products, as well as newly developed financing products introduced as part of the Company's expansion of its financing activities. Each of these products is described in further detail in Subsection 6-7-12 (*The Company's Future Business and Expansion of its Business Model*)

Through its digital platform, Bidaya Finance offers a comprehensive and integrated experience for clients, facilitating access to programs that support both sides of the market. This enhances operational efficiency and ensures exceptional service that meets customer needs in a smooth and effective manner.

The figure below illustrates the real estate financing products offered by the Company.

Figure No. (2): Real Estate Financing Products Offered by the Company



Source: Issuer

6-7-5 Individual Financing Programs

a. Residential Financing:

Table No. (13): Residential Financing Programs Offered by the Company

Residential Financing Programs	Description	Maximum Financing	Financing Term (in Years)	Rate (Fixed / Variable)	(Applicable / Not Applicable) to Beneficiaries of the Real Estate Development Fund
Ready Units	- It is an agreement between Bidaya (the lessor) and the client (the lessee) - The agreement includes a commitment to transfer ownership of the specified property, as stated in the title deed, to the client upon full repayment or completion of payments within a specified period. - Joint financing is available for first-degree relatives.	(5,000,000) Five Million Saudi Riyals	30 years, and 20 years for clients eligible under the Real Estate Development Fund beneficiary programs.	Financing is offered with a fixed-rate contract for clients eligible under the Real Estate Development Fund programs, while for non-eligible clients, financing contracts are concluded with a variable rate.	Applicable
Financing Planned Units (Forward Ijarah)	- These are Shariah-compliant financing contracts that include Takaful insurance coverage in the event of death, disability, or natural disasters. - This financing is offered for properties being developed by approved real estate developers participating in off-plan housing projects constructed by the Ministry of Housing. - An Istisna' contract is concluded between the approved developers and Bidaya, constituting a binding agreement for a deferred, specified item described in liability. Under this contract, Bidaya and the approved developers agree to construct real estate units with defined specifications within an agreed-upon timeframe. The developers receive installment payments during the construction period in return for executing the required works.	(5,000,000) Five Million Saudi Riyals	30 years, and 20 years for clients eligible under the Real Estate Development Fund beneficiary programs.	Fixed	Applicable

Residential Financing Programs	Description	Maximum Financing	Financing Term (in Years)	Rate (Fixed / Variable)	(Applicable / Not Applicable) to Beneficiaries of the Real Estate Development Fund
	Upon completion of construction, Bidaya acquires ownership of the property and leases it to the clients. Ownership of the property is then transferred to the client upon full settlement of the lease obligations. Joint financing is available for first-degree relatives.				
Land Financing	- This product offers a means to finance residential land through easy and specially tailored repayment plans for clients during the construction period. - The programme includes Takaful insurance coverage in the event of death, disability, and natural disasters. - Joint financing is available for first-degree relatives.	Up to 85% of the land value, with a maximum financing limit of (2,000,000) Two Million Saudi Riyals	20 years	Variable	N/A
Purchase and Leaseback	- It is an agreement between Bidaya Finance Company and the client, under which the Company acquires the property from the client and then leases it back to them through a financing contract secured by a mortgage. - This arrangement includes a commitment to transfer ownership of the property to the client upon full repayment or completion of payments within a pre-defined period. - This programme includes Takaful insurance coverage in the event of death, disability, and natural disasters. - Joint financing is available for first-degree relatives.	Up to 85% of the average market value of residential real estate assets and 75% of the average market value of commercial real estate assets, with a maximum financing limit of (25,000,000) Twenty-Five Million Saudi Riyals.	25 years	Variable	N/A
Expatriate Financing	Bidaya offers real estate financing for expatriates through a Shariah-compliant Ijarah arrangement, whereby an Ijarah agreement is	Up to 70% of the asset's value, with a maximum	15 years	Variable	N/A

Residential Financing Programs	Description	Maximum Financing	Financing Term (in Years)	Rate (Fixed / Variable)	(Applicable / Not Applicable) to Beneficiaries of the Real Estate Development Fund
	concluded between Bidaya Finance Company (the lessor) and the client (the lessee). - The agreement includes a commitment to transfer ownership of the specified property, as stated in the title deed, to the client upon full repayment or completion of payments within a specified period. - Bidaya organises the payments in accordance with the client's needs. - The programme includes Takaful insurance coverage in the event of death, disability, and natural disasters.	financing limit of (3,000,000) Three Million Saudi Riyals.			

Source: Issuer

b. Commercial Financing:

Table No. (14): Commercial Financing Programs Offered by the Company

Commercial Financing Programs	Description	Maximum Financing	Financing Term (in Years)	Rate (Fixed / Variable)
Ready Commercial Properties	- It is financing that is compliant with the principles of Shariah and includes the following: - Takaful insurance covering the financing amount in the event of death or disability. - Fire and natural disaster insurance coverage throughout the financing term.	Up to 75% of the asset's value, with a maximum financing limit of (5,000,000) Five Million Saudi Riyals.	25 years	Variable
Commercial lands	It is financing that complies with the principles of Shariah and includes Takaful insurance coverage for the financing amount in the event of death or disability.	Up to 75% of the asset's value, with a maximum financing limit of (5,000,000)	20 years	Variable

Commercial Financing Programs	Description	Maximum Financing	Financing Term (in Years)	Rate (Fixed / Variable)
		Five Million Saudi Riyals.		
Purchase and Leaseback of Commercial Property	- It is financing that is compliant with the principles of Shariah and includes the following: - Takaful insurance covering the financing amount in the event of death or disability. - Fire and natural disaster insurance coverage throughout the financing term.	Up to 70% for ready commercial properties and 65% for land, with a maximum financing limit of (5,000,000) Five Million Saudi Riyals.	20 years	Variable

Source: Issuer

6-7-6 Corporate Financing Programs

By the end of 2022G, the Board of Directors of Bidaya Finance Company approved new financial products dedicated to corporate financing, along with the adoption of comprehensive credit policies and the establishment of a specialised committee to manage credit risk. Through this initiative, the Company aims to strengthen its financing portfolio, expecting these products to significantly contribute to its diversification and enrichment starting in 2023G. The following table outlines the details of the corporate financing programs.

Table No. (15): Corporate Programs Offered by the Company

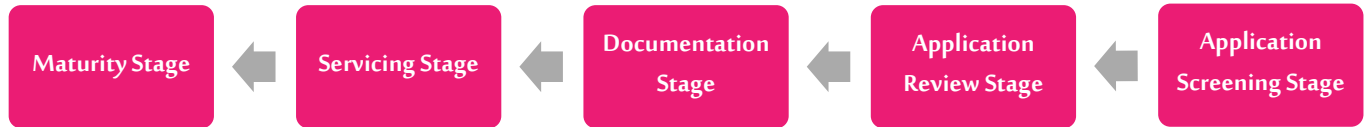
Type of Financing	Vacant Land for Development	Construction and/or Development Based on Current Property Value	Construction and/or Development Based on the Total Project Cost	Purchase and Leaseback and/or Sale and Leaseback
Maximum Term	5 years	5 years	5 years	7 years
Maximum Financing Amount as a Percentage of Asset Value	75%	75%	75%	70%
Maximum Grace Period	24 months	18 months	18 months	6 months
Maximum Financing Limit (In the case of a single obligor or a joint group.)	(75,000,000) Seventy-Five Million Saudi Riyals — the maximum risk exposure for each type of financing is subject to regular review by the business and credit teams based on market conditions and the Company's portfolio composition.			

Source: Issuer

6-7-7 Stages of Financing

The Company's operations are characterised by an integrated operational process that begins at the contracting stage and continues throughout the financing period. These operations encompass the management of all aspects related to financing, including handling payment delays and taking necessary actions to recover rights when needed. The following diagram illustrates the main steps for evaluating the financing application, followed by the stages of comprehensive management of financing contracts throughout the financing commitment period.

Figure No. (3): Stages of Financing



Source: Issuer

(1) Application Screening Stage

Contract applications are centrally managed through the Company's core platform. The creditworthiness of the prospective client is determined as follows:

- Purpose of Financing; and
- Review of the Client's Creditworthiness; and
- Monitoring the Databases of the Saudi Credit Bureau (SIMAH); and
- Property Valuation; and
- Identity Verification Documents; and
- Type of Employment
- Co-applicants are individuals whose monthly income is combined with the primary client's income in the creditworthiness analysis, including the assessment of monthly income where applicable.
- Additional documents may be required during the application screening process. The submitted documents are internally reviewed with government databases to verify their accuracy.

(2) Application Review Stage

If the client meets the requirements of the application screening stage and passes it, the credit team analyzes the client's status and assets before making a decision regarding the review of the financing application. The key criteria when assessing the risks of a financing application are as follows:

- The ability to repay the financing, as indicated by the applicant's debt-to-income payment ratio; and
- Property valuation and financing-to-asset value ratio.

The following credit variables are taken into account during the financing application review phase:

Maximum financing-to-value (FTV) (at the time of financing)	Maximum Financing Amount	Minimum Financing Amount	Maximum Payment-to-Income (PTI)	Minimum Employment Period
Age of Applicants	Contractual Eligibility for Financing	Employer Type	Credit Rating (Saudi Credit Bureau "SIMAH")	Property Valuation

(3) Documentation Stage

During the documentation phase, the appropriate documents (including financing contracts) are signed between the Company and the client.

The Company has takaful insurance covering the property and the client, which takes into account the collateral provided under the contract. The property also has coverage that includes, but is not limited to, fire and damage, and the client is covered for events such as death and disability. The Company believes that these insurance policies provide comprehensive insurance coverage against the various risks it may be exposed to.

(4) Servicing Stage

The service delivery phase of contract management includes a set of integrated processes focused on collection and recovery procedures. The Company acts as an accounts receivable service provider, managing contracts held on its balance sheet, along with contracts sold to third parties, as well as contracts arising from agency arrangements.

The Company offers its customers flexible and multiple payment options, including the "Mada" systems, direct debit and credit, payment orders, point-of-sale (POS), and direct bank transfer. All payments are collected in dedicated bank accounts managed and controlled by the Company. For clarification, the "Mada" system enables customers to make electronic payments using direct debit/credit cards linked to their bank accounts through a range of channels, including point-of-sale (POS) terminals, automated teller machines (ATMs), online payments and mobile payments, thereby providing a secure, fast and efficient means of conducting daily financial transactions.

To enhance operational efficiency and financial control, the Company produces detailed daily reports of processed payments, as well as a comprehensive summary of all banking transactions. These reports enable accurate and real-time tracking of payment activity, enabling the Company to maintain ongoing oversight of customer performance and ensure complete control over cash flows.

Servicing activities are managed based on contract status, with the Company adopting a customised approach to ensure effective handling of executed and non-performing contracts:

- Executed contracts are managed by an internal collections team that manages the ongoing daily contract requirements.
- Mortgage contracts classified as impaired or non-performing are managed by a specialised internal recovery team.

Before a payment is due, the Company sends a text message and email reminder to the customer to ensure they are aware of the upcoming payment obligation.

Outstanding Installments: The collections team receives a daily report highlighting contracts that are still due. The first step in taking action is when a customer is one day past due. The ultimate goal is to ensure that the risk of deterioration is limited to minimise future losses. Customers who show greater signs of deterioration will receive greater attention to mitigate potential losses. This is established through an action plan, frequent customer monitoring, and prompt implementation of any necessary action.

The Company will handle recorded calls, emails, and text messages. These methods are repeated until the thirty-first (31st) day, at which point the Company will send an official letter to the customer notifying them of the outstanding amount. If the customer still does not respond, an official letter is sent to the employer on the fortieth (40th) day, and a site visit is conducted by security. These methods are repeated until ninety (90) days have passed since the due date.

Defaulted Contracts: If there is no opportunity to pay the outstanding amount within ninety (90) days, the Company will initiate enforcement through legal means.

(5) Maturity Expiration Phase

At the end of the financing period, and for customers who have fulfilled all their contractual obligations under the financing contracts, the Company transfers legal ownership of the real estate unit to the customer, allowing them to enjoy full ownership rights.

6-7-8 The Company's Targeted Sales Channels

Through its various sales channels, Bidaya demonstrates its ability to provide innovative and flexible financing solutions that meet the needs of various customer segments, while maintaining strategic partnerships that contribute to achieving national development goals.

First: Retail Channels

- **Digital Platform/Website:** The Company's digital platform (www.bidaya.com.sa) is the primary channel for distributing the Company's services. It has been developed with innovative digital solutions to enhance the customer experience, making it the centerpiece of retail operations.
- **Telephone and Branch Sales for Prospective Customers:** These channels work in harmony with the digital platform to provide a seamless and comprehensive customer experience.

Second: Wholesale Channels

- **Ministry of Municipalities and Housing:** The Ministry aims to regulate and facilitate a balanced and sustainable housing environment to provide housing for Saudi citizens. Bidaya Finance contributes to supporting this vision by providing simple and effective real estate financing solutions to beneficiaries of the Ministry's programs.
- **Real Estate Development Fund:** The Fund seeks to provide balanced financing programs and products that suit all segments of society. The Company works closely with the Fund to ensure the availability of these products, while adhering to a balanced approach to risk management.

6-7-9 The Company's Strategic Partnerships and Alliances

- (1) **Saudi Real Estate Refinance Company:** Bidaya is a key partner of the Saudi Real Estate Refinance Company (SRC), whereby SRC repurchases its mortgage portfolios from Bidaya Finance. This collaboration aims to provide the necessary liquidity to support Bidaya's operations, enhancing its ability to provide new financing to its customers. Through this partnership, SRC contributes to Bidaya's financial sustainability, while supporting the real estate finance sector in the Kingdom and increasing home ownership opportunities for citizens, in line with the goals of Saudi Vision 2030G.
- (2) The total real estate finance portfolios sold to SRC as of 31 March 2025G amounted to 4,959 million Saudi Riyals. It is worth noting that the total outstanding amounts as of 31 March 2025G amounted to 2,554 million Saudi Riyals. Please see Table (68): Financing Portfolios Sold to the Saudi Real Estate Refinance Company as of 31 March 2025G.
- (3) **Real Estate Developers (Private Sector):** The Company's partnerships with real estate developers are essential to providing integrated solutions to buyers. The Company currently works with (5) developers of ready-to-move-in units. Through these relationships, the Company facilitates financing for new real estate projects, enabling customers to obtain ready-to-move-in homes with minimal complications.
- (4) **Real Estate Brokers (Marketing Companies):** The Company collaborates with a network of (6) real estate brokers who help connect customers with suitable properties, while providing flexible financing services that complement the brokers' role in achieving customers' goals.

6-7-10 Factors Influencing the Company's Operations

(1) Factors Related to Market Competition

The real estate financing market in the Kingdom of Saudi Arabia is witnessing intense competition among its players. There are six (6) non-bank real estate financing companies (including Bidaya), along with eleven (11) local commercial banks offering real estate financing products, in addition to branches of foreign commercial banks licensed by the Saudi Central Bank.

The Company's growth strategy focuses on digital marketing based on continuous market research, targeting potential customers via digital platforms, in addition to planned marketing campaigns to increase awareness and reach of Bidaya.

(2) Factors Related to Finance Companies and Mortgage Finance Company Regulations

The regulatory framework and government initiatives support the growth of the mortgage finance market in the Kingdom, boosting demand for mortgage finance products. Current regulations allow non-bank mortgage finance companies to provide financing of up to 90% of the property value to Saudi citizens, with lower percentages specified for additional properties.

Non-bank mortgage finance companies are governed by regulations such as the Real Estate Finance Law and the Finance Companies Control Law, in addition to relevant executive regulations. Any changes imposed by the Saudi Central Bank, whether to minimum capital or exposure limits, may directly impact the Company's operations.

- Fastest Growing Mortgage Finance Company in Digital Transformation – 2021G, by the UK-based International Finance Awards.
- Best Bill Payment and Presentation Award for 2019G by Global Finance.
- Best Social Media and Marketing Services Award for 2019G, by Global Finance.
- Best Islamic Digital Bank in Saudi Arabia for 2019G, by Global Finance.
- Best Digital Mortgage Finance Bank in Saudi Arabia for 2019G, by Global Finance.
- Best Islamic Digital Bank in Saudi Arabia 2018G by Global Finance.
- Best Digital Mortgage Bank in Saudi Arabia 2018G by Global Finance.
- Best Digital Mortgage Bank in the Middle East 2018G by Global Finance.
- Best Home Finance Provider 2018G by Global Business Outlook.
- Best Digital Transformation in Online Payments 2018G by Global Business Outlook.

6-7-12 The Company's Future Business and Expansion of its Business Model

(1) Introduction and Strategic Vision for Expansion

The expansion of the Company's financing activities forms a core component of its long-term strategy, which aims to build a more diversified and sustainable financing portfolio and to reduce reliance on real estate financing as the sole source of revenue and credit exposure. This expansion is aligned with developments in the financial services sector in the Kingdom of Saudi Arabia and with the objectives of Saudi Vision 2030, which seek to support small and medium-sized enterprises, promote productive financing, expand financial services to individuals, and enhance financial inclusion.

Through this expansion, the Company seeks to strengthen its ability to reach new customer segments and to offer innovative financing solutions through an integrated digital platform. This is expected to enhance operational efficiency, improve asset quality, and support sustainable growth of the Company's balance sheet and business over the medium and long term.

Accordingly, the Company aims to enhance its target business model through the following initiatives:

- Full digital transformation of the customer journey
- Development of customer acquisition channels through digital platforms
- Enhancement of data analytics capabilities to support credit decision-making
- Improvement of customer experience and reduction of turnaround time
- Expansion of financing products to support integration between the retail and business sectors
- Improvement of cost efficiency through digital operations and reduced reliance on traditional processes

(2) Legislative and Regulatory Framework for the New Activities

Bidaya Finance Company submitted an application to the Saudi Central Bank in early 2024 to add consumer financing, financial leasing, small and medium-sized enterprises financing, and productive asset financing activities. The application included a feasibility study, an updated business plan, and compliance with the requirements of the Information Security Regulatory Framework, including achieving Maturity Level 3 (CSF ML3).

Following the fulfilment of the applicable regulatory requirements, the Saudi Central Bank issued its approval on 2 June 2025 to amend the Company's licence pursuant to Decision No. 175/ت.م.ش, to include the four new financing activities. In addition, on 18 August 2025, the Saudi Central Bank issued a no-objection for the offering of the consumer financing product, while confirming that each new product remains subject to the applicable regulatory controls and requirements.

The Company is currently completing the digital customer journey for the new financing products as a key prerequisite prior to their launch. The offering of such products will remain subject, where applicable, to obtaining any additional regulatory approvals from the Saudi Central Bank.

(3) Targeted New Financing Activities and Business Model

The Company intends to offer four categories of new financing products, as follows:

- **Consumer Financing:** Products targeting individuals through personal financing solutions, education financing, vehicle-related financing, and microfinance products, in accordance with approved credit policies and Shariah-compliant terms.
- **Financial Leasing:** Financing products targeting individuals and enterprises for the financing of vehicles and equipment through Shariah-compliant financial leasing structures.
- **Small and Medium-Sized Enterprises Financing:** Products targeting enterprises operating in nationally prioritised sectors, including logistics, entertainment, healthcare, and other economic activities that support growth.
- **Productive Asset Financing:** Products designed to finance operational assets for companies and enterprises, supporting investment in assets that enable production and expansion.

The business model for delivering these products is based on an end-to-end digital journey that includes application submission, credit assessment, approval, contract execution, and disbursement, delivered through digital channels without the need for paper-based documentation. This model is supported by advanced technology systems and strategic partnerships with government entities and guarantee programmes that contribute to expanding credit coverage and mitigating risk.

(4) Expected Relative Size of Financing Portfolios and Exposure Levels

As of the first quarter of 2025, the Company's total financing portfolio amounted to approximately SAR 2,814,170 thousand, distributed across Ijarah and Murabaha products within the residential and commercial real estate financing sectors, as well as corporate financing. The Ijarah portfolio amounted to approximately SAR 2,134,310 thousand, while the Murabaha portfolio amounted to approximately SAR 679,860 thousand.

With the launch of the new financing activities, the Company expects the contribution of non-real estate financing activities to increase to approximately 35% to 40% of the total financing portfolio over the next three years. This shift forms part of a strategy that does not aim to reduce the role of real estate financing, but rather to enhance its quality and profitability, through the following measures:

- Focusing on higher-margin real estate financing products
- Strengthening the Company's role in securitisation-related services, including portfolio conversion programmes and sourcing and sale services to investors such as the Saudi Real Estate Refinance Company
- Enhancing risk management efficiency in real estate financing through natural diversification into other sectors
- Leveraging the Company's digital acquisition and operational management capabilities to provide financing support and ancillary services to government and quasi-government entities
- Increasing selectivity in real estate financing origination to enhance asset quality and maintain the Company's position within its specialised market segment

Accordingly, real estate financing activities will remain a core pillar of the Company's business model, while expansion into other financing activities is expected to reduce credit concentration, improve sectoral exposure, enhance asset quality, and support more sustainable cash flows over the medium term.

(5) Operational Readiness, Technology Infrastructure, and Institutional Resources

The Company is currently implementing a comprehensive phased execution plan aimed at completing the operational and technical readiness required for the launch of the new financing products, including the end-to-end digital customer journey, prior to commencing the provision of such products. As of the date of this Prospectus, these products have not yet been launched. This plan is centred on the development of an advanced digital infrastructure and an integrated institutional framework that are aligned with the regulatory requirements and supervisory practices of the Saudi Central Bank, and that ensure the Company's ability to launch the new products in an efficient and well-governed manner once operations commence.

The plan includes the completion of the core digital systems that will form the backbone of the Company's future financing operations, including:

- A Loan Origination System (LOS) to support full automation of the customer journey
- A Loan Management System (LMS) that complies with Shariah and regulatory requirements
- An advanced risk engine based on predictive analytics and credit data
- An application scorecard system to enhance the quality of credit decisions
- A Customer Relationship Management (CRM) system to link customer acquisition with post-financing services
- An integrated digital collections platform to enhance collection efficiency and reduce operational risk

In parallel, the Company is preparing the institutional structure required to commence the new financing activities, including:

- Establishing specialised operational teams for each new financing product
- Strengthening central support functions in risk management, technology, finance, and Shariah compliance to ensure quality and governance
- Aligning operational policies and procedures with the requirements of the Saudi Central Bank
- Completing Shariah reviews and technical approvals prior to the commercial launch of the products

In addition, the Company has established a temporary **Digital Transformation Committee** as a supervisory body responsible for overseeing the implementation of the digital transformation roadmap for the new

financing products, addressing operational and technical challenges, and ensuring that systems and applications comply with Shariah and regulatory requirements. The committee includes representatives from the relevant executive departments and is mandated to accelerate system and process readiness, update policies and procedures, and submit periodic reports to the Board of Directors. The mandate of the committee will conclude upon the completion of operational readiness and the approval of the commercial launch of the new products.

All staffing and investment requirements necessary to achieve this readiness have been incorporated into the Company's business plan for 2026, including talent acquisition, systems development, and the enhancement of compliance controls and reporting requirements.

This plan is intended to ensure that the new financing activities are launched in a phased and disciplined manner during the period from the first half of 2026 through the first half of 2027, in a way that strengthens regulatory compliance, enhances institutional readiness, enables safe and effective expansion, and supports stable operational sustainability over the medium term.

6-8 Issuer Declarations

The Issuer declares that, as of the date of this Prospectus, and except as disclosed in Section (6-7-12 'The Company's Future Business Plans and Expansion of its Business Model,' it has no intention to undertake any material change in the nature of its activities that is not duly licensed.



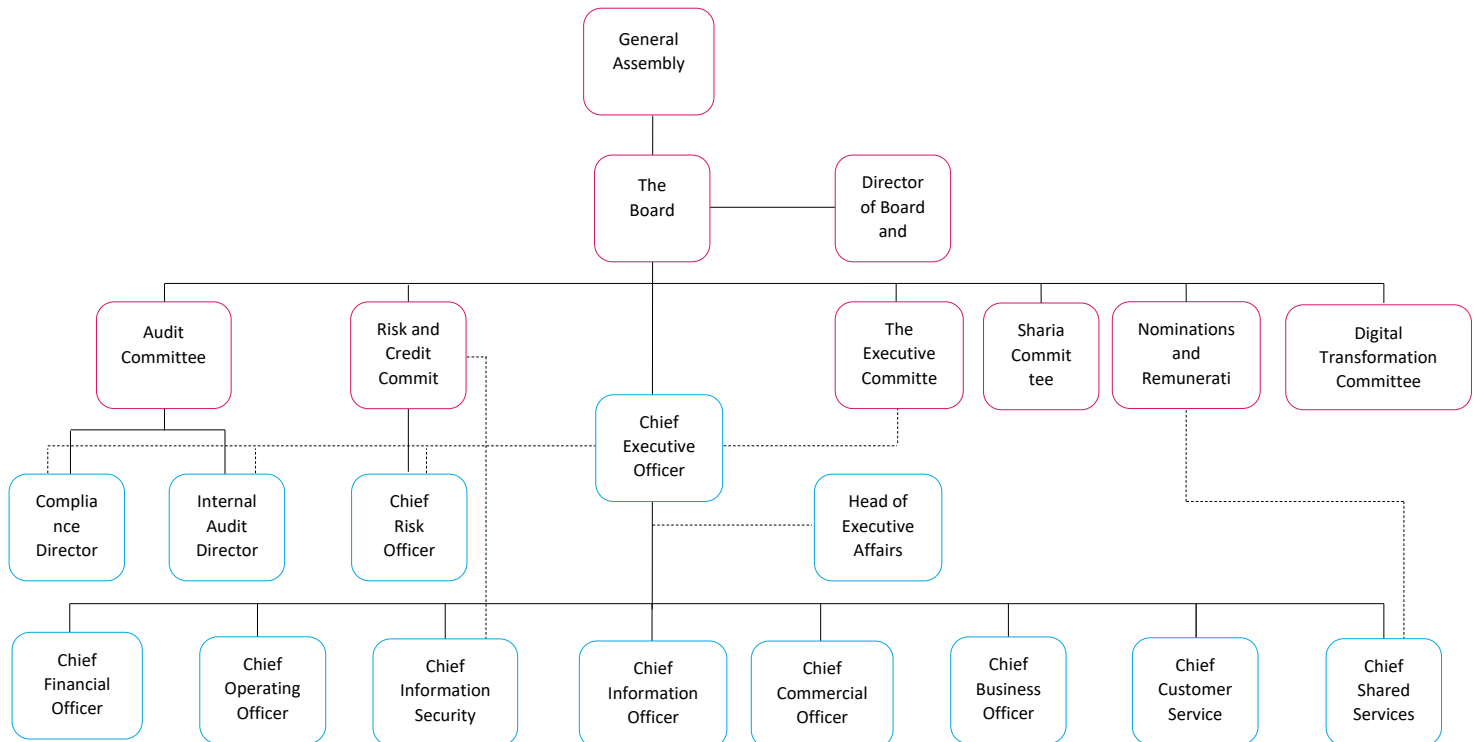
7 Organisational Structure

7-1 Organisation Structure of the Company

The Company has an integrated organisational structure that defines the distribution of powers and duties among departments. It consists of the Board of Directors and the Executive Committee. The Board assumes the duties of senior leadership by setting strategic plans and key objectives, overseeing the Company's overall performance, and monitoring and evaluating the performance of the Executive Committee. The Executive Committee oversees the Company's daily operations by regularly supervising performance and making necessary recommendations to the Board of Directors. It may also, upon the Board's request, prepare studies and recommendations related to strategic and investment matters. This organisational framework is supported by specialised committees such as the Risk and Credit Committee, the Audit Committee, the Nominations and Remuneration Committee, and the Sharia Committee.

On 1 August 2023G, the organisational structure of the Company was approved by the Board of Directors in accordance with Board Resolution No. 272/2024. The following figure shows the approved organisational structure.

Figure No. (4): Bidaya Finance's Organisational Structure



Source: Issuer

7-2 Company's Board of Directors

The Board assumes the Company's senior leadership responsibilities, including setting comprehensive strategic plans and key objectives, directing operations, and overseeing overall performance. The Board is also responsible

for overseeing and evaluating the performance of the Executive Committee, as well as proposing resolutions related to matters falling within the powers of the General Assembly of Shareholders.

Board membership ends upon the expiration of the member's term or the expiration of the member's term, in accordance with applicable laws and regulations in the Kingdom. The General Assembly may (based on the Board's recommendation) terminate the membership of a member who has been absent for three (3) consecutive meetings or five (5) separate meetings during the term of membership without a legitimate excuse acceptable to the Board. The Ordinary General Assembly also has the right to dismiss all or some of the Board members and elect new members when needed, in accordance with the provisions of the Companies Law.

The Board holds regular meetings at least four times annually at the invitation of the Chairman of the Board, with the possibility of using modern technology. The minutes of the meetings are recorded and maintained by the Board Secretary, who is appointed by the Board to document decisions and perform related administrative matters.

The Board shall appoint a Chairman and a Vice Chairman from among its members, after obtaining the no-objection approval of the Saudi Central Bank and the approval of the relevant authorities. The position of Chairman of the Board of Directors may not be combined with any executive position within the Company. A CEO shall also be appointed from outside the Board. The Chairman of the Board shall represent the Company before official and judicial authorities and chair meetings. He may delegate some of his powers to the CEO, with the possibility of delegating the powers granted to the CEO to third parties.

The CEO and the Board Secretary shall perform their duties in accordance with the terms of reference determined by the Board. The Board Secretary shall record the minutes of meetings and record the decisions. The Vice Chairman shall replace the Chairman in the event of his absence. The term and powers of the positions are determined in accordance with the Board's decisions.

7-3 Members of the Company's Board of Directors and the Board Secretary

7-3-1 Board Composition

On 20/03/1446H (corresponding to 24/09/2024G), the Extraordinary General Assembly approved the election of the Board of Directors of Bidaya Finance Company for the fourth term, which extends for a period of four years, beginning on 24/09/2024H and ending on 24/09/2028G. The Assembly decided to appoint eight members, in addition to Board of Directors Resolution No. (54) dated 13/10/2025G appointing the ninth member, Mr. Muhammad Hashim Yassin Al-Saadoun. The resolution was presented to the General Assembly on 07/12/1446H (corresponding to 03/06/2025G), which approved the appointment of Mr. Muhammad Bin Hashim Bin Yassin Al-Saadoun.

On 06/01/1447H (corresponding to 01/07/2025G), Mr. Ehab Al Dabbagh resigned from his membership of the Company's Board of Directors, and the Board, at its meeting held on 11/01/1447H (corresponding to 06/07/2025G), approved this resignation. The Company's Board of Directors is currently working to appoint a new Board member to replace Mr. Ehab Al Dabbagh.

The Board of Directors in its current term, as shown on the date of this Base Prospectus, consists of the following members.

Table No. (16): Members of the Board of Directors of Bidaya Finance Company

Director*	Position	Membership Status**	Independence***	Nationality	Age	Date of Appointment	Membership Expiry Date	Appointment Decisions	Direct or Indirect Ownership****
Mr. Abdulaziz Saleh Abdulaziz Al Omair	Chairman of the Board	Non-Executive	Non-Independent	Saudi	45	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	Indirect Ownership of 2.965%
Mr. Saud Abdelaziz Saleh Omair	Vice-Chairman	Non-Executive	Non-Independent	Saudi	36	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA
Dr. Bassam Bin Mohammed Bin Abdullah Boodai	Director	Non-Executive	Non-Independent	Saudi	58	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA
Mr. Abdulrahman Saleh Rashid Al Rashid	Director	Non-Executive	Non-Independent	Saudi	36	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA
Mr. Muhammad bin Hashim bin Yassin Al-Saadoun	Director	Non-Executive	Non-Independent	Saudi	41	13/10/2024G	24/09/2028G	Board's Resolution 54 dated 13/10/2024G The resolution is to be submitted to the first general assembly meeting.	NA
Mr. Naif Bin Saleh Bin Abdulaziz Al Issa	Director	Non-Executive	Independent	Saudi	37	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA
Mr. Naif Bin Hadi Bin Askar Lasloom	Director	Non-Executive	Non-Independent	Saudi	37	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA
Mr. Yaser Ziyad Naeem Abushaban	Director	Non-Executive	Independent	American	51	24/09/2024G	24/09/2028G	Resolution of the (Extraordinary) General Assembly Held on 24/09/2024G	NA

Source: Issuer

* After meeting the suitability requirements set by the Saudi Central Bank and obtaining a letter of no objection from it, the Company is managed by a Board of Directors consisting of (9) nine members elected by the Ordinary General Assembly of Shareholders for a term not exceeding four years, as follows:

- 1 - Each shareholder has the right to nominate themselves or one or more other persons for membership in the Board of Directors.
- 2 - Cumulative voting is used in the election process for Board members.
- 3 - The number of independent Board members shall not be less than two members, or one-third of the Board members, whichever is greater.

- 4 - The Public Investment Fund shall nominate a Chairman of the Board of Directors (a non-executive member), who shall be appointed with the approval of a majority of the members present.
- 5 - The Board of Directors shall select a Vice-Chairman from among its non-executive members.

On 06/01/1447H (corresponding to 01/07/2025G), Mr. Ehab Al Dabbagh resigned from his membership of the Company's Board of Directors, and the Board, at its meeting held on 11/01/1447H (corresponding to 06/07/2025G), approved this resignation. The Company's Board of Directors is currently working to appoint a new Board member to replace Mr. Ehab Al Dabbagh.

****** A member of the Board of Directors acquires the status of "executive member" if they are a member of the Company's executive committee and participate in its daily management activities or receive a salary for doing so. As for the "non-executive member," he/she is a member of the Board of Directors who is not dedicated to managing the Company and does not receive any salary from it, except for the membership remuneration for the Board and its committees.

******* Independent Member: The members who enjoy complete independence in their position and decisions, and to whom none of the factors affecting independence apply, including but not limited to the following:

- a. Owning 5% or more of the Company's shares or the shares of another company within its group, or having a kinship with someone who owns this percentage.
- b. Having a kinship with any of the board members or senior executives in the Company or in another company within its group.
- c. Being a member of the board of another company within the group of the company for which he/she is nominated to serve as a board member.
- d. Working or having worked during the past two years for the Company or a company within its group, or for any of its major shareholders, major suppliers, or auditors, or owning control stakes in the Company or a company within its group, or being associated with any of its major shareholders, auditors, or major suppliers during the past two years.
- e. Having a direct or indirect interest in the businesses and contracts concluded for the benefit of the Company.
- f. Receiving financial amounts from the Company, in addition to the remuneration for membership on the Board of Directors or any of its committees, that exceed two hundred thousand riyals (SAR 200,000) or fifty (50%) of his/her remuneration received during the previous year for membership on the Board of Directors or any of its committees, whichever is less.
- g. Participating in an activity that competes with the Company's main business, or engaging in one of the fields of activity pursued by the Company.
- h. The individual must have served for more than nine consecutive or non-consecutive years as a member of the Company's Board of Directors.
- i. The individual must have a credit relationship in his name or in the name of one of his relatives with the Company exceeding (SAR 1,000,000) one million Saudi Riyals.

**** Indirect ownership refers to shares owned by board members or shareholders indirectly in the Company through their ownership in companies that own shares in the Company. As of the date of this Base Prospectus, none of the board members has any indirect ownership, except for Mr. Abdulaziz Saleh Abdulaziz Al Omair, who owns a 10.62% stake in Wasl Commercial Investment Company.

7-3-2 Board Secretary

On 30/03/1446H (corresponding to 03/10/2024G), the Board of Directors issued Resolution No. 292-2024 approving the appointment of Mr. Faisal Bin Abdullah Al Qassim as Secretary of the Board of Directors.

7-3-3 Biographies of the Board of Directors

Below is a summary of the biographies of the members of the Board of Directors of Bidaya Finance Company.

Table No. (17): Summary of the biography of the Chairman of the Board of Directors of Bidaya Finance Company, Mr. Abdulaziz Bin Saleh Bin Abdulaziz Al Omair

Name	Abdulaziz Bin Saleh Bin Abdulaziz Al Omair
Age	45
Nationality	Saudi
Position	Chairman of the Board (Non-Executive and Non-Independent)
Educational Qualifications	Bachelor's degree in Business Administration from Webster University, Switzerland.
Professional Qualifications	- Partner with an ownership percentage of 10.62% - Wasl Commercial Investment Company: Its activity is investment, a closed joint-stock company. - Partner with an ownership percentage of 0.0012% - Arab Insurance Cooperative Company: Its activity is insurance, a Saudi joint-stock company. - Partner with an ownership percentage of 5.31% - United Information for Contracting Company: Its activity is contracting, a limited liability company. - Partner with an ownership percentage of 10.62% - InfoTech International Company: Its activity is telecommunications, a limited liability company. - Owner with an ownership percentage of 100% - Muhimma Digital Communications and Information Technology Company: Its activity is technology, a limited liability company.
Memberships in Other Boards of Directors	- Board Member (2012G – 2020G) - Makin Capital Company: Its activity is investment, a joint-stock company. - Chairman of the Board of Directors (2013G – present) - Arab Insurance Cooperative Company: Its activity is insurance, a Saudi joint-stock company.

Name	Abdulaziz Bin Saleh Bin Abdulaziz Al Omair
	- Board Member (2017G – 2020G) - CAD Middle East Pharmaceutical Industries Company: Its activity is manufacturing pharmaceutical products, a limited liability company. - Board Member (2017G – 2020G) - CAD Middle East Pharmaceutical Industries Company: Its activity is manufacturing pharmaceutical products, a limited liability company. - Board Member (2019G – 2020G) - Abdullah Al Othaim Investment Company: Its activity is investment, a closed joint-stock company. - Board Member (2013G – 2023G) - Sahl Commercial Marketing Company: Its activity is investment, a limited liability company. - Chairman of the Board of Directors (2012G – present) - Saudi Galvanizing Company (Galvanco): Its activity is manufacturing poles, a closed joint-stock company. - Chairman of the Board of Directors (2017G – present) and a partner with an ownership percentage of 10.62% - United Information Technology International Company: Its activity is telecommunications, a limited liability company. - Board Member (2021G – present) - Al Rajhi REIT Fund: Its activity is real estate investment, a Saudi closed joint-stock company. - Board Member (2021 – present) - Al Rajhi Financial Investment Funds: Its activity is investment, a Saudi closed joint-stock company. - Chairman of the Board of Directors (2022G – present) - Rawasi Advanced Investment Company: Its activity is investment, a closed joint-stock company.

Source: Issuer

Table No. (18): Summary of the biography of the Vice Chairman of the Board of Directors of Bidaya Finance Company, Mr. Saud Bin Abdulaziz Bin Saleh Bin Amer

Name	Saud Bin Abdulaziz Bin Saleh Bin Amer
Age	36
Nationality	Saudi
Position/s	Vice Chairman of the Board of Directors (Non-Executive and Non-Independent)
Educational Qualifications	- Bachelor's degree in finance - King Fahd University of Petroleum and Minerals – 2011G - Executive Master's Degree (HEC Paris Business School) – 2023G.

Name	Saud Bin Abdulaziz Bin Saleh Bin Amer
Professional Qualifications	- Senior Vice President (2023G – present), Vice President (2021G – 2023G), Assistant Vice President (2021G), Senior Associate (2020G), Associate (2018G – 2020G), Senior Analyst (2016G – 2018G), Analyst (2011G – 2016G) – Public Investment Fund: Its activity is investment. - Member of the Audit Committee of Tawreed Finance Solutions Company – Membership Term (2023G – present). - Chairman of the Audit Committee of Kayanee Company – Membership Term (2023G – present). - Member of the Nomination and Remuneration Committee of Jubail Water and Electricity Company – Membership Term (2010G – 2024G). - Member of the Audit Committee of Southern Province Cement Company – Membership Term (2015G – 2018G).
Memberships in Other Boards of Directors	Non-Executive Board Member (2015G – 2024G) – Jubail Water and Electricity Company, a closed joint-stock company.

Source: Issuer

Table No. (19): Summary of the biography of the Board Member of Bidaya Finance Company, Dr. Bassam Bin Mohammed Bin Abdullah Boodai

Name	Bassam Bin Mohammed Bin Abdullah Boodai
Age	58
Nationality	Saudi
Position	Director (Non-Executive and Non-Independent)
Educational Qualifications	- PhD in International Marketing from the University of St. Andrews – Scotland. - MBA from King Fahd University of Petroleum and Minerals, Dhahran – Kingdom of Saudi Arabia.
Professional Qualifications	- Extensive experience in managing company boards, executive and supervisory committees. - Supervising business development strategies and real estate and tourism investment projects.
Memberships in Other Boards of Directors	- Board Member (2023G – present) - Dana Bay Downtown Fund: Its activity is real estate development and investment fund. - Board Member (2022G – present) - Ahmed and Hamad Al Mozaini Company: Its activity is real estate, a closed joint-stock company.

Name	Bassam Bin Mohammed Bin Abdullah Boodai
	- Board Member (2011G – present) - Dana Bay Tourism Company: Its activity is tourism development, a limited liability company. - Board Member (2008G – present) - Jenan Real Estate Company: Its activity is real estate, a closed joint-stock company.

Source: Issuer

Table No. (20): Summary of the biography of a Board Member of Bidaya Finance Company, Mr. Abdulrahman Bin Saleh Bin Rashid Al Rashid

Name	Abdulrahman Bin Saleh Bin Rashid Al Rashid
Age	36
Nationality	Saudi
Position	Director (Non-Executive and Non-Independent)
Educational Qualifications	- Bachelor's degree in Financial Management - Prince Sultan bin Abdulaziz University – 2010G. - Educational course - Investment Banking – New York – United States of America – 2012G (J.P. Morgan)
Professional Qualifications	- Experience in managing companies and investments, with memberships in company boards of directors, and specialised knowledge in investment banking that enhances his capabilities in developing growth strategies. - Partner with an ownership percentage of 12% - Saleh Abdulaziz Al Rashed & Sons: Its activity is investment, a simple limited partnership company.
Memberships in Other Boards of Directors	- Board Member (2024G – present) - Obeikan Glass Company: Its activity is glass manufacturing, a Saudi joint-stock company. - Board Member (2023G – present) - Al Malaz Financial Company: Its activity is investment, a closed joint-stock company. - Board Member (2020G – present) - Averroes Capital Company: Its activity is investment, a limited liability company outside the Kingdom. - Board Member (2017G – present) - Golden Broiler Farms Company: Its activity is food and agricultural products processing and preservation, a closed joint-stock company. - Board Member (2014 – present) - Saleh Abdulaziz Al Rashed & Sons: Its activity is investment, a simple limited partnership company.

Source: Issuer

Table No. (21): Summary of the biography of a Board Member of Bidaya Finance Company, Mr. Muhammad Bin Hashim Bin Yassin Al-Saadoun

Name	Muhammad Bin Hashim Bin Yassin Al-Saadoun
Age	41
Nationality	Saudi
Position	Director (Non-Executive and Non-Independent)
Educational Qualifications	- Bachelor's degree in finance – King Fahd University of Petroleum and Minerals – 2006G. - Master's degree in Economics – University of Missouri, Kansas – 2011G.
Professional Qualifications	He possesses experience in investment and development, having held leadership positions as an advisor at the Islamic Corporation for the Development of the Private Sector and as a board member of Ijmal Limited Company, supported by a strong academic background in finance and economics.
Memberships in Other Boards of Directors	- Board Member (2024G – present) - Ijmal Limited Company: Its activity is real estate development and investment, a limited liability company. - Expert (2016G – present) - Islamic Corporation for the Development of the Private Sector: Its activity is development.

Source: Issuer

Table No. (22): Summary of the biography of the Board Member of Bidaya Finance Company, Mr. Naif Bin Saleh Bin Abdulaziz Al Issa

Name	Naif Bin Saleh Bin Abdulaziz Al Issa
Age	37
Nationality	Saudi
Position	Director (Non-Executive and Independent)
Educational Qualifications	- MBA from Shippensburg University, Pennsylvania, United States of America. - Bachelor's degree in Civil Engineering from Widener University, United States of America.
Professional Qualifications	- Senior Vice President (2023G – 2024G) - Public Investment Fund: Its activity is investment. - Senior Vice President (2023G – 2024G) - AlAhli Capital: Its activity is investment. - Head of Direct Investment (2024G - 2024G) - Suleiman Al Rajhi Holding Company: Its activity is investment. - Senior Head of Investment (2024G – present) - Sports Investment Company: Its activity is sports.

Name	Naif Bin Saleh Bin Abdulaziz Al Issa
	- Member of the Audit Committee (2019G – present) - Jasara Programme Management Company: Its activity is the management of construction and infrastructure programs. - Member of the Audit Committee (2023G – present) - Saudi Railway Company (SAR): Its activity is railways. - Member of the Executive Committee (2020G – present) - Sela Sports Company: Its activity is sports.
Memberships in Other Boards of Directors	- Board Member (2024G – present) - Suleiman Al Rajhi Real Estate Investment Company: Its activity is investment, a limited liability company. - Board Member (2022G – 2023G) - Depa Company: Its activity is contracting and interior decoration, a listed joint-stock company.

Source: Issuer

Table No. (23): Summary of the biography of the Board Member of Bidaya Finance Company, Mr. Naif Bin Hadi Bin Askar Lasloom

Name	Naif Bin Hadi Bin Askar Lasloom
Age	37
Nationality	Saudi
Position	Director (Non-Executive and Non-Independent)
Educational Qualifications	- Bachelor's degree – Financial Sciences - St. Cloud State University, United States of America – 2011G - Master's degree – Financial Business Administration – Prince Sultan University, Riyadh, Saudi Arabia – 2014G. - Master's degree – Commercial Law – Dar Al Uloom University, Riyadh, Saudi Arabia – 2020G. - International Certificate in Wealth and Investment Management (ICWIM) – Chartered Institute for Securities and Investment – 2022G - Financial Broker Qualification Certificate (CME3) – Capital Market Authority – 2021G. - Financial Market Exam (CME1) – Capital Market Authority – 2021G. - Project Management Professional (PMP) – Project Management Institute – 2023G.
Professional Qualifications	Extensive experience in finance, commercial law, and project management, with a proven track record of board memberships in prominent companies across the finance, energy, and chemical industries sectors.

Name	Naif Bin Hadi Bin Askar Lasloom
Memberships in Other Boards of Directors	- Board Member (2021G – 2023G) – Arab Leasing Company Limited: Its activity is leasing and financing, a limited liability company. - Board Member (2021G – 2023G) – Arab Financial Leasing Company: Its activity is financial leasing, a publicly listed company. - Board Member (2021G – present) – Arab Company for Detergent Chemicals: Its activity is chemical manufacturing, a limited liability company. - Board Member (2021G – present) – National Trigeneration Company: Its activity is energy services, a closed joint-stock company.

Source: Issuer

Table No. (24): Summary of the biography of the Board Member of Bidaya Finance Company, Mr. Yaser Ziyad Naeem Abushaban

Name	Yaser Ziyad Naeem Abushaban
Age	51
Nationality	American
Position	Director (Non-Executive and Independent)
Educational Qualifications	- Master's degree in Business Administration and Finance from the University of Chicago, United States of America. - Master of Science in Foreign Service/Finance and International Economics from Georgetown University, United States of America. - Bachelor of Arts in Economics from Northwestern University, United States of America.
Professional Qualifications	- Chief Executive Officer (2023G – present) – Silver Peak Capital Advisors LLC, Dubai: Its activity is consulting. - Investment Committee Member (2021G – present) – Reva Investment Company (part of Al Othaim Holding Group): Its activity is investment. - Investment Consultant and Project Manager (2016G – 2022G) – Mercer Investment Consulting Company in the Middle East, Dubai: Its activity is consulting.

Memberships in Other Boards of Directors NA

Source: Issuer

7-3-4 Biography of the Board Secretary

Below is the summary biography of the Secretary of the Board of Directors of Bidaya Finance Company.

Table No. (25): Summary of the biography of the Secretary of the Board of Directors of Bidaya Finance Company, Mr. Faisal Bin Abdullah Al Qassim

Name	Faisal Bin Abdullah Al Qassim
Age	38
Nationality	Saudi
Position/s	- Head of the Governance Department and the Board's Affairs - Board Secretary
Email:	falqassim@bidaya.com.sa
Educational Qualifications	Bachelor in law - King Saudi University - 2009G.
Professional Qualifications	- Senior Manager of Compliance and Governance Department (June 2020G – December 2022G) – Buruj Cooperative Insurance. - Director of Compliance and Governance (April 2016G – May 2020G) – Amana Cooperative Insurance Company. - Secretary of the Board of Directors and the Executive Committee (2013G – 2020G) – Amana Cooperative Insurance Company.
Memberships in Other Boards of Directors	NA

Source: Issuer

7-4 Board Committees and the Shariah Committee and their Responsibilities

7-4-1 The Executive Committee

The Executive Committee oversees the Company's operations by supervising its performance, regularly reviewing and monitoring its activities, and submitting the necessary recommendations to the Board of Directors. It also makes decisions delegated to it by the Board. Additionally, the Committee may, upon the Board's request, conduct studies and provide recommendations regarding strategic and investment matters.

The following are the members of the Executive Committee at Bidaya Finance Company:

Table No. (26): Members of the Executive Committee

Name	Position	Nationality	Date of Joining
Mr. Abdulaziz Bin Saleh Bin Abdulaziz Al Omair	Chairman of the Committee	Saudi	13/11/2024G
Mr. Saud Bin Abdelaziz Bin Saleh Bin Omair	Committee Member	Saudi	13/11/2024G
Dr. Bassam Bin Mohammed Bin Abdullah Boodai	Committee Member	Saudi	13/11/2024G
Mr. Abdulrahman Bin Saleh Bin Rashid Al Rashid	Committee Member	Saudi	13/11/2024G
Mr. Khalid Bin Othman Al Othman	Committee Member	Saudi	13/11/2024G

Source: Issuer

7-4-2 Audit Committee

The Audit Committee operates in accordance with applicable laws, regulations, and legal provisions, and based on the rules governing the committee's work. The Audit Committee is responsible for overseeing the Company's activities and ensuring the accuracy and integrity of the financial reports, statements, and internal control systems. The Committee's duties include, but are not limited to, the following:

- Review the Company's interim and annual financial statements, including verifying the accounting estimates related to material matters in the financial reports, significant and uncertain issues, and the adopted accounting policies, and provide opinions and recommendations thereon to the Board of Directors.
- Study and review the Company's internal control and risk management systems, submit internal audit and compliance reports, and monitor the implementation of corrective actions for the observations contained therein.
- Oversee the Internal Audit Department and the Compliance Department within the Company to ensure their effectiveness in carrying out the tasks and matters assigned to them by the Board of Directors.
- Review the internal audit and compliance policies and procedures and provide recommendations thereon to the Board of Directors.
- Review the internal audit plan submitted by the internal auditors and provide an opinion thereon.
- Recommend the nomination of external auditors and review the audit plan submitted by them.
- Review the Compliance Department's plan and provide comments thereon.

The table below shows the members of the Audit Committee at Bidaya Financing Company:

Table No. (27): Members of the Audit Committee

Name	Position	Nationality	Date of Joining
Mr. Yaser Ziyad Naeem Abushaban	Chairman of the Committee	Saudi	13/11/2024G
Mr. Waddah Al Al-Sheikh Mubarak	Committee Member	Saudi	13/11/2024G
Mr. Mohamed Saleh Al Sulaiman	Committee Member	Saudi	13/11/2024G

Source: Issuer

7-4-3 Nomination and Remuneration Committee

The Committee is responsible for proposing to the Board of Directors clear policies, standards, and procedures for the nomination to leadership positions and memberships of the Board and its committees in accordance with approved criteria. It is also responsible for preparing a succession plan for the Company's senior management and developing the Company's policies and strategies for recruitment and employee retention.

The following are the members of the Nomination and Remuneration Committee at Bidaya Finance Company:

Table No. (28): Nomination and Remuneration Committee Members

Name	Position	Nationality	Date of Joining
Mr. Naif Bin Saleh Bin Abdulaziz Al Issa	Chairman of the Committee	Saudi	13/11/2024G
Dr. Bassam Bin Mohammed Bin Abdullah Boodai	Committee Member	Saudi	13/11/2024G
Mr. Saud Abdelaziz Saleh Omair	Committee Member	Saudi	13/11/2024G

Source: Issuer

7-4-4 Risk and Credit Committee

The Committee is responsible for developing a comprehensive risk management strategy and policies that are appropriate to the nature and size of the Company's activities, ensuring their implementation, reviewing and updating them based on the Company's internal and external developments, and recommending them to the Board of Directors in accordance with regulatory requirements.

The following are the members of the Risk and Credit Committee at Bidaya Finance Company:

Table No. (29): Members of the Risk and Credit Committee

Name	Position	Nationality	Date of Joining
Mr. Naif Bin Saleh Bin Abdulaziz Al Issa	Chairman of the Committee	Saudi	13/11/2024G
Mr. Mohammed bin Hashim Al Sadoon	Committee Member	Saudi	29/12/2024G
Mr. Naif Bin Hadi Bin Askar Lasloom	Committee Member	Saudi	13/11/2024G

Source: Issuer

7-4-5 Digital Transformation Committee

The Company has established a Digital Transformation Committee as a temporary body responsible for overseeing the implementation of the digital transformation requirements related to the new products and accelerating the readiness of systems and operations. The mandate of the Committee will conclude upon completion of the launch phases and approval of operational readiness.

The table below sets out the members of the Digital Transformation Committee of Bidaya Finance Company:

Table No. (31): Members of the Digital Transformation Committee

Name	Position
Mr. Michael Kurt Heinrich Natusch	Chairman of the Committee
Mr. Hatem Hussein Mohammed Al-Kahali	Committee Member
Mr. Amer Hussein Khalil Al-Mu'min	Committee Member

Source: Issuer

7-4-6 Shariah Supervisory Committee

The Shariah Supervisory Committee is responsible for ensuring the Company's compliance with the provisions and principles of Islamic Shariah. Its decisions are binding on the Company, in accordance with the approved policies and procedures of the Shariah Committee.

The following are the members of the Shariah Supervisory Committee at Bidaya Finance Company:

Table No. (31): Members of the Shariah Supervisory Committee

Name	Position
Sheikh Dr. Nazih Hamad	Chairman of the Committee
Dr. Mohammed Ali Al-Qura	Committee Member
Dr. Amin Fatah	Committee Member

Source: Issuer

7-5 Members of the Board of Directors of Bidaya Finance Company

- None of the members of the Board of Directors of Bidaya Finance, any of the senior executives, or the Company Secretary has ever been declared bankrupt or has ever been subject to any bankruptcy or insolvency proceedings or arrangements with creditors under any jurisdiction at any time.
- No insolvency has been declared for any entity during the past five years in which any member of the Board of Directors, any senior executive, or the Company Secretary of Bidaya Finance held a managerial or supervisory position.
- Except as mentioned in «Table No.: (16) Members of the Board of Directors of Bidaya Finance Company» regarding the ownership of Mr. Abdulaziz Saleh Abdulaziz Al Omair in Wasl Commercial Investment Company with a shareholding of 10.62% of its total shares, which in turn owns 2,506,696 shares, representing 2.79% ownership in Bidaya Finance. None of the members of the Board of Directors, senior executives, Company Secretary, or any of their relatives have any direct or indirect interest in the Company's shares.
- There is no existing contract or arrangement, or any contract or arrangement intended to be entered into upon submission of the Prospectus, under which any member of the Board of Directors, senior executives, or any of their relatives has an interest in the business of Bidaya Finance.

7-6 Remuneration Paid to Senior Management Employees

The table below sets out the total remuneration and incentives granted to members of the Board of Directors, executive management, and sub-committees over the past three consecutive years, including the compensation received by the Chief Executive Officer and Chief Financial Officer. It should be noted that this does not include any granted stock options.

Table No.: (32) Remuneration and Benefits in Kind

Value of Remuneration Paid to Senior Management*	Financial Year Ended 31 December		
	2022 (Audited)	2023 (Audited)	٢٠٢٤ (Audited)
Fixed Remunerations	5,766,733	4,275,445	7,174,671
Variable Remunerations	976,892	283,292	553,244
Total	6,742.625	4,558,736	7,727,915

Source: Issuer

* Senior Management: The Chief Executive Officer and his deputies, the Chief Financial Officer, the Directors of key departments, and those responsible for risk management, internal audit, and compliance functions in the Company. It should be noted that key department directors include managers who hold executive management roles – included but not limited to – the Chief Risk and Credit Officer, Chief Operation Officer, Chief Human Resource Officer, and the Collection Management Officer.

7-7 Employees

7-7-1 No. of Employees

The following table shows the total number of employees at Bidaya Finance Company over the past three years.

Table No. (4): Number of Employees at Bidaya Finance Company

Term	Total Number of Employees	Saudisation Rate	Female Employee Rate	Employee Retention Rate
2024G	182%	89%	21%	95%
2023G	169%	88%	24%	90%
2022G	172%	86%	31%	92%

Source: Issuer

As of the date of this Base Prospectus, there is no stock option programme and there are no other arrangements that could result in the participation of the Issuer's employees in the Company's share capital.

7-7-2 Saudisation

Bidaya Finance Company complies with Saudization requirements, reaching a Saudization rate of 90%, exceeding the required rate of 85% according to the Saudization Certificate No. [(160457-14750799) issued on 24 April 2025G and valid until 23 July 2025G.



8 Financial Information

8-1 Financial Information and Management's Discussion and Analysis

8-1-1 Introduction

The report provides an analysis of the Company's operational performance and financial position, as shown below, for the financial period ended 31 March 2025G and for the financial years ended 31 December 2022G, 2023G, and 2024G. The financial analysis must be read in conjunction with the Company's financial statements for the financial period ended 31 March 2025G (unaudited) and for the financial years ended 31 December 2022G (Audited), 2023G (Audited), and 2024G (Audited) and the accompanying notes thereto.

8-1-2 Directors' Declarations on the Financial Statements

- a. The Board of Directors declares that the financial information contained in this section has been extracted without material changes and presented in a manner consistent with the audited financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G, the unaudited financial period ended 31 March 2023G and the unaudited financial period ended 31 March 2025G which were prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia by the Saudi Organisation for Chartered and Professional Accountants and other pronouncements issued by it, and in compliance with the Companies Law.
- b. The members of the Board of Directors represent that the Company has no loans or other indebtedness of any kind, including bank overdrafts, liabilities under acceptances or acceptance credits, or hire-purchase/finance lease commitments; nor any loans or indebtedness, whether unsecured or secured (including by personal guarantee, mortgage or charge), other than as disclosed in this Base Prospectus.
- c. The Board of Directors declares that the Company is not aware of any information regarding governmental, economic, financial, monetary, political, or other factors that could have a direct or indirect material effect on the Company's operations, except for the factors disclosed in Section (5) (*Risk Factors*) and this Section (8) (*Financial Information*) of this Base Prospectus.
- d. The Board of Directors and the Company Secretary declare that the Company does not have any stock options as of the date of this Base Prospectus.
- e. The Board of Directors declares, to the best of their knowledge and belief, that there are no liens, rights, obligations, or costs on the Company's assets except as disclosed in Section (5) (*Risk Factors*) and this Section (8) (*Financial Information*) of this Base Prospectus.
- f. The Board of Directors declares that there are no issued or outstanding debt instruments or term loans (including those secured or unsecured by personal guarantees or mortgages) except as disclosed in this Base Prospectus.

8-1-3 Summary of Significant Accounting Policies

The following is a statement of information of relative importance regarding the accounting policies adopted in the preparation of these financial statements:

a. Changes to Accounting Policies:

The accounting policies adopted in the preparation of the financial information are consistent with those followed in preparing the Company's annual financial statements for the year ended 31 December 2022G, except for the adoption of new standards that became effective from 1 January 2023G. The Company has not opted for early adoption of any standard, interpretation, or amendment issued but not yet effective. Several amendments will be applied for the first time in 2023G, but they have no impact on the Company's financial information.

- Narrow-scope amendments to IAS 1, Approved Code of Practice 2, and IAS 8: These amendments aim to enhance disclosure of accounting policies and assist users of financial statements in distinguishing between changes in accounting estimates and changes in accounting policies. Effective for annual periods beginning on or after 1 January 2023G.
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction: These amendments require companies to recognise deferred tax on transactions that, at initial recognition, result in equal amounts of taxable and deductible temporary differences. Effective for annual periods beginning on or after 1 January 2023G.
- These amendments grant companies a temporary exemption from accounting for deferred taxes arising from the OECD's International Tax Reform. The amendments also introduce targeted disclosure requirements for affected companies.
- IFRS 17 "Insurance Contracts," as amended in December 2021: This standard replaces IFRS 4, which currently permits a wide range of accounting practices for insurance contracts. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. Effective for annual periods beginning on or after 1 January 2023G.

Issued Accounting Standards Not Yet Effective:

- Amendment to IFRS 16 – Lease liabilities arising from a sale and leaseback transaction: These amendments incorporate requirements into IFRS 16 to explain how an entity accounts for a sale and leaseback transaction after the date of the transaction. Sale and leaseback transactions where some or all lease payments are variable and not based on an index or rate are likely to be affected. The effective date has been deferred to no later than annual reporting periods beginning on or after 1 January 2024G.
- Amendments to IAS 7 and IFRS 7 regarding Supplier Finance Arrangements: These amendments require disclosures to enhance transparency about supplier finance arrangements and their effects on a company's liabilities, cash flows, and liquidity risk exposure. The disclosure requirements respond to concerns raised by investors that supplier finance arrangements of some companies are not sufficiently transparent, hindering investors' analysis. Effective date is 1 January 2024G.
- Amendment to IAS 1 – Non-current Liabilities with Undertakings: These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of liabilities. The amendments also aim to improve information provided by the entity regarding liabilities subject to these terms. Effective date is 1 January 2024G.

- IFRS S1 "General Requirements for Disclosure of Sustainability-Related Financial Information": This standard includes the basic framework for disclosing material information about sustainability-related risks and opportunities across the entity's value chain. Effective date is 1 January 2024G and is subject to the approval of the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").
- International Financial Reporting Standard S2, "Climate-Related Disclosures": This is the first topic-based standard issued and it sets out the requirements for entities to disclose information about climate-related risks and opportunities. The effective date is 1 January 2024G, and it is subject to the approval of SOCPA.

b. Cash at bank:

For the purpose of preparing the statement of cash flows, cash and cash equivalents consist of cash on hand, balances with banks, and time deposits with an original maturity of three months or less that are subject to insignificant risk of changes in fair value.

c. Ijara Receivables:

Ijara receivables represent assets transferred under Islamic finance lease agreements and the present value of lease payments is recognised as receivables and recorded under "Ijara Receivables". The difference between the gross receivables and the present value of the receivables is recognised as unearned Ijara income. Ijara profit is recognised over the lease term using the net investment method, which reflects a constant rate of return.

d. Murabaha Receivables:

Murabaha is an agreement under which the Company sells an asset to the customer, having purchased and acquired it based on a promise received from the customer to buy it. The selling price includes the cost plus an agreed-upon profit margin. The difference between the receivables from Murabaha sale contracts and the cost of the sold asset is recorded as unearned Murabaha profits, and for presentation purposes, it is deducted from the total receivables under Murabaha sale receivables.

e. Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. The cost less estimated residual value of other items of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The carrying values of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such indication exists and the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount, which is the higher of fair value, less costs of disposal and value in use. Repair and maintenance expenses are charged to the profit or loss account. Improvements that significantly increase the value or extend the useful lives of the related assets are capitalised. The following table shows the estimated useful lives for the main categories of assets:

Table No. (5): Estimated useful lives for the main categories of assets

Types of Assets: Property and Equipment	Number of Years
Lease Amendments	10 years or the lease term, whichever is longer
Office Equipment	5
Furniture and Fixtures	6
Computer Equipment	5

Types of Assets: Property and Equipment Number of Years

Vehicles 5

Source: Issuer's financial statements.

f. Intangible Assets

Intangible assets are initially recognised at cost, less accumulated amortisation and impairment losses, if any. Costs directly attributable to identifiable programme products controlled by the Company that are expected to generate economic benefits exceeding one year are recorded as intangible assets. Costs associated with the maintenance of computer software are recognised as expenses when incurred.

Amortisation is charged to the profit or loss statement and is calculated using the straight-line method according to which the carrying value of assets are amortised based on their estimated useful lives unless the useful life is not defined. The estimated useful life for intangible assets (computer software) is 5 years.

The Company recognises an impairment loss when there is an indication of impairment, by reducing the carrying value of assets to their recoverable amount.

g. Leases

• RoU Assets

At initial recognition, the Company assesses whether the contract is a lease contract or includes a lease contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is determined if most of the benefits flow to the Company and the Company can direct the use of the asset.

At the commencement date or upon reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

The Company applies the cost model and measures the right-of-use asset at cost;

- 1- Less accumulated depreciation and any accumulated impairment losses; and
- 2- This is adjusted for any remeasurement of lease liabilities due to lease modifications.

• Lease Liabilities

At initial recognition, lease liabilities are measured at the present value of the remaining lease payments, discounted using the implicit interest rate in the lease or, if that cannot be readily determined, the Company's incremental borrowing rate. The Company typically uses its incremental borrowing rate as the discount rate.

The Company measures lease liabilities after the commencement date by:

- 1- Increasing the carrying amount to reflect interest on the lease liability;
- 2- Reducing the carrying amount to reflect lease payments made; and
- 3- Remeasuring the carrying amount to reflect any reassessment or lease modifications.

Lease liabilities are measured at amortised cost using the effective interest rate method. Lease liabilities are remeasured when there are changes in future lease payments arising from changes in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the

Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or recorded in profit or loss accounts if the carrying amount of the right-of-use assets has been reduced to zero.

- **Short-Term Leases and Leases of Low-Value Assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

- h. Accounts payables and accruals**

Liabilities for amounts to be paid in the future for goods or services received are recognised whether or not billed by the supplier.

- i. Provisions**

Provisions are recognised when the Company has a present obligation (legal or implicit) as a result of a past event and when the settlement costs of such an obligation is probable and can be measured reliably.

- j. Offsetting of financial instruments**

Financial assets and liabilities are offset and reported on a net basis in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Revenues and expenses are not offset in the profit or loss statement unless required or permitted by an accounting standard or interpretation, as specifically disclosed in the Company's accounting policies.

- k. Employees' End-of-Service Benefits**

A provision is recognised for amounts payable under the Saudi Labor Law applicable to accumulated employee service as of the date of financial position statement. This obligation is calculated based on the present value of the established benefits payable to employees in the event of termination as at the date of financial position statement.

- l. Expenses**

Selling and marketing expenses are those directly related to sales and marketing. All other expenses are classified as general and administrative expenses.

- m. Foreign currencies**

Transactions in foreign currencies are recorded in Saudi Riyal as per the prevailing exchange rates at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing as at the date of financial position statement. All differences are recognised in profit or loss. Foreign exchange gains and losses arising from transactions are recognised in profit or loss statement during the year.

- n. Zakat**

The Company is subject to Zakat under the regulations of the Zakat, Tax and Customs Authority. Zakat expense is recognised in the profit or loss statement. Zakat is not treated as income tax and therefore no deferred tax is recognised in respect of Zakat.

o. Value Added Tax ("VAT")

Revenue, expenses, assets, and liabilities are recognised net of VAT amounts, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are presented including the amount of VAT. The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the financial position statement

p. Classification of Financial Assets

At initial recognition, a financial asset is classified as measured at Amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

- **Financial Assets at Amortised Cost** A financial asset is measured at Amortised cost if it meets both of the following conditions and is not rated at fair value through profit or loss:
 - It is held within a business model whose objective is to hold assets to generate contractual cash flows; and
 - The contractual terms of the financial assets arise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.
- **Financial Assets at Fair Value through Other Comprehensive Income** A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not rated at fair value through profit or loss:
 - It is held within a business model whose objective is achieved by both generating contractual cash flows and selling financial assets; and
 - The contractual terms of the financial assets arise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

At initial recognition, for investments in equity instruments that are not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

- **Financial Assets at Fair Value through Profit or Loss:** All other financial assets are classified as measured at fair value through profit or loss.

Additionally, at initial recognition, the Company may irrevocably designate a financial asset, that otherwise meets the requirements for measurement at Amortised cost or at fair value through other comprehensive income, at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For equity instruments not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in the other comprehensive income. This election is made on an instrument-by-instrument basis (i.e., each individual share).

Financial assets held for trading, whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss as they are not held solely for generating contractual cash flows or generating contractual cash flows and selling financial assets.

q. Classification of Financial Liabilities

The Company classifies its financial liabilities as measured at Amortised cost. Amortised cost is calculated using the effective interest method, taking into account any discounts or premiums and transaction costs that are integral to the effective interest rate.

r. Derecognition of Financial Assets and Financial Liabilities

• Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the contractual right to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or if the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Upon derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the sum of (1) the consideration received (including any new asset obtained less any new liability assumed) and (2) any cumulative gain or loss previously recognised in the other comprehensive income is recognised in the profit or loss statements.

No cumulative gain or loss recognised in other comprehensive income relating to equity investments designated at fair value through other comprehensive income is recognised in profit or loss statement on the derecognition of such equity investments. Any gain on derecognised financial assets qualifying for derecognition that are created or retained by the Company is recognised as a separate asset or liability.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of the financial asset and retains control of the asset, the Company continues to recognise the asset to the extent of its continuing involvement, which is determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Company retains its obligation to service the transferred financial asset for a fee and derecognises the transferred asset if it meets the criteria for derecognition. An asset or liability is recognised in a service contract if the service fee is more than adequate (asset) or less than adequate (liability) for performing the service.

• Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged, canceled, or upon its expiry.

s. Modifications to Financial Assets and Financial Liabilities

• Financial Assets:

If the terms of a financial asset are modified, the Company assesses whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are considered to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value.

If the cash flows of the modified financial asset measured at Amortised cost are not substantially different, the modification does not result in derecognition of the financial asset. In this case,

The Company recalculates the gross carrying amount of the financial asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. If this modification is due to financial difficulties faced by the customer, the gain or loss is presented together with impairment losses, otherwise it is presented as interest income.

- **Financial liabilities:**

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised based on the modified terms at fair value. The difference between the carrying amount of the Amortised financial liability and the new financial liability with modified terms is recognised in profit or loss.

t. Impairment

The Company recognises loss provisions for expected credit losses (ECL) on the financial Instruments of lease receivables that are not measured at fair value through profit or loss.

The Company measures loss provisions at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- Investment securities determined to have low credit risk at the reporting date; and
- Other financial instruments for which credit risk has not increased significantly since initial recognition.

Twelve-month expected credit losses are a portion of lifetime expected credit losses that result from default events that are possible within 12 months from the reporting date.

- **Measurement of Expected Credit Losses:** Expected credit losses are a probability-weighted estimate of credit losses and are measured as follows:
 - Financial assets that are not credit-impaired at the reporting date: They are measured at the present value of all cash shortfalls (the difference between the cash flows due under the contract and the cash flows expected to be received).
 - Financial assets that are credit-impaired at the reporting date: They are measured as the difference between the gross carrying amount and the present value of estimated future cash flows.
- **Restructured Financial Assets:** If the terms of financial assets are renegotiated or modified or if existing financial assets are replaced with new ones due to the client's financial difficulties, an assessment is made as to whether derecognition is required, and expected credit losses are measured as follows:
 - If the restructuring does not result in derecognition of the existing assets, the expected cash flows from the modified assets
 - are included in calculating the cash shortfall from the existing assets.
 - If the restructuring results in derecognition of the existing assets, the expected fair value of the new assets is treated as final cash flows at derecognition. This amount is included when calculating the cash shortfall from the existing financial assets and is discounted from the expected derecognition date to the reporting date using the original effective profit rate of the existing financial assets.

- **Credit-Impaired Financial Assets:** The Company assesses at each reporting date whether financial assets measured at Amortised cost are credit-impaired. A financial asset is considered "credit-impaired" when one or more events that have a negative impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following:

- Significant financial difficulty of the client;
- A breach of contract such as default or delinquency;
- The restructuring of a lease receivable by the Company on terms that the Company would not otherwise consider.

Lease receivables that have been renegotiated due to a deterioration in the client's situation are generally considered credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. Additionally, lease receivables that are more than 90 days past due are considered credit-impaired.

- **Presentation of Expected Credit Loss Provisions in the Financial Position Statement:** The expected credit loss provision for financial assets measured at Amortised cost and lease receivables is presented as a deduction from the gross carrying amount of the assets in the financial position statement.
- **Write-off:** Lease receivables are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off may still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.
- **Collateral Evaluation:** To reduce credit risk on financial assets, the Company seeks to use collateral wherever possible. Collateral comes in various forms, such as promissory notes and ownership certificates, until repayment is completed. Collateral is not recorded in the Company's financial position statement unless ownership has been transferred. However, the fair value of collateral is considered when calculating expected credit losses. Collateral is generally evaluated at the lower of its value at inception.
- **Repossessed Collaterals:** The Company's policy is to determine whether repossessed assets are best used for internal operations or should be sold. Assets determined to be useful for internal operations are transferred to the relevant asset category at the lower of the recoverable amount or the carrying value of the original secured asset. Assets for which it is determined that sale is the best option are transferred to assets held for sale at fair value (for financial assets) or fair value less costs to sell (for non-financial assets) at the date of repossession, in line with the Company's policy.

u. **Revenue Recognition:**

Revenue from lease contracts is recognised in profit or loss using the effective profit rate method. The "effective profit rate" is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the Amortised cost of the financial instrument.

When calculating the effective profit rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For credit-impaired financial assets, the credit-adjusted effective profit rate is calculated using the estimated future cash flows including expected credit losses. The calculation of the effective profit rate includes transaction costs, fees, and points paid or received that are integral to the effective profit rate. Transaction costs include incremental costs directly attributable to the acquisition or issuance of a financial asset or liability.

Fee and commission income related to lease receivables is recognised as an adjustment to the effective yield of those receivables. When it becomes unlikely that the Company will retain the lease receivable, the related fees are recognised in the profit or loss statement in the year in which the receivables are no longer recognised in the financial statements. Service income is recognised when the related services are performed and the performance obligations are satisfied at a point in time.

v. Statutory Reserve

According to the requirements of the Saudi Companies Law and the Company's Bylaws, 10% of the year's income (after zakat) must be transferred to the statutory reserve. This reserve is not distributable. According to the Bylaws, the Company may decide to stop these transfers when the reserve reaches 30% of the share capital.

w. Restatement of Certain Prior Year Financial Information

In accordance with the requirements of IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the following correction has resulted in a retrospective adjustment to the comparative amounts for the years ended 31 December 2022G and 1 January 2022G. The details of the error are as follows:

During the financial year ended 31 December 2023G and the previous years, the Company incorrectly recognised administrative fees directly in the profit or loss statement and other comprehensive income at the commencement of the related lease contract, which was inconsistent with the Company's accounting policy to recognise these fees under the effective interest method in accordance with IFRS 9. The impact of correcting this error was a decrease in the opening retained earnings and an increase in accrued expenses and other liabilities as of 1 January 2022G by SAR 7.67 million and a decrease in fee income and total comprehensive loss for the year ended 31 December 2022G by SAR 1.16 million. The impact of the adjustments on the 1 January 2022G numbers is as follows:

Table No. (6): Adjustments to the 1 January 2022G figures

Statement of Financial Position as at 1 January 2022G (Thousand Saudi Riyals)	As previously disclosed	Adjustments	Adjusted Amount
Accrued Expenses and Other Liabilities	129,707	7,672	137,379
Accumulative Losses	(5,372)	(7,672)	(13,044)
Total Liabilities	1,733,838	7,672	1,741,510
Total Shareholders' Equity	901,214	(7,672)	893,542

Source: Issuer's financial statements.

The impact of the adjustments on the 31 December 2022G numbers is as follows:

Table No. (7): Adjustments to the 31 December 2022G financial position

Statement to the Financial Position as on 31 December 2022G (Thousand Saudi Riyals)	As previously disclosed	Adjustments	Adjusted Amount	Impact on Profit or (Loss)
Accrued Expenses and Other Liabilities	138,090	8,827	146,917	-
Statutory reserve	8,124	(116)	8,008	-
Retained Profits / (Accumulative Losses)	8,466	(8,711)	(245)	-
Total Liabilities	1,850,001	8,827	1,858,828	-
Total Shareholders' Equity	916,590	(8,827)	907,763	-

Source: Issuer's financial statements.

The following table shows the adjustments to the statement of profit or loss and other comprehensive income for the year ended 31 December 2022G:

Table No. (8): The adjustments to the statement of profit or loss and other comprehensive income for the year ended 31 December 2022G

Statement to the Financial Position as on 31 December 2022G (Thousand Saudi Riyals)	As previously disclosed	Adjustments	Adjusted Amount	Impact on Profit or (Loss)
Fee Income	9,998	(1,155)	8,843	(1,155)
Total Comprehensive Income for the Year	15,376	(1,155)	14,221	(1,155)

Source: Issuer's financial statements.

The above adjustment had no impact on the amounts of cash flows used in operating, investing, and financing activities for the year ended 31 December 2022G.

8-2 Key Financial and Operational Performance Indicators

The following table sets out the key financial and operating performance indicators of the Company for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of each of 2024G and 2025G.

Table No. (9): Key Financial and Operational Performance Indicators

Financial Indicators (Percentage)	Financial Year Ended 31 December			the three-month period ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudited)	2025G (Unaudited)
Growth Indicators:					
Ijara and Murabaha receivables, net (period-to-period)	-	3.8%	(2.7%)	-	(2.6%)
Total revenues (period to period)	-	17.5%	26.3%	-	17.3%
Profitability Indicators:					
Return on equity (ROE)	1.6%	(5.3%)	0.1%	(1.1%)	0.3%
Return on total assets	0.5%	(1.6%)	0.03%	(0.3%)	0.1%
Net profit margin	7.9%	(21.4%)	0.2%	(15.9%)	3.3%
Leverage ratio analysis:					
Total debt to total assets (times)	0.6	0.6	0.7	0.7	0.7
Total debt to total equity (times)	1.9	2.1	2.2	2.4	2.4
Total Ijarah and Murabaha Receivables, net to total debt (times)	1.5	1.5	1.4	1.4	1.4
Total of Ijara and Murabaha Receivables, net to total equity (times)	2.8	3.1	3.0	3.4	3.3
Spread margin analysis ratios:					
Total profit margin on net Ijara and Murabaha receivables	6.2%	7.0%	8.6%	7.5%	8.9%
Cost of Funding	3.7%	7.5%	7.9%	7.2%	6.4%
Financing spread margin	2.4%	(0.4%)	0.6%	0.3%	2.5%
Asset quality metrics:					
NPL coverage ratio (individuals)	2.9%	4.1%	4.7%	3.5%	2.7%
NPL coverage ratio (companies)	-	-	-	-	4.6%
Net stable funding ratio (NSFR)	101.1%	100.6%	106.3%	101.2%	103.9%

Source: Issuer's financial statements.

8-3 The Company's Financial Statements

8-3-1 Statement of Profit or Loss and Other Comprehensive Income

Table No. (10): Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income (Thousand Saudi Riyal)	Financial Year Ended 31 December			The three-month period ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudited)	2025G (Unaudited)
Revenues					
Lease contract revenues	155,932	181,838	199,313	50,528	48,095
Murabaha revenues	-	3,341	27,345	3,077	15,152
Fee income	8,843	9,320	12,544	1,459	1,813
Service revenues	11,447	11,945	12,931	3,058	3,412
Gains from portfolio sale	4,387	5,762	15,781	253	-
Total revenues	180,609	212,206	267,914	58,375	68,472
Operational Expenses					
General and administrative expenses	(74,098)	(77,655)	(88,934)	(20,911)	(24,670)
Selling and marketing expenses	(18,582)	(27,699)	(22,185)	(5,691)	(4,282)
Depreciation	(3,336)	(3,132)	(3,272)	(758)	(845)
Amortization	(2,272)	(2,565)	(2,148)	(710)	(455)
Finance charges	(61,845)	(132,338)	(148,610)	(36,948)	(33,152)
Total operational expenses	(160,133)	(243,389)	(265,149)	(65,018)	(63,404)
Net (loss) / operating profit for the year	20,476	(31,183)	2,765	(6,643)	5,068
Expected credit loss expense and write-offs, net	(4,287)	(14,040)	(2,623)	(2,179)	(2,327)
Other revenues	1,182	834	964	-	125
Gains resulting from the modification of financing facility terms	-	-	-	-	-
(Loss)/ profit before Zakat for the year	17,371	(44,389)	1,106	(8,822)	2,866
Zakat expenses for the year	(3,150)	(1,092)	(228)	(448)	(592)
Loss/profit after Zakat for the year	14,221	(45,481)	878	(9,270)	2,274
Other comprehensive income for the year					
Items that will not be reclassified to the statement of profit or loss in subsequent periods					
Actuarial losses on end-of-service benefit obligations	-	-	(317)	-	-
Total (loss) / other comprehensive income for the year	14,221	(45,481)	561	(9,270)	2,274
Basic and diluted earnings per share (in Saudi Riyals)	0.02	(0.05)	0.00	(0,10)	0.03

Issuer: Issuer's Financial Statements.

8-3-2 Statement of the Financial Position

Table No. (40): Statement of the Financial Position

Financial Position Statement (Thousand Saudi Riyals)	Financial Year Ended 31 December			The three-month period ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudited)	2025G (Unaudited)
Assets					
Cash & cash equivalents	48,403	24,193	145,335	57,950	21,960
Investments listed at FVOCI	893	893	893	893	893
Ijara Receivables, net	2,582,044	2,573,596	2,046,902	2,708,584	2,134,310
Murabaha receivables, net	-	106,105	560,251	181,255	679,860
Insurance, prepayments, and other receivables, net	119,901	153,582	151,050	131,073	178,291
RoU assets, net	4,692	3,036	2,433	2,623	1,945
Intangible assets, net	6,805	6,516	9,608	7,702	11,222
Property and equipment, net	3,853	2,948	4,357	2,829	4,966
Total assets	2,766,591	2,870,869	2,920,829	3,092,909	3,033,447
Liabilities and shareholder's equity					
Liabilities					
Financing facilities – secured	1,250,659	1,833,084	1,908,543	2,070,151	2,057,650
Sukuk	451,901	-	-	-	-
Lease liabilities	4,172	2,486	1,840	1,573	1,884
Accrued expenses and other liabilities	146,917	165,696	140,512	160,523	101,217
Zakat payables	625	1,717	880	2,165	1,472
Provisions for the employees' end of service benefits	4,554	5,604	6,211	5,484	6,107
Total Liabilities	1,858,828	2,008,587	2,057,986	2,239,897	2,168,330
Shareholder's equity					
Capital	900,000	900,000	900,000	900,000	900,000
Statutory Reserve	8,008	8,008	8,095	8,008	8,095
Other provisions	-	-	(317)	-	(317)
Accumulative Losses	(245)	(45,726)	(44,935)	(54,996)	(42,661)
Total Shareholder's Equity	907,763	862,282	862,843	853,012	865,117
Total Liabilities and Shareholder's Equity	2,766,591	2,870,869	2,920,829	3,092,909	3,033,447

Issuer: Issuer's Financial Statements.

8-3-3 Cash Flow Statement

Table No. (41): Cash Flow Statement

Cash Flow Statement (Thousand Saudi Riyals)	Financial Year Ended 31 December			The three-month period ended 31 March	
	2022G (Reviewe)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudit d)	2025G (Unaudited)
Cash Flow from Operating Activities:					
(Loss)/ profit before Zakat for the year	17,371	(44,389)	1,106	(8,822)	2,866
Non-cash adjustments to reconcile (loss) / profit before Zakat for the year to net cash used in operating activities:					
Depreciation	3,336	3,132	3,272	758	845
Amortization	2,272	2,565	2,148	710	455
Finance charges	61,845	132,338	148,610	36,948	33,152
Provisions for the employees' end of service benefits	1,306	2,201	1,061	415	311
Expected credit loss expense and write-offs	4,287	14,040	2,623	2,179	2,327
Other Revenue	(1,182)	(834)	(964)	-	(125)
Gains from portfolio sale	(4,387)	(5,762)	(15,781)	(253)	-
	84,848	103,291	142,075	31,935	39,831
Increase in operating assets					
Ijara Receivables	(587,412)	(585,918)	(410,825)	(136,152)	(127,637)
Murabaha Receivables	-	(106,387)	(455,043)	(75,912)	(120,187)
Insurance, prepayments, and other receivables	(39,154)	(35,388)	1,379	22,509	11,241
Increase in operating liabilities					
Accrued expenses and other liabilities	9,538	18,779	(25,183)	(5,173)	(39,294)
	(532,180)	(605,623)	(747,597)	(162,793)	(236,046)
End-of-service benefits paid to employees	(1,152)	(1,151)	(771)	(535)	(415)
Finance cost paid	(55,883)	(122,562)	(144,990)	(19,135)	(30,519)
Term deposit profit received	1,182	834	964	-	125
Paid Zakat	(3,473)	-	(1,065)	-	-
Net cash used in operating activities	(591,506)	(728,502)	(893,459)	(182,463)	(266,855)
Cash flows from investing activities:					
Purchase of property and equipment	(659)	(571)	(2,776)	(226)	(965)
Purchase of intangible assets	(301)	(2,276)	(5,240)	(1,896)	(2,069)
Net cash used in investing activities	(960)	(2,847)	(8,016)	(2,122)	(3,034)
Cash flow from financing activities:					
Proceeds from the sale of Ijara receivables: portfolios	488,798	588,077	952,727	-	-
Payments of lease contract obligations	(1,813)	(1,813)	(2,151)	(912)	-
Proceeds from financing facilities – secured	958,250	2,991,406	1,157,255	407,562	303,000
Repayment of financing facilities – secured	(754,450)	(2,420,531)	(1,085,214)	(188,308)	(156,486)
Principal repayment of sukuk	(100,000)	(450,000)	-	-	-
Proceeds from the issuance of sukuk	-	-	-	-	-
Net cash generated from financing activities	590,785	707,139	1,022,617	218,342	146,514
Net cash and cash equivalents	(1,681)	(24,210)	121,142	33,757	(123,375)
Cash and cash equivalents at the start of year/period	50,084	48,403	24,193	24,193	145,335
Cash and cash equivalents for the end of year/period	48,403	24,193	145,335	57,950	21,960
Non-cash transactions:					
Write-off of lease receivables (Ijara) through the acquisition of properties held	-	-	1,302	-	-
Write-off of lease contracts “Ijara” through the acquisition of properties held for	43,147	38,769	70,074	-	38,626

Issuer: Issuer's Financial Statements.

8-4 Business Results – Statement of Profit or Loss and Other Comprehensive Income

8-4-1 Sources of Revenues

Bidaya Company has a diversified revenue structure covering a range of core sources that support its financial performance and contribute to achieving sustainable growth. These sources include Ijara contracts, Murabaha, fees, services, and gains from portfolio sales. The following table shows the Company's revenue sources and the relative importance of each item for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (42): Sources of Revenues

Revenue sources (Thousands Saudi Riyals)	Financial Year Ended 31 December				The three-month period ended 31 March					
	2022G (Reviewed)	Ratio to the total	2023G (Reviewed)	Ratio to the total	2024G (Reviewed)	Ratio to the total	2024G (Unaudited)	Ratio to the total	2025G (Unaudited)	Ratio to the total
Lease contract revenues	155,932	86.3%	181,838	85.7%	199,313	74.4%	50,528	86.6%	48,095	70.3%
Murabaha revenues	-	0.0%	3,341	1.6%	27,345	10.2%	3,077	5.3%	15,152	22.1%
Fee income	8,843	4.9%	9,320	4.4%	12,544	4.7%	1,459	2.5%	1,813	2.6%
Service revenues	11,447	6.3%	11,945	5.6%	12,931	4.8%	3,058	5.2%	3,412	5.0%
Gains from portfolio sale	4,387	2.4%	5,762	2.7%	15,781	5.9%	253	0.4%	-	-
Total revenues	180,609	100.0%	212,206	100.0%	267,914	100.0%	58,375	100.0%	68,472	100.0%

Source: Issuer's financial statements.

During the previous year and over the prior three years, Bidaya has recorded continuous growth in its revenues since inception, supported by the expansion of its financing portfolio. Total revenues increased at a compound annual growth rate (CAGR) of 21.8% over 2022G–2024G. On a quarterly basis, Bidaya reported total revenues of SAR 68,472 thousand for the first quarter of 2025G, an increase of 17.3% compared to the same period of the previous year. Bidaya's revenue mix is diversified and spans a range of core income sources that contribute materially to its financial performance. The main sources are as follows:

- (1) **Ijarah Contract Revenues:** Ijarah contract revenues constitute an important part of the Company's total revenue structure, calculated based on the effective profit rate of the financing portfolio. This rate reflects the time value of money when discounting the estimated future cash flows of financing contracts. Ijarah revenues achieved a compound annual growth rate (CAGR) of 13.1% during the period from 2022G to 2024G. They contributed 74.5% of the total revenues in 2024G compared to 85.7% in 2023G.

With respect to quarterly performance, Ijara income decreased by 4.8% in the first quarter of 2025G compared to the same period of 2024G, primarily due to increased sales of Ijara contract portfolios to the Saudi Real Estate Refinance Company.

- (2) **Murabaha Revenues:** In 2023G, the Company incorporated Sharia-compliant Murabaha contracts into its products, resulting in revenues of SAR 3.341 thousand, representing 1.6% of the total revenues. Murabaha revenues at the end of 2024G increased by 718.5%, where SAR 27,345 thousand was recorded.

Murabaha income increased on a quarterly basis from SAR 3,077 thousand in the first quarter of 2024G to SAR 15,152 thousand in the first quarter of 2025G, representing growth of 392.4%, reflecting rising demand for this product and continued expansion of the financing portfolio.

- (3) **Fee Income:** This income relates to services provided by the Company, such as processing applications, issuing agencies, and managing receivables. This income is recognised when the service is rendered or over the period in which the return is realised. When such income forms an essential part of the return on related receivables, recognition is made over the expected accumulation period of the return. Fee income achieved a compound annual growth rate (CAGR) of 19.1% during the period from 2022G to 2024G, contributing 4.7% of total revenues in 2024G compared to 4.4% in 2023G.

Fee income increased on a quarterly basis from SAR 1,459 thousand in the first quarter of 2024G to SAR 1,813 thousand in the first quarter of 2025G, representing growth of 24.3%, reflecting increased demand for this service.

- (4) **Service Revenues:** This revenue represents income from services related to the collection and management of receivables on behalf of mortgage portfolio owners from other parties. The service includes activities such as collecting receivables and managing them up to the maturity date. It achieved a compound annual growth rate (CAGR) of 6.3% during the period from 2022G to 2024G. This income contributed 4.8% of total revenues in 2024G compared to 5.6% in 2023G.

Similarly, service income increased on a quarterly basis from SAR 3,058 thousand in the first quarter of 2024G to SAR 3,412 thousand in the first quarter of 2025G, representing growth of 11.6%.

- (5) **Gains from Portfolio Sales:** Gains from portfolio sales represent an important source arising from the sale of financing portfolios related to Ijarah contracts to the Saudi Real Estate Refinance Company. These operations started in the fourth quarter of 2018G and witnessed a significant increase with the acceleration of portfolio sales, reflecting the diversification of revenue sources and the Company's ability to achieve financial sustainability and growth.

For the year ended 31 December 2024G, the Company recorded total profits from portfolio sales of SAR 15.781 thousand, representing 5.9% of total revenues during the period, an increase of 173.9% compared to the year ended 31 December 2023G.

For the year ended 31 December 2023G, the Company recorded total profits from portfolio sales of SAR 5.762 thousand, representing 2.7% of total revenues during the period, an increase of 31.3% compared to the year ended 31 December 2022G.

In 2022G, profits from portfolio sales decreased by 60.7% to SAR 4.387 thousand. This decrease was due to the seasonal nature of asset sale transactions and the decline in the value of fixed-rate long-term financing contracts, resulting from the high-interest rate environment. These sales were implemented as part of the Company's strategy to manage interest rate impacts.

With respect to portfolio sales for the quarterly period of 2025G, the Company did not record gains from portfolio sales, compared to SAR 352 thousand in the first half of 2024G.

It is worth noting that the aggregate proceeds from the real estate financing portfolios sold to the Saudi Real Estate Refinance Company, since the commencement of such sales, reached SAR 3,077,875 thousand during the years from 2018G up to the first quarter of 2025G, as shown in the table below:

Table No. (43): Proceeds from portfolio sales

The Financial Period Ended	Proceeds from Portfolio Sales (SAR 000)
31 December 2018G	98,182
31 December 2019G	365,462
31 December 2020G	196,821
31 December 2021G	387,808
31 December 2022G	488,798
31 December 2023G	588,077
31 December 2024G	952,727
31 March 2025G	0
Proceeds from portfolio sales	3,077,875

Source: Issuer's Financial Information.

8-4-2 Other Revenues

- (1) The Company's other revenues include the following income generated from Murabaha contracts for deposits in local banks: this additional revenue source reflects the Company's ability to effectively invest its cash surpluses to maximise financial returns.

8-4-3 Operational Expenses

Bidaya's operating expenses reflect the nature of its specialised business activity in providing real estate financing products, including lease-to-own contracts and Murabaha contracts, covering expenses related to the management of financing operations, provision of real estate financing services, and expansion in Sharia-compliant financial products.

Operating expenses are divided between general and administrative expenses, and selling and marketing expenses to support customer acquisition, in addition to costs related to depreciation and amortisation. Financing costs constitute a significant percentage of total expenses due to the Company's reliance on diverse funding sources to support its financing activities.

The following table shows the Company's operating expense elements of each element for the financial years ending 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (44): Operating Expense Elements

Operating expenses (in thousand Saudi Riyals)	Financial Year Ended 31 December						The three-month period ended 31 March			
	2022G (Reviewed)	Ratio to the total	2023G (Reviewed)	Ratio to the total	2024G (Reviewed)	Ratio to the total	2024G (Unaudit ed)	Ratio to total	2025G (Unaudit ed)	Ratio to total
General and administrative expenses	74,098	46.3%	77,655	31.9%	88,934	33.5%	20,911	32.2%	24,670	38.9%
Selling and marketing expenses	18,582	11.6%	27,699	11.4%	22,185	8.4%	5,691	8.8%	4,282	6.8%
Depreciation	3,336	2.1%	3,132	1.3%	3,272	1.2%	758	1.2%	845	1.3%
Amortisation	2,272	1.4%	2,565	1.1%	2,148	0.8%	710	1.1%	455	0.7%
Finance charges	61,845	38.6%	132,338	54.4%	148,610	56.0%	36,948	56.8%	33,152	52.3%
Total operational expenses	160,133	100.0%	243,389	100.0%	265,149	100.0%	65,018	100.0%	63,404	100.0%

Source: Issuer's financial statements.

Financing costs are calculated for the Company based on the outstanding balance of financing facilities, using the accrual basis, and these costs are recorded in the financial statements for the relevant period and added to the outstanding balance.

The total operating expenses as of 31 December 2024G amounted to approximately SAR 265,149 thousand, recording an increase of 8.9% compared to the period ended 31 December 2023G, where it recorded SAR 243,389 thousand, with this increase mainly attributed to a rise in general and administrative expenses by 14.5%, followed by financing costs with an increase rate of 12.3%.

With respect to quarterly performance, operating expenses decreased from SAR 65,018 thousand in the first quarter of 2024G to SAR 663,404 thousand in the first quarter of 2025G, by (0.9%).

8-4-4 General administrative expenses

General and administrative expenses form a fundamental part of Bidaya Financing Company's operating costs, including salaries and benefits, professional fees, infrastructure expenses, and information technology costs. These expenses reflect the Company's efforts in managing operations and developing systems to support its financing activities and business growth.

The following table shows the elements of the Company's general and administrative expenses and the relative importance of each element for the financial years ending 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (45): Elements of General and Administrative Expenses

General and administrative expenses (in thousand Saudi Riyals)	Financial Year Ended 31 December						The three-month period ended 31 March			
	2022G (Reviewed)	Ratio to Total	2023G (Reviewed)	Ratio to Total	2024G (Reviewed)	Ratio to Total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
Salaries and employee-related benefits	45,643	61.6%	47,749	61.5%	56,963	64.1%	13,416	64.2%	16,041	65.0%
Professional fees	4,890	6.6%	6,531	8.4%	4,626	5.2%	1,403	6.7%	804	3.3%
Board members' remuneration and meeting expenses	3,938	5.3%	3,171	5.1%	2,609	2.9%	647	3.1%	444	1.8%
Information technology expenses	4,560	6.2%	3,345	4.3%	5,542	6.2%	1,645	7.9%	1,762	7.1%
Rent and building expenses	1,115	1.5%	1,214	1.6%	1,260	1.4%	374	1.8%	414	1.7%
Maintenance, repairs, and other expenses	13,952	18.8%	14,840	19.1%	17,934	20.2%	3,426	16.4%	5,205	21.1%
Total General and Administrative Expenses	74,098	100.0%	77,655	100.0%	88,934	100.0%	20,911	100.0%	24,670	100.0%

Source: Issuer's financial statements.

The general and administrative expenses as of 31 December 2024G amounted to approximately SAR 88,934 thousand, recording an increase of 14.5% compared to the financial year ended 31 December 2023G. This increase in operating expenses is primarily driven by a 19.3% annual rise in employee salaries and benefits. This aligns with the company's three-year strategy for 2024G-2026G, which includes the launch of new products and digital transformation initiatives that necessitate strengthening the company's professional staff. This is further compounded by a 20.8% annual increase in other expenses. These expenses are essential for achieving the company's objectives under the approved 2024G-2025G strategy, particularly those related to new product launches and the completion of digital transformation. This requires investments in information systems infrastructure and covering consulting expenses associated with these strategic initiatives.

With respect to quarterly performance, general and administrative expenses increased from SAR 20,911 thousand in the first half of 2024G to SAR 24,670 thousand at the end of the first quarter of 2025G, by 17.9%.

8-4-5 Selling and marketing expenses

Selling and marketing expenses constitute an essential part of Bidaya Financing Company's operating costs, as they are linked to supporting operational and promotional activities aimed at strengthening the customer base and expanding the Company's service outreach. These expenses mainly include the costs of appraising financed

properties and Takaful insurance, which represent the largest component, in addition to salaries and expenses related to employees, and advertising and promotional expenses that support the Company's brand.

The following table shows the components of the Company's selling and marketing expenses and the relative importance of each component for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (46): Elements of Selling and Marketing Expenses Selling and Marketing Expenses

Selling and marketing expenses (in thousand Saudi Riyals)	Financial Year Ended 31 December				The three-month period ended 31 March					
	2022G (Reviewed)	Ratio to total	2023G (Reviewed)	Ratio to total	2024G (Reviewed)	Ratio to total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
Funded property valuation and Takaful insurance expenses	8,082	43.5%	17,792	64.2%	10,595	47.8%	2,537	44.6%	2,205	51.5%
Salaries and employee-related expense	8,136	43.8%	8,162	29.5%	10,356	46.7%	1,926	33.8%	1,619	37.8%
Advertising and marketing expenses	2,364	12.7%	1,745	6.3%	1,234	5.6%	1,228	21.6%	458	10.7%
Total expenses of sale and marketing	18,582	100.0%	27,699	100.0%	22,185	100.0%	5,691	100.0%	4,282	100.0%

Source: Issuer's financial statements.

Selling and marketing expenses as of 31 December 2024G amounted to approximately SAR 22,185 thousand, recording a decrease of 19.9% compared to the year ended 31 December 2023G. This was due to a 47.8% decrease in financing property valuation and Takaful insurance expenses, which is attributed to a decrease in the average size of the individual financing portfolio in 2024G compared to 2023G. This portfolio decrease, in turn, was due to a SAR 937 million increase in portfolio sales during 2024G, followed by a decrease of 29.3% advertising and marketing expenses. The Company places a special emphasis on monitoring and controlling direct expenses, including those related to advertising and marketing.

With respect to quarterly performance, selling and marketing expenses decreased from SAR 5,691 thousand in the first quarter of 2024G to SAR 4,282 thousand at the end of the first quarter of 2025G.

8-4-6 Depreciation and amortization expenses

Depreciation and amortization expenses as of 31 December 2024G represented 2.0% of total operating expenses, recording a decrease of 11.8% compared to the year ended 31 December 2023G. Depreciation and amortization

expenses as of 31 December 2023G represented 2.3% of total operating expenses for that financial year, recording an increase of 1.6% compared to the year ended 31 December 2022G, where it amounted to SAR 5,608 thousand for that financial year, representing 3.5% of total operating expenses for that year.

With respect to quarterly performance, depreciation and amortisation expenses represented 2.3% of total operating expenses at the end of the first quarter of 2024G, compared to 3.5% for the same period of 2025G.

8-4-7 Zakat Expenses

Zakat expenses decreased by 79.1% from SAR 1,092 thousand in the year ended 31 December 2023G to SAR 228 thousand in the financial year ended 31 December 2024G.

8-4-8 Net Income for the period

In the financial year ended 31 December 2024G, the Company recorded net profit after Zakat of SAR 878 thousand. The increase in revenues compared with the financial year ended 31 December 2023G was driven by two principal factors: (i) an improvement in the yield on the financing portfolio; and (ii) higher proceeds from portfolio sales. In the financial year ended 31 December 2023G, the Company recorded a net loss of SAR 45,481 thousand, affected by the rise in financing costs, which amounted to SAR 132,338 thousand. Despite achieving total revenues of SAR 212,206 thousand, the increase in operating expenses impacted the financial results. Murabaha revenues, introduced in the financial year ended 31 December 2023G, contributed SAR 3,341 thousand in diversifying revenue sources.

With respect to quarterly performance, the net result improved from a loss of SAR (9,270) thousand in the first quarter of 2024G to a net profit of SAR 2,274 thousand at the end of the first quarter of 2025G.

8-5 Assets

The statement of financial position of Bidaya Financing Company reflects the diversity of its assets, which supports its core business of offering Shariah-compliant real estate financing products. The assets include cash and investments, in addition to lease-to-own contracts and Murabaha contracts, which constitute the largest portion of the Company's operating assets. The primary focus in managing these assets is to provide the necessary liquidity to support financing operations and grow the customer portfolio, while maintaining the stability of other assets such as intangible assets and property and equipment, which support the Company's operational infrastructure. The following table shows the components of the Company's assets and the relative importance of each component for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (47): Assets

Assets (Thousand Saudi Riyals)	Financial Year Ended 31 December				The three-month period ended 31 March					
	2022G (Reviewed)	Ratio to the total	2023G (Reviewed)	Ratio to the total	2024G (Reviewed)	Ratio to the total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
Cash & cash equivalents	48,403	1.7%	24,193	0.8%	145,335	5.0%	57,950	1.9%	21,960	0.7%
Investments listed at FVOCI	893	0.03%	893	0.03%	893	0.03%	893	0.03%	893	0.03%

Assets (Thousand Saudi Riyals)	Financial Year Ended 31 December				The three-month period ended 31 March					
	2022G (Reviewed)	Ratio to the total	2023G (Reviewed)	Ratio to the total	2024G (Reviewed)	Ratio to the total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
Ijara Receivables, net	2,582,044	93.3%	2,573,596	89.6%	2,046,902	70.1%	2,708,584	87.6%	2,134,310	70.4%
Murabaha receivables, net	-	0.0%	106,105	3.7%	560,251	19.2%	181,255	5.9%	679,860	22.4%
Insurance, prepayments, and other receivables, net	119,901	4.3%	153,582	5.3%	151,050	5.2%	131,073	4.2%	178,291	5.9%
RoU assets, net	4,692	0.2%	3,036	0.1%	2,433	0.1%	2,623	0.1%	1,945	0.1%
Intangible assets, net	6,805	0.2%	6,516	0.2%	9,608	0.3%	7,702	0.2%	11,222	0.4%
Property and equipment, net	3,853	0.1%	2,948	0.1%	4,357	0.1%	2,829	0.1%	4,966	0.2%
Total assets	2,766,591	100.0%	2,870,869	100.0%	2,920,829	100.0%	3,092,909	100.0%	3,023,447	100.0%

Source: Issuer's financial statements.

Lease contracts represent the largest component of the Company's operating assets, accounting for 70.1% of total assets as of 31 December 2024G, compared to 89.61% in the financial year ended 31 December 2023G, and 93.31% in the financial year ended 31 December 2022G, reflecting the Company's focus on this product as a key pillar supporting its financing activities. In contrast, Murabaha contracts began contributing to the assets in the financial year ended 31 December 2024G, accounting for 19.21%, compared to the previous period where they represented 1.53%, indicating the Company's expansion in its financing products. Other assets, such as cash and cash equivalents, represented a smaller proportion of total assets, accounting for 5.01% in the financial year ended 31 December 2024 compared to 1.08% in the financial year ended 31 December 2023. The proportions of other assets, such as property, equipment, and intangible assets, remained at levels below 1% across all periods, reflecting the Company's focus on effectively managing its resources to achieve sustainability in its financing activities.

With respect to quarterly performance, Ijara contracts constituted the largest component of the Company's operating assets, accounting for 70.4% of total assets at the end of the first quarter of 2025G, compared to 87.6% in the first half of 2024G, while the share of net Murabaha contracts increased from 5.9% in the first half of 2024G to 22.4% in the first half of 2025G.

8-5-1 Ijara Receivables, net

Net lease receivables represent one of the principal assets of Bidaya Financing Company, with the difference between the total lease receivables and the present value of the lease receivables (i.e., lease payments) recognised as unearned lease income. Lease income is recognised over the term of the lease contract using the net investment method that reflects a constant rate of return. The table shows the development of net lease receivables over the

financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024, in addition to the first quarter of 2024G and 2025G.

Table No. (11): Ijara Receivables, net

Ijara receivables, net (Thousand Saudi Riyals)	Financial Year Ended 31 December			The three-month period ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudited)	2025G (Unaudited)
Total Area of Ijara Receivables	4,124,764	4,183,743	3,431,054	4,451,874	3,586,980
A discount of: Unearned income	(1,521,335)	(1,581,795)	(1,357,305)	(1,713,944)	(1,425,826)
	2,603,429	2,601,948	2,073,749	2,737,930	2,161,154
A discount of: Provision for impairment of credit losses	(21,385)	(28,352)	(26,847)	(29,346)	(26,844)
Ijara Receivables, net	2,582,044	2,573,596	2,046,902	2,708,584	2,134,310

Source: Issuer's financial statements.

The table above shows the evolution of net Ijara receivables over the period from 2022G to the first quarter of 2025G, declining from SAR 2,582,044 thousand in 2022G to SAR 2,046,902 thousand in 2024G, before rising again to SAR 2,134,310 thousand in the first quarter of 2025G.

It should be noted that these figures do not solely reflect changes in the volume of new financings; they are also affected by the periodic sale of financing portfolios undertaken by the Company as part of its liquidity management and profitability enhancement strategy, which partially reduces the balance reported within net receivables. For further information, please refer to Section (12-2-4) (*Sale Agreements of Lease Contract Portfolios to the Saudi Real Estate Refinance Company*).

With respect to the maturity classification of net Ijara receivables, the following tables reflect a detailed analysis of the expected repayment periods for financing contracts. This classification includes Ijarah contracts distributed according to the remaining time period until maturity: Less than one year, more than one year and less than five years, and more than five years.

Table No. (4912): Contractual Maturity Classification of Net Lease Receivables for the Financial Year Ended 31 March 2025G.

For the financial year ended 31 March 2025G (Unaudited)

Net Ijara Receivables (In Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Ijara Receivables	255,580	746,577	2,584,823	3,586,980
Unearned income	(154,229)	(403,503)	(868,094)	(1,425,826)
	101,351	343,074	1,716,729	2,161,154
Provision for impairment of credit losses				(26,844)
Ijara Receivables, net				2,134,310

Issuer: Issuer Financial Statements.

The previous table shows that the majority of Ijara receivables, representing 79.4% of net receivables before credit loss provisions, are due to be settled after more than five years. This indicates a long-term commitment on the part of customers, supporting the sustainability of revenues over the longer term.

Table No. (50): Contractual maturity classification of Ijara receivables for the financial year ended 31 December 2024G.

For the financial year ended 31 December 2024G (Reviewed)

Net Ijara Receivables (In Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Ijara Receivables	237,503	697,604	2,495,947	3,431,054
Unearned income	(143,428)	(378,075)	(835,802)	(1,357,305)
	94,075	319,529	1,660,145	2,073,749
Provision for impairment of credit losses				(26,847)
Ijara Receivables, net				2,046,902

Source: Issuer's financial statements.

The previous table reflects that the majority of net Ijara receivables, representing 79.4% of net receivables before credit loss provisions, will be repaid after more than five years. This indicates a long-term commitment by customers, supporting the sustainability of revenues over the long term.

Table No. (51): Contractual Maturity Classification of Net Ijara Receivables for the Financial Year Ended 31 December 2023G

For the financial year ended 31 December 2023G (Reviewed)

Net Lease Receivables (In Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Ijara Receivables	269,467	784,661	3,129,615	4,183,743
Unearned income	(172,968)	(440,235)	(968,592)	(1,581,795)
	96,499	344,426	2,161,023	2,601,948
Provision for impairment of credit losses				(28,352)
Ijara Receivables, net				2,573,596

Source: Issuer's financial statements.

The previous table reflects that the majority of net lease receivables, representing 83.1% of net receivables before credit loss provisions, will be repaid after more than five years. This indicates a long-term commitment by customers, supporting the sustainability of revenues over the long term.

Table No. (52): Contractual Maturity Classification of Net Lease Receivables for the Financial Year Ended 31 December 2022G

For the financial year ended 31 December 2022G (Reviewed)

Net Lease Receivables (In Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Ijara Receivables	207,925	663,265	3,253,574	4,124,764
Unearned income	(123,863)	(364,396)	(1,033,076)	(1,521,335)
	84,062	298,869	2,220,498	2,603,429
Provision for impairment of credit losses				(21,385)
Ijara Receivables, net				2,582,044

Source: Issuer's financial statements.

The previous table reflects that the majority of net lease receivables, representing 85.3% of net receivables before credit loss provisions, will be repaid after more than five years. This indicates a long-term commitment by customers, supporting the sustainability of revenues over the long term.

8-5-2 Murabaha receivables, net

Murabaha contracts are one of the Sharia-compliant financing products offered by Bidaya Financing Company. Murabaha is an agreement under which the Company sells an asset to the customer, having purchased and acquired it based on a promise received from the customer to buy > The selling price includes the cost plus an agreed-upon profit margin. The difference between the receivables from Murabaha sale contracts and the cost of the sold asset is recorded as unearned Murabaha profits, and for presentation purposes, it is deducted from the total receivables under Murabaha sale receivables.

The table shows the development of net Murabaha receivables over the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2024G and 2025G.

Table No. (53): Murabaha receivables, net

Murabaha receivables, net (Thousand Saudi Riyals)	Financial Year Ended 31 December			The Three-month Period Ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (Unaudited)	2025G (Unaudited)
Murabaha Receivables	-	141,531	711,098	241,470	862,878
A discount of: Unearned income	-	(34,863)	(149,387)	(59,362)	(180,980)
	-	106,668	561,711	182,108	681,898
A discount of: Provision for impairment of credit losses	-	(563)	(1,460)	(853)	(2,038)
Murabaha receivables, net	-	106,105	560,251	181,255	679,860

Source: Issuer's financial statements.

The table above shows the evolution of net Murabaha receivables during 2023G and the first quarter of 2025G, rising from SAR 106,105 thousand in 2023G to SAR 679,860 thousand in the first quarter of 2025G, reflecting the gradual expansion in the use of the Murabaha product as part of the financing portfolio. It is noted that Murabaha contracts were not part of the Company's activities prior to 2023G, underscoring the growth of this relatively new product within the revenue mix.

The following tables reflect the contractual maturity classification of net Murabaha receivables, providing a detailed analysis of the expected repayment periods for financing contracts. This classification includes Murabaha contracts distributed according to the remaining time period until maturity: Less than one year, more than one year and less than five years, and more than five years.

Table No. (54): Contractual maturity classification of net Murabaha receivables for the financial year ended 31 March 2025G

for the year ended 31 March 2025G (Not Reviewed)

Murabaha receivables, net (Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Total Murabaha Receivables	148,187	680,443	34,248	862,878
Unearned income	(64,607)	(110,888)	(5,485)	(180,980)
	83,580	569,555	28,763	681,898
A discount of: Allowance for expected credit losses				(2,037)
Murabaha receivables, net				679,860

Issuer: Issuer Financial Statements.

The previous table shows that the majority of Murabaha receivables, representing 83.5% of net receivables before credit loss provisions, are scheduled to be settled after more than one year and less than five years.

Table No. (55): Contractual maturity classification of Murabaha receivables for the financial year ended 31 December 2024G.

for the year ended 31 December 2024G (Reviewed)

Murabaha receivables, net (Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Total Murabaha Receivables	121,863	575,451	13,784	711,098
Unearned income	(52,810)	(91,803)	(4,774)	(149,387)
	69,053	483,648	9,010	561,711
A discount of: Allowance for expected credit losses				(1,460)
Murabaha receivables, net				560,251

Source: Issuer's financial statements.

The previous table reflects that the majority of net Murabaha receivables, representing 86.1% of net receivables before credit loss provisions, will be repaid after more than one year and less than five years.

Table No. (56): Contractual Maturity Classification of Net Murabaha Receivables for the financial Year Ended 31 December 2023G

for the year ended 31 December 2023G (Audited)

Murabaha receivables, net (Thousand Saudi Riyals)	Up to One Year	More than One Year and Less than Five Years	More than Five Years	Total
Murabaha Receivables	23,293	112,274	5,964	141,531
Unearned income	(14,152)	(19,327)	(1,384)	(34,863)
	9,141	92,947	4,580	106,668
A discount of: Allowance for expected credit losses				(563)
Murabaha receivables, net				106,105

Source: Issuer's financial statements.

The previous table reflects that the majority of net Murabaha receivables, representing 87.1% of net receivables before credit loss provisions, will be repaid after more than one year and less than five years.

8-5-3 Cash & cash equivalents

Cash and cash equivalents as of 31 December 2024G represented 5.0% of total assets compared to the corresponding period ended 31 December 2023G, where cash represented 0.8%, providing the necessary liquidity to cover all existing commitments and obligations.

Cash and cash equivalents represented 0.7% of total assets at the end of the first quarter of 2025G, compared to 1.9% in the first quarter of 2024G.

8-5-4 Investments listed at FVOCI

This item represents ownership of shares in the Saudi Financial Lease Contract Registry Company (SIJIL), with a value of SAR 893 thousand. Bidaya Company classified the investment in equity instruments at fair value through other comprehensive income.

The issuer does not own any securities based on contracts or other assets whose value is subject to significant fluctuations, whose valuation is uncertain, or which could significantly hinder the assessment of the issuer's financial position.

8-5-5 Insurance, prepayments, and other receivables, net

Prepaid expenses, advances, and other receivables constitute an essential part of the Company's operating assets and include real estate held for sale to settle net lease receivable balances, VAT receivables, service fees related to the Ministry of Housing, and other receivables after expected credit loss provisions, as well as deferred sales commissions.

The following table sets out the components of the Company's security deposits, prepayments and other receivables, together with the relative significance of each item, for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of each of 2024G and 2025G.

Table No. (57): Classification of Prepaid Expenses, Advances, and Other Receivables

Prepaid Expenses, Advances, and Other Receivables, Net (Thousand Saudi Riyals)	Financial Year Ended 31 December						The Three-month Period Ended 31 March			
	2022G (Reviewed)	Ratio to total	2023G (Reviewed)	Ratio to total	2024G (Reviewed)	Ratio to total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
Properties held for sale	43,147	36.0%	38,769	25.2%	70,074	46.4%	38,769	29.6%	98,444	55.2%
Value Added Tax ("VAT"), Net	2,999	2.5%	4,039	2.6%	3,552	2.4%	36,913	28.2%	4,257	2.4%
Certified bank checks	-	0.0%	30,537	19.9%	-	0.0%	-	0.0%	-	0.0%
Other receivables, net	14,874	12.4%	26,668	17.4%	20,910	13.8%	33,087	25.2%	13,931	7.8%
Deferred sales commission	10,133	8.5%	11,046	7.2%	10,603	7.0%	10,701	8.2%	11,922	6.7%
Deposits and advances	6,232	5.2%	6,424	4.2%	9,575	6.3%	648	0.5%	13,401	7.5%

Prepaid Expenses, Advances, and Other Receivables, Net (Thousand Saudi Riyals)	Financial Year Ended 31 December						The Three-month Period Ended 31 March			
	2022G (Reviewed)	Ratio to total	2023G (Reviewed)	Ratio to total	2024G (Reviewed)	Ratio to total	2024G (Unaudited)	Ratio to total	2025G (Unaudited)	Ratio to total
VAT receivable from the Ministry of Municipalities and Housing and the Zakat Authority	42,516	35.5%	36,099	23.5%	36,336	24.1%	3,707	0.003%	36,336	20.4%
Total	119,901	100.0%	153,582	100.0%	151,050	100.0%	131,073	100.0%	178,291	100.0%

Source: Issuer's financial statements.

Prepaid expenses, advances, and other receivables, net, as at the end of the first quarter of 2025G, amounted to SAR 178,291 thousand, representing 5.9% of the Company's total assets. As of 31 December 2024G, Prepaid expenses, advances, and other receivables amounted to SAR 151,050 thousand, representing 5.2% of the Company's total assets. The main items that make up the balance during this period can be summarised as follows:

- Properties held for sale: These represent properties purchased by the Company in the course of its normal operations to settle net lease receivable balances.
- VAT refund and service fees Due from the Ministry of Housing: This includes receivables from the Ministry of Housing for VAT paid by the Company on a portion of the lease financing created under the VAT exemption programme for first home buyers, amounting to SAR 9.8 million (31 December 2023G: SAR 9.8 million), in addition to SAR 33.2 million due from the Zakat, Tax, and Customs Authority in respect of VAT paid by the Company on the portion of lease contracts financed under the First Home VAT Support Initiative. During 2023G, the Company submitted all VAT claims with the required documentation to the Authority; these claims are still under review as of the reporting date. Other receivables are presented net of an expected credit loss allowance of SAR 13,931 thousand at the end of the first quarter of 2025G, compared to SAR 20,910 thousand at the end of the financial year ended 31 December 2024G, in respect of costs recoverable from the Real Estate Development Fund.
- Certified Bank Checks: This amount represents certified bank checks issued by the Company against approved Murabaha financing contracts that were pending transfer of title deeds at the end of the period.

8-5-6 RoU assets, net

The following table sets out the components of the Company's right-of-use assets for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of each of 2024G and 2025G.

Table No. (58): Statement of Right-of-Use Assets for Contracts Entered into by the Company

RoU assets (Thousand Saudi Riyals)	Financial Year Ended 31 December			The Three-month Period Ended 31 March	
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	2024G (unaudited)	2025G (unaudited)
As at the Start of the Period	6,349	4,692	3,036		2,433
Additions	-	-	1,302		-
Depreciation	(1,657)	(1,656)	(1,905)		(488)
Bet book value at the end of the period	4,692	3,036	2,433		1,945

Source: Issuer's financial statements.

8-5-7 Intangible Assets

Intangible assets constitute an essential part of the Company's operating assets and are mainly represented by computer programs used to support financial and operational processes. This category includes the costs of developing software used in the management of contracts and data, which are added to the total value of intangible assets and are amortised gradually over their productive useful life.

The following table shows the elements of the balance of intangible assets for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2025G.

Table No. (59): Amortisation of intangible assets

Intangible assets, net (computer software) (in thousands of Saudi Riyals)	Financial Year Ended 31 December			The Three-month Period Ended 31 March 2025 (Unaudited)
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	
Cost:				
As at the Start of the Period:	18,125	18,426	20,702	25,942
Additions during the year	301	2,276	5,240	2,068
As at the end of the Period	18,426	20,702	25,942	28,010
Amortisation:				
As at the Start of the Period:	9,349	11,621	14,186	16,334
Additions during the year	2,272	2,565	2,148	455
As at the end of the Period:	11,621	14,186	16,334	16,789
Book value at the end of the period	6,805	6,516	9,608	11,222

Source: Issuer's financial statements.

8-5-8 Property and equipment, net

Property and equipment represent one of the core components of the Company's operating assets, including improvements to leased properties, office equipment, furniture and fixtures, computer hardware, and vehicles. The data shows that this category of assets constitutes a small percentage of total assets, reflecting a greater focus on other financing and operating assets.

The following table sets out the components of property and equipment for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of 2025G.

Table No. (60): Property and Equipment, Bet

Management and equipment, net (In thousand riyals)	Financial Year Ended 31 December						The Three-month Period Ended 31 March 2025 (Unaudited)	Ratio to Total
	2022G (Reviewed)	Ratio to Total	2023G (Reviewed)	Ratio to Total	2024G (Reviewed)	Ratio to Total		
Improvements to leased properties	1,419	36,8%	1,011	34,3%	2,354	54,0%	3,004	60,5%
Office equipment	77	2,0%	150	5,1%	207	4,8%	215	4,3%
Furniture and Fixtures	49	1,3%	29	1,0%	275	6,3%	316	6,4%
Computers	2,200	57,1%	1,733	58,8%	1,521	34,9%	1,431	28,8%
Cars	108	2,8%	25	0,8%	-	0,8%	-	0,0%
Total	3,853	100,0%	2,948	100,0%	4,357	100,0%	4,966	100,0%

Source: Issuer's financial statements.

8-6 Liabilities

8-6-1 Financing facilities – secured

The following table sets out a statement of the secured financing facilities for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of 2025G.

Table No. (61): Statement of financing facilities

Financers ('000)	Financial Year Ended 31 December			The Three-month Period Ended 31 March 2025 (Unaudited)	Applied return on financing up to 31 March 2025G (%)
	2022 (Audited)	2023 (Audited)	2024 (Audited)		
Saudi Real Estate Refinance Company	563,159	607,256	659,247	738,010	Profit Margin + SAIBOR
Riyad Bank	286,272	486,455	313,130	314,825	Profit Margin + SAIBOR

Financers ('000)	Financial Year Ended 31 December			The Three-month Period Ended 31 March 2025 (Unaudited)	Applied return on financing up to 31 March 2025G (%)
	2022 (Audited)	2023 (Audited)	2024 (Audited)		
Al Rajhi Bank	-	-	345,003	358,712	Profit Margin + SAIBOR
REDF (individual funding)	-	-	101,285	101,294	Profit Margin + interest rate swap
REDF (company funding)	-	-	101,263	101,330	Profit Margin + interest rate swap
Bank Al-Jazira	70,780	146,790	128,973	148,848	Profit Margin + SAIBOR
SNB	164,523	71,139	-	0	Profit Margin + SAIBOR
Gulf International Bank	165,922	73,272	-	0	Profit Margin + SAIBOR
Alinma Bank	-	194,679	174,210	182,602	Profit Margin + SAIBOR
Banque Saudi Fransi	-	253,493	85,432	112,029	Profit Margin + SAIBOR
Total	1,250,656	1,833,084	1,908,543	2,057,650	-

Source: Issuer

Bidaya Finance Company has entered into several credit facility agreements with various local commercial banks. These facilities and financing arrangements, structured as Murabaha, were primarily utilized to meet the Company's business expansion requirements. These financings are secured through the assignment of proceeds from lease receivables and the mortgage of ownership deeds of the core real estate assets. These facilities and financing are characteristically renewable and carry a profit margin determined by prevailing commercial market rates, reflecting its nature as revolving financing.

These amounts represent financing obtained by the Company from local commercial banks in the Kingdom of Saudi Arabia, with an outstanding balance of SAR 1,116.59 million (31 December 2024G: 1,046.33 million (as of 31 December 2023G: SAR 1,275.83 million) – excluding accrued interest payments. The Company also obtained financing from the Real Estate Development Fund amounting to SAR 202.62 million (31 December 2024G: SAR 202.55 million), in addition to finance from the Saudi Real Estate Refinance Company amounting to SAR 738.44 million ((31 December 2024G:SAR 659.67 million as of 31 December 2023G: SAR 607.25 million)

8-6-2 Sukuk

Bidaya Financing Company entered the capital markets by launching two private placement sukuk programs with multiple issuances, aiming to meet its financing needs through unsecured, unsubordinated, non-convertible debt instruments.

As of 31 December 2022G, the Company had outstanding sukuk that were unlisted, non-convertible, and unsecured, with a principal amount of SAR 450 million, carrying profit at fixed agreed-upon rates, and repayable on a quarterly

basis. During the financial year ended 31 December 2023G, the outstanding amount of SAR 450 million was fully settled during the year. These Sukuk have been rated “saA-” by Capital Intelligence.

Table No. (62): Status of Bidaya Financing Company Previous Private Placement Sukuk Programs:

No.	Programme Launch Date	Status as at 31 December 2024G	Programme value (SAR million)	User (SAR million)	Paid (SAR million)	Outstanding (SAR million)	No. of Issuance Series	No. of Closed Series
(1)	April 2018	Outstanding	500	500	500	0	3	0
(2)	February 2021	Outstanding	1,000	850	850	0	4	0
Total			1,500	1,350	1,350	0	7	0

Source: Issuer

The first private placement programme was launched in April 2018G with a total size of SAR 500 million. The Company issued three sukuk series under this programme with a total value of SAR 500 million, and all issuances were fully repaid and the programme was closed in November 2020G.

In February 2021G, the Company launched the second private placement programme with a total size of SAR 1,000 million. As of 31 December 2022G, an outstanding amount of SAR 450 million remained under this Programme, with profit accrued and payable on a fixed rate basis quarterly, and as of the date of preparation of the Base Prospectus, all sukuk issued under both programs had been fully repaid and both programs had been closed.

8-6-3 Commercial Liabilities

The following table sets out the details of lease liabilities for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of 2025G.

Table No. (63): Statement of Commercial Liabilities

Lease contract liabilities (in thousand Saudi Riyals)	Financial Year Ended 31 December			The Three-month Period Ended 31 March 2025G (Unaudited)
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	
As at the Start of the Period	5,904	4,172	2,486	1,840
Additions during the term	-	-	1,302	-
Lease payments during the term	(1,813)	(1,813)	(2,151)	-
Financing charges during the period	81	127	203	44
Bet book value at the end of the period	4,172	2,486	1,840	1,884

Source: Issuer's financial statements.

8-6-4 Accrued expenses and other current liabilities

The following table sets out the components of accrued expenses and other liabilities for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, together with the first quarter of each of 2024G and 2025G.

Table No. (64): Statement of accrued expenses and other current liabilities

Accrued expenses and other liabilities (In Thousand Saudi Riyals)	Financial Year Ended 31 December									
	2022G (Reviewed)	Ratio to Total	2023G (Reviewed)	Ratio to Total	2024G (Reviewed)	Ratio to Total	2024G (Unaudited)	Ratio to Total	2025G (Unaudited)	Ratio to Total
Payable to the Ministry of Housing	80,123	54.5%	80,387	48.5%	78,179	55.6%	84,606	52.7%	6,227	6.2%
Accounts payables	23,071	15.7%	44,217	26.7%	22,940	16.3%	34,882	21.7%	54,196	53.5%
Accrued expenses	17,420	11.9%	13,071	7.9%	11,524	8.2%	15,645	9.7%	11,466	11.3%
Deferred management expenses	8,827	6.0%	10,203	6.2%	13,795	9.8%	11,819	7.4%	14,683	14.5%
Deferred commission income	9,336	6.4%	8,943	5.4%	5,633	4.0%	8,783	5.5%	5,941	5.9%
Advance payment for Ijara financing	5,140	3.5%	5,957	3.6%	5,811	4.1%	1,268	0.8%	6,310	6.2%
Board members' remuneration and meeting expense	3,000	2.0%	2,918	1.8%	2,630	1.9%	3,520	2.2%	2,844	2.8%
Total	146,917	100.0%	165,696	100.0%	140,512	100.0%	160,523	100.0%	101,217	100.0%

Source: Issuer's financial statements.

By the end of 2024G, accrued expenses and other liabilities decreased by 15.2%, compared to the end of 2023G. This was driven by a decrease in accounts payable, which included receivables to the Saudi Real Estate Refinance Company and other suppliers. Deferred commission income also contributed to this decline, reflecting a decline in the company's short-term liabilities during this period.

With respect to quarterly performance, the balance of accrued expenses and other liabilities decreased from SAR 160,523 thousand at the end of the first quarter of 2024G to SAR 101,217 thousand, a decline of 36.9%, primarily due to the reduction in the payable to the Ministry of Housing from SAR 84,606 thousand in the first quarter of 2024G to SAR 6,227 thousand at the end of the first quarter of 2025G, a decrease of 92.6%.

8-6-5 Accrued zakat

During the three-month period ended 31 March 2025G, the Company earned fees of SAR 0.59 million. The Zakat provision is estimated based on the interim financial statements, which comprise the Company's statement of financial position as at 31 March 2025G and the results of its operations for the three-month period then ended. There were no material changes to the Company's Zakat assessments compared with those in the Company's annual financial statements for the year ended 31 December 2024G.

The table below shows the final balance of zakat due for the fiscal years ending 31 December 2022G, 31 December 2023G, and 31 December 2024G, in addition to the first quarter of 2025G.

Table No. (65): Statement of Accrued zakat

Zakat payable (in thousand Saudi Riyals)	Financial Year Ended 31 December			The Three-month Period Ended 31 March 2025G (Unaudited)
	2022G (Reviewed)	2023G (Reviewed)	2024G (Reviewed)	
Initial Balance as at the Start of the Period	948	625	1,717	880
Expenses during the year	3,150	1,092	228	592
Paid Zakat	(3,473)	0	(1,065)	-
Balance due at the end of the period	625	1,717	880	1,472

Source: Issuer's Financial Statements.

During the financial year ended 31 December 2024G, the Company submitted its zakat returns up to 31 December 2023G and obtained the relevant certificates. The Company is currently finalizing the procedures for submitting the zakat return to the Zakat, Tax, and Customs Authority for the financial year ended 31 December 2024G.

The Authority has also audited the Company's zakat return for the financial year 2019G, and the results of this audit are still under evaluation as of the date of this Base Prospectus.

8-7 Mortgages, Liens, and Encumbrances on Issuer's Assets

Bidaya Financing Company relies on the use of its operating assets as collateral to secure its financial obligations, in line with its real estate financing business nature. These assets include receivables generated from lease and Murabaha contracts, which are used as primary collateral to obtain necessary financial facilities to support and expand its operations sustainably.

These assets are mortgaged in favor of funding parties, including commercial banks and the Saudi Real Estate Refinance Company, in accordance with agreed financing terms. Such collateral forms an essential component of the Company's business model, enabling access to multiple funding sources while maintaining its ability to meet working capital requirements and grow its financing portfolio. These collaterals are subject to regular monitoring to ensure compliance with financing agreements and to optimise asset usage to balance risk management and maximise financial returns for the issuer.

On the other hand, the Company, in its normal financing operations, holds collateral provided by customers to mitigate credit risks associated with lease and Murabaha receivables. Such collaterals include promissory notes and

title deeds of real estate properties, retained to cover credit exposures at their recoverable net value. For financial assets with deteriorated credit quality, these collaterals provide an additional layer of protection and are managed to minimise credit risk effectively, supporting the Company's financial stability.

8-8 Other Liabilities and Guarantees

The Company has approved credit facilities that were unused as of the reporting date, in addition to non-binding financing offers still under review by customers, pending due diligence processes, which may convert into actual financing. These facilities and offers totaled SAR 7,41 million (31 December 2024G: SAR 14,03 million, and 31 December 2023G: SAR 10.07 million).

Additionally, the Company's commitments at year-end amounted to SAR 64,08 million at the end of the first quarter of 2025G compared to SAR 70.87 million related to future payments for lease contracts with real estate developers (SAR 107.68 million as of 31 December 2023G).



9 Use of Proceeds

The proceeds from the offering of each series of Sukuk under the Programme will be used by the Issuer for general corporate purposes, all in accordance with the Master Murabaha Agreement and the Mudaraba Agreement.



10 Experts' Statements

All consultants named in section (2) (*Corporate Directory*) of this Base Prospectus have provided their written consents to the inclusion of their names, logos, and statements in this Base Prospectus and none of them has withdrawn their consent up to the date of this Base Prospectus.

(All consultants and their employees or relatives hold no shares or ownership interests of any kind in the issuer, sponsor, or any of its affiliated companies that could affect their independence as of the date of this Base Prospectus.)



11 Representations

The issuer's Board of Directors provided the following representations:

- There has been no disruption in the Issuer's business that could or has significantly affected the financial position during the last twelve months.
- No commissions, discounts, brokerage fees, or non-monetary compensations were granted by the Issuer during the three years preceding the submission of the registration and securities offering request related to this Base Prospectus.
- There has been no material adverse change in the financial and business position of the Issuer during the three years preceding the submission of the registration and securities offering request related to this Base Prospectus, in addition to the period covered by the auditor's report until the approval of this Base Prospectus.
- Except as disclosed in Table 16 of this Base Prospectus, regarding Mr. Abdulaziz bin Saleh bin Abdulaziz Al Omair's 10.62% ownership in Wasl Investment (which, in turn, holds 2,506,696 shares, equivalent to 2.79% of Bidaya Finance Company), the Directors and their relatives do not hold any shares or interests of any kind in the Issuer.



12 Legal Information

12-1 Representations of the Board Directors

The Issuer's Board of Directors declares the following:

- The issuance does not violate applicable regulations and laws in the Kingdom of Saudi Arabia.
- The issuance will not prejudice any contracts or agreements to which the Issuer is a party.

12-2 Summary of Material Contracts

12-2-1 Long-Term Leases:

Bidaya Financing Company has entered into (6) six lease contracts. All the contracts mentioned were entered into by the Issuer as a lessee, summarised as follows:

Table No. (66): Statement of Lease Contracts Entered into by Bidaya Financing Company as Lessee

No.	Contract Date	Lessor	Tenant	Location	Type of leased property	Contract term:	Renewal	Contract status
1	01/01/1442H	Al Ebda'a Al Watani Investment Company	Bidaya Finance Company	King Fahad Road, Al Olaya)• RIYADH	Full cycle (19F)	5 years	Renewable annually	Outstanding
2	01/02/1442H	Al Ebda'a Al Watani Investment Company	Bidaya Finance Company	King Fahad Road, Al Olaya)• RIYADH	Full cycle (20F)	5 years	Renewable annually	Outstanding
3	11/07/1444H	King Abdullah bin Abdulaziz Foundation for Giftedness and Creativity (Mawhiba)	Bidaya Finance Company	King Fahad Road, Al Olaya)• RIYADH	Full cycle (02F)	One year	Renewable annually	Outstanding
4	01/02/1442H	Al Ebda'a Al Watani Investment Company	Bidaya Finance Company	King Fahad Road, Al Olaya)• RIYADH	A branch (01SS)	5 years	Renewable annually	Outstanding
5	10/07/1444H	Furnished Office Limited	Bidaya Finance Company	Sabah Center, Prince Sultan Intersection	Fully equipped units	Three months	Renewable automatically	Outstanding
6	25/07/1442H	Tanami Arabia Company	Bidaya Finance Company	Dammam	Rollover	One year	Renewable annually	Outstanding

Source: Issuer

12-2-2 Servicing Stage

Table No. (13): Statement of Active Service Contracts Signed Between the Company and a Number of Professional Service Providers

Agreement type	Agreement topic	Agreement parties	Date of Signing	Expiry Date	Contractual Value (SAR)	Renewable Mechanism
Professional Services Agreement	Provision of Shariah Compliance Supervision Service	Bidaya Financing Company and Minhaj Consulting Company	On 15 May 2022G	-	The total amount of the agreement equals seventy-seven thousand US dollars (USD 77,000 excluding VAT equivalent to two hundred and eighty-nine thousand Saudi Riyals (SAR 289,000).	Renewable annually and automatically
Professional Services Agreement	Legal Services and Title Deed Transfer Agreements	Bidaya Financing Company and Alkhurayef Law Firm and Consultants	25 January 2022G	-	Case study fee of one thousand Saudi Riyals (SAR 1,000), session attendance fee of one thousand Saudi Riyals (SAR 1,000), and court review fee of one thousand Saudi Riyals (SAR 1,000)In addition to other fees stipulated in the contract	Renewable annually and automatically
Work Agreements	Information Technology Services Agreements (against quarterly payment of fees)	Cyberia Saudi Arabia Company	1 July 2019G	-	Sixty-four thousand six hundred and eighty Saudi Riyals (SAR 64,680)	Renewable annually and automatically
Work Agreements	Information Technology Services Agreements	Takamel Company	14 July 2020G	-	Sixty-five Saudi Riyals (SAR 65) per promissory note	Renewable annually and automatically
Work Agreements	Provision of file management, media case management, dispatching, and storage services against monthly fees	Info Fort Storage Company	10 January 2018G	-	fifteen thousand one hundred and fifty Saudi Riyals (SAR 15,150),depending on service type and needs	Renewable annually and automatically
Work Agreements	Real Estate Valuation	Al-Imam Real Estate Investment Company	25 December 2018G	-	Six hundred and fifty Saudi Riyals (SAR 650,000) per	Renewable annually and automatically

Agreement type	Agreement topic	Agreement parties	Date of Signing	Expiry Date	Contractual Value (SAR)	Renewable Mechanism
					valuation transaction depending on request	
Work Agreements	Real Estate Valuation	Barcode Company	3 December 2018G	-	Six hundred and fifty Saudi Riyals (SAR 650,000)per valuation transaction depending on request	Renewable annually and automatically
Work Agreements	Real Estate Valuation	Makan Real Estate Company	26 December 2018G	-	Six hundred and fifty Saudi Riyals (SAR 650,000)per valuation transaction depending on request	Renewable annually and automatically
Work Agreements	Information Technology Service related to Database Support and Security Checks	Netway Solutions Company	1 June 2022G	-	Six thousand nine hundred and ninety-five Saudi Riyals (SAR 6,995)monthly	Renewable annually and automatically

Source: Issuer

12-2-3 Secured Financing Agreements

The secured financing agreements represent amounts obtained by Bidaya Financing Company under the Islamic financing framework approved by the Shariah Supervisory Board, from local commercial banks based in the Kingdom of Saudi Arabia and the Saudi Real Estate Refinance Company, with an outstanding balance as of 31 March 2025G SAR 2,029 million (excluding accrued interest payments).

These financings are secured through the assignment of proceeds from lease receivables and the mortgage of ownership deeds of the core real estate assets. This financing is revolving in nature and carries a profit margin based on commercial market rates.

The following table details the current secured financing agreements signed between Bidaya Financing Company and local commercial banks and the Saudi Real Estate Refinance Company.

Table No. (68): Statement of the Company Signed (Secured) Facility Agreements

Financers	Facility Type	Signing Date	The Date of the Latest Updated Version	Material Amendments according to the latest contract	Granted Financing Term	Facility Limits (Million SAR)	Security (Percentage of Assigned Receivables)	Renewable Mechanism
Saudi Real Estate Refinance Company	Secured	Signed on 20/12/2017G for total facilities amounting to SAR 400,000,000 (Saudi Riyals four hundred million)	05/09/2024G	An agreement was signed to increase the facility to SAR 900,000,000 (nine hundred million Saudi Riyals), following its increase	Five Years	900	A percentage of 100% is applied if compliant with Saudi Real Estate Refinance Company	Renewal upon change of interest rate

Financers	Facility Type	Signing Date	The Date of the Latest Updated Version	Material Amendments according to the latest contract	Granted Financing Term	Facility Limits (Million SAR)	Security (Percentage of Assigned Receivables)	Renewable Mechanism
				to SAR 600,000,000 (six hundred million Saudi Riyals) on 05/09/2024G.			standards or 115% otherwise	
Gulf International Bank	Secured	Signed on 13/01/2019G With total facilities of (300,000,000) Three Hundred Million Saudi Riyals	25/09/2024G	The total facilities were reduced to an aggregate facility amount of SAR 100,000,000 (one hundred million Saudi Riyals)	Three Years	100	125%	Renewal upon change of interest rate
Riyad bank	Secured	Signed on 23/08/2020G With total facilities of (350,000,000) Three Hundred Fifty Million Saudi Riyals	22/11/2022G	A supplemental agreement was signed to increase the facility to SAR 450,000,000 (four hundred and fifty million Saudi Riyals)	Year	450	125%	Renewal upon change of interest rate
Riyad bank	Secured	Signed on 22/22/2022G	-	-	Five Years	200	125%	Renewal upon change of interest rate
Al Rajhi Bank	Secured	Signed on 11/12/2023G With total facilities of (500,000,000) Five Hundred Million Saudi Riyals	07/04/2025G	The aggregate facilities were increased so that the total facility amounts to SAR 750,000,000 (seven hundred and fifty million Saudi Riyals), and the applicable profit rate margin was amended from SAIBOR + 1.5% to SAIBOR + 2.0%.	Five Years	750	125%	Renewal upon change of interest rate
Real Estate Development Fund	Secured (Individuals)	30/10/2023G	-	-	Two years	100	130%	Renewal upon change of interest rate

Financiers	Facility Type	Signing Date	The Date of the Latest Updated Version	Material Amendments according to the latest contract	Granted Financing Term	Facility Limits (Million SAR)	Security (Percentage of Assigned Receivables)	Renewable Mechanism
Real Estate Development Fund	Secured (companies)	08/08/2024G	-	-	Three Years	100	130%	Renewal upon change of interest rate
BJAZ	Secured	Signed on 29/03/2021G With total facilities of (300,000,000) Three Hundred Million Saudi Riyals	12/10/2023G	The total facilities were reduced to SAR 150,000,000 (one hundred and fifty million Saudi Riyals).	Year	150	120%	Renewal upon change of interest rate
Saudi Fransi Bank	Secured	20/04/2020G	-	-	Three Years	250	100%	Renewal upon change of interest rate
Alinma Bank	Secured	30/11/2022G	-	-	Five Years	200	125%	Renewal upon change of interest rate
Total current facilities as of the date of this Base Prospectus						3200		

Source: Issuer

12-2-4 Sale Agreements of Lease Contract Portfolios to the Saudi Real Estate Refinance Company

As part of Bidaya Financing Company's strategy to enhance its financial liquidity and diversify its income sources, the Company entered into agreements with the Saudi Real Estate Refinance Company to sell some of its financing portfolios.

The sold portfolios represent financial assets composed exclusively of lease contracts related to residential units, including the associated financial obligations. The Company has achieved notable growth in selling its financing portfolios. These agreements aim to support the Company's sustainable growth by freeing up capital and reinvesting it in new opportunities, while maintaining the Company's ability to generate additional income by charging agency fees for rent collection and managing client relationships on behalf of buyers. This growth reflects the Company's efforts to expand its client base and sign new contracts, thus strengthening its market position and confirming the success of its strategy in diversifying income sources and achieving operational efficiency.

However, the Company's role as an agent for rent collection and client relationship management, including following up on delinquent clients, may involve multiple risks. These risks include the use of its powers in ways that may not align with the expectations of the principal (Saudi Real Estate Refinance Company) or following inconsistent instructions compared to the terms of the signed contracts, potentially leading to legal disputes with the principal or clients. Given the nature of these related contracts, any dispute arising between the contracting parties or with the Company's clients could result in judicial rulings against the Company. If realised, such outcomes could have a material adverse effect on the Company's operations, financial position, results of operations, and future outlook. The following table details the sale agreements of financing portfolios to the Saudi Real Estate Refinance Company.

The following table sets out the total portfolios sold to the Saudi Real Estate Refinance Company, including the value of the portfolio sold (inclusive of unearned income) and the value of the current outstanding portfolio (inclusive of unearned income). The aggregate sale proceeds are presented inclusive of the profit margin from the sale; for details, please refer to Table (42): Proceeds from portfolio sales.

Table No. (69): Financing Portfolios Sold to the Saudi Real Estate Refinance Company as of 31 March 2025G

Sold Portfolios	Date of Sale	Portfolio Final Maturity Date	Portfolio Value, Including the Unearned Income (SAR) on Sale Date	Portfolio Current Value, Including the Unearned Income (SAR) as of 31 March 2025G
2018G				
Sold Portfolio No. 1	06/28/2018	5/1/2047	66,850,530	13,188,974
Sold Portfolio No. 2	10/21/2018	8/1/2047	80,523,939	24,107,580
2019G				
Sold Portfolio No. 3	1/17/2019	5/1/2048	126,745,205	39,191,538
Sold Portfolio No. 4	1/30/2019	4/1/2050	107,838,756	38,417,215
Sold Portfolio No. 5	3/31/2019	9/1/2048	112,253,962	35,693,564
Sold Portfolio No. 6	9/30/2019	5/1/2049	83,065,274	54,826,724
Sold Portfolio No. 7	12/23/2019	9/1/2049	158,556,864	25,984,098
2020G				
Sold Portfolio No. 8	3/15/2020	5/1/2045	120,586,315	47,046,310

Sold Portfolios	Date of Sale	Portfolio Final Maturity Date	Portfolio Value, Including the Unearned Income (SAR) on Sale Date	Portfolio Current Value, Including the Unearned Income (SAR) as of 31 March 2025G
Sold Portfolio No. 9	6/24/2020	2/1/2045	53,896,773	31,752,258
Sold Portfolio No. 10	10/26/2020	9/1/2045	87,606,595	65,083,513
2021G				
Sold Portfolio No. 11	1/13/2021	11/1/2045	203,990,927	100,041,868
Sold Portfolio No. 12	2/1/2021	6/1/2049	54,815,051	23,113,224
Sold Portfolio No. 13	3/30/2021	1/1/2046	109,134,461	87,524,029
Sold Portfolio No. 14	6/30/2021	5/1/2046	208,269,469	97,061,713
2022G				
Sold Portfolio No. 15	6/17/2022	10/1/2046	542,660,166	301,437,299
Sold Portfolio No. 16	8/7/2022	2/1/2047	54,008,733	29,263,021
Sold Portfolio No. 17	9/11/2022	4/1/2048	53,540,227	29,859,448
Sold Portfolio No. 18	12/25/2022	8/1/2047	102,736,392	57,352,651
2023G				
Sold Portfolio No. 19	4/13/2023	12/1/2052	222,978,514	123,315,967
Sold Portfolio No. 20	7/31/2023	2/1/2053	601,283,264	331,376,215
Sold Portfolio No. 21	10/31/2023	6/1/2043	111,344,728	59,981,569
Sold Portfolio No. 22	12/31/2023	8/1/2048	55,555,640	30,501,881
2024G				
Sold Portfolio No. 23	3/27/2024	10/1/2048	23,280,092	12,631,569
Sold Portfolio No. 24	5/12/2024	11/1/2048	51,899,726	28,743,648

Sold Portfolios	Date of Sale	Portfolio Final Maturity Date	Portfolio Value, Including the Unearned Income (SAR) on Sale Date	Portfolio Current Value, Including the Unearned Income (SAR) as of 31 March 2025G
Sold Portfolio No. 25	8/1/2024	2/1/2053	1,203,238,144	656,126,103
Sold Portfolio No. 26	12/18/2024	12/1/2049	361,986,394	206,813,463
Total	-	-	4,958,646,141	2,554,453,609

Source: Issuer

12-3 Summary of Material Contracts with Related Parties

The Issuer has stated that, as at the date of this Base Prospectus, there are no material contracts in force between the Issuer and any related parties, as defined by the Authority for material contracts and related parties, and in accordance with the applicable laws and regulations in the Kingdom of Saudi Arabia.

12-4 Intangible Assets, Trademarks, and Licenses

Bidaya Finance Company has obtained a number of regulatory and operational licenses, certificates, and approvals from competent authorities necessary to conduct its business activities in accordance with applicable regulations in the Kingdom of Saudi Arabia, and these licenses are renewed periodically. The following table outlines the current licenses and approvals obtained by the Issuer:

Table No. (70) Licenses, Approvals, Certificates, and Permits Held by the Issuer

License Type	Purpose	License Number	Issue Date	Expiry Date	Issuer
Commercial Register	Company entry in Corporate Directory Trade	1010432564	25/06/2022G (corresponding to 14/04/2015G)	09/07/1538H (corresponding to 16/02/2144G)	Ministry of Commerce - Registry Office Netway Solutions Riyadh
A license from SAMA	A license to practice real estate activities in the Kingdom	201512/ع ش/41	December 2015G	-	SAMA
Subscription Certificate in Social Insurance	In compliance with the Social	508787103	19/12/1446H (corresponding to 15/06/2025G)	22/03/1447H (corresponding to 26/09/2025G)	General Organisation for Social Insurance

License Type	Purpose	License Number	Issue Date	Expiry Date	Issuer
	Insurance Law				
VAT Registration Certificate	Indicating that the Company is VAT registered	301386263900003	02/12/1438H (corresponding to 24/08/2017G)	-	General Authority for Zakat and Tax
Certification Zakat and income*	Indicating that the Company It provided its annual report And kept to the payment of Zakat	1116258745	03/11/1446H (corresponding to 01/05/2025G)	03/11/1447H (corresponding to 30/4/2026G)	General Authority for Zakat and Tax
Certificate for Registering Trademark	Protecting the Company's Brand Protection	1437002885	09/02/1447H (corresponding to 15/07/2025G)	09/02/1447H (corresponding to 17/04/2035G)	Saudi Authority for Intellectual Property

Source: Issuer

The Company is subject to Zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority. Zakat expenses are charged to the statement of profit or loss and other comprehensive income. The Company has submitted its Zakat return under Certificate No. 1116258745 for the period ended 30/06/1446H (corresponding to 31/12/2024G). This certificate was issued to settle all of the Company's transactions, including the disbursement of final entitlements under contracts. The certificate remains valid until 13/11/1447H (corresponding to 30/04/2026G).

12-5 Notes and Violations Related to the Saudi Central Bank

The Company is licensed by the Saudi Central Bank, which requires compliance with its regulations and instructions. In this context, the Saudi Central Bank conducts periodic field inspection visits and reviews samples of the Company's documents and operations. Accordingly, observations may be issued concerning the Company's documentation and operations. The Company continuously works to address these violations, adhere to corrective plans, and settle the imposed fines.

The Board of Directors affirms that the Company regularly addresses all observations and coordinates with the Saudi Central Bank to develop corrective plans when necessary, with full commitment to implementation. As of the date of this Base Prospectus, there are no outstanding or unaddressed violations.

12-6 Claims and Cases

As of 15 June 2025G, as part of its ongoing debt collection efforts, the Company holds three hundred and eighteen (318) promissory notes. These notes were issued against delinquent customers who failed to fulfill their contractual obligations. The Company has filed enforcement actions against these customers, leading to enforcement judgments

that are currently undergoing active execution via the Enforcement Court. The total value of these claims and notes amounts to SAR 178,194,248.

As of 15 June 2025, the Company is currently involved in a number of legal cases pending before various judicial and regulatory bodies. These cases cover a range of subject matters, including claims, proof of property ownership, compensation for damages, contract termination, payment recovery, property maintenance, debt rescheduling, cancellation of execution writs, lifting of service suspensions, and other claims related to contractual and financial relationships.

The General Court currently has fourteen (14) cases registered against the Company. These cases include three (3) claims to prove property ownership (without specified financial amounts); five (5) cases related to compensation for damages, with claims ranging between thirty thousand Saudi riyals (SAR 30,000) and one hundred thousand Saudi riyals (SAR 100,000), and three (3) cases concerning delays in the delivery of real estate units, one of which has received an initial ruling in favor of the Company. These cases also include (1) lawsuit for contract termination and payment recovery, resulting in a ruling obligating the Company to return SAR 186,153, and (2) cases regarding claims for the value of penalty clauses, a case is related to property maintenance. Of these cases, preliminary judgements have been issued in two (2) cases, while twelve (12) cases remain in the litigation phase. The total financial claims associated with these pending cases amount to approximately one million, nine hundred and thirteen thousand, four hundred and twenty-nine Saudi riyals and eighty Saudi halalas (SAR 1,913,429.80).

The Company faces twenty-four (24) cases before the Financial Disputes and Violations Resolution Committees. Preliminary judgements have been issued in a significant number of these cases, generally requiring the Company to pay financial compensation to customers, with amounts ranging from two thousand Saudi riyals SAR 2,000 to over one hundred and fifty thousand Saudi riyals (SAR 150,000). Some judgments also included exempting customers from debt and transferring property ownership to them. Conversely, certain cases resulted in judgments dismissing customer claims. Several cases are still undergoing litigation, primarily pertaining to debt rescheduling, recalculating early payment amounts, or demanding the cancellation of execution writs and the lifting of service suspensions. Delays in the delivery of real estate units remain among the most prominent causes of dispute, frequently accompanied by requests for compensation for attorneys' fees.

The Company is currently addressing three (3) cases before the Enforcement Court, involving various types of disputes: The first case involves a challenge to a forged promissory note. The second case concerns an occupant's refusal to vacate a property. Both of these cases do not have specific financial claims and are still in the litigation stage. The third case involves a claim for compensation for service suspension, amounting to SAR 300,000, and is also in the litigation stage. These cases highlight that disputes before the Enforcement Court extend beyond simple debt collection to include objections to the enforcement procedures themselves.

Should these legal cases persist and final judgments be rendered against the Company, it could incur further financial obligations, experience a depreciation in certain assets, or face delays in collecting receivables. Cumulatively, these outcomes could adversely affect the Company's cash flow and profitability, thereby undermining its financial performance and overall financial position.

The Issuer also clarifies that, as at the date of this Base Prospectus, there are no material claims or legal proceedings, whether brought by or against the Issuer, with a value of one million Saudi Riyals or more, in accordance with the Authority's definition and the applicable laws and regulations in the Kingdom of Saudi Arabia.



13 Expenses

The issuer shall bear all expenses and costs related to the Programme, estimated at approximately SAR 25,000,000 (twenty-five million Saudi Riyals). These expenses include fees for financial advisors, Arrangers, the Sukukholders' Agent, legal advisor, and external auditor, as well as marketing and printing costs, and other expenses related to the Programme. All offering expenses will be deducted from the total offering proceeds. The expenses and costs for each Series will be specified in the Applicable Final Terms.



14 Details on Sukuk and the Terms & Conditions of the Sukuk

14-1 Information related to the Sukuk

14-1-1 Application for Registration and Offering of Securities

An application has been submitted to the Authority for the registration and offering of the securities subject to this Base Prospectus. Refer to Section 17 (*Documents Available for Inspection*) of this Base Prospectus for the resolutions, permits, and approvals for the Sukuk issuance and offering.

14-1-2 The Nominal Value of the Offering

The Sukuk will be issued through a Sukuk Issuance Programme (the "Programme") with a nominal value up to SAR 1,000,000,000. Under the Programme, the Issuer may from time to time in the future issue a number of Sukuk in one or more series (each referred to as a "Series") with an aggregate outstanding nominal amount at any time not exceeding the maximum amount authorised under the Programme Agreement.

14-1-3 Approval of the Sukuk

On 18/04/1445H (corresponding to 3 November 2023G), the Issuer's Board of Directors approved a Shariah-compliant Sukuk Programme worth SAR 1,000,000,000 under Resolution No. 202-2023, to be issued in series for public offering.

14-1-4 Rights Granted to Sukukholders

The Sukuk will represent an undivided ownership interest in the Sukuk Assets related to the specific issue series. The Sukuk will be issued electronically and registered at the nominal value of each Sukuk specified in the Final Terms. The Global Sak deposited with Tadawul (Edaa) represents all valid and outstanding Sukuk issuances, as well as the Sukukholders' ownership in the Sukuk assets. No Sukuk will be issued representing an individual share of the Global Sak. However, each Sukukholder is entitled to receive a statement from the Registrar showing their share and holding of the Sukuk upon request. The Global Suk will represent all of the Sukuk that are the ownership by the Sukukholders of an undivided beneficial interest in the Sukuk Assets. This Global Sak will be deposited with Edaa and held until all Issuer's obligations under or related to the Global Sak are fully satisfied. The Issuer acknowledges each registered Sukukholder's right to establish this Global Suk through a declaration of agency agreement (the "Declaration of Agency") entered into on or about the Closing Date (as defined in these Conditions) between (i) the Issuer (registered at 20th Floor, Al Ebda'a Tower, King Fahd Road, P.O. P.O. Box: Box 93898, Riyadh 11683, KSA) (ii) Riyadh Capital Company, as the Sukukholders' Agent (Al Shohada District, Unit No. 69, P.O. Box: Riyadh 13241 – 7279, Kingdom of Saudi Arabia).

Upon subscribing to, purchasing, and/or owning the Sukuk, each Sukukholder agrees to and ratifies the Sukukholders' Agent's execution of the Sukuk Documents. They also agree to the conditions in each Sukuk Document, including, but not limited to, the appointment of the Sukukholders' Agent in the Declaration of Agency, and, according to the Declaration of Agency, appointing the Sukukholders' Agent to act as an agent for and on behalf of the Sukukholders. By subscribing, purchasing, and owning the Sukuk, each Sukukholder agrees to the terms of the Agency Declaration, including the Sukukholders' ability, via an extraordinary resolution after meeting the quorum, to revoke their appointment of the Sukukholders' Agent for this series. Revocation requires at least thirty (30) days' notice to the Sukukholders' Agent and is only effective upon the due appointment of a successor as per the Agency Declaration.

References to "Sukuk" herein refer to the Sukuk represented by the Global Suk, as described in Condition 14-2-3 (*Form and Denomination*).

Payments relating to the Sukuk will be made pursuant to a payments administration agreement to be entered into on or about the Closing Date (the "Payments Administration Agreement") between the Issuer and Riyadh Capital in its capacity as payments administrator (the "Payments Administrator", which expression includes any successor or other payments administrator appointed in respect of the Sukuk).

14-1-5 Sukuk Details

Number and Value of Sukuk: The Final Terms will determine the number of Sukuk and The Aggregate Nominal Amount for each Series of Sukuk to be issued under the Programme. The Sukuk will be issued at a nominal value of (1,000) one thousand Saudi Riyals per Sak and will be denominated in Saudi Riyals. The minimum subscription for each Series of Sukuk is five (5) sukuk, unless otherwise specified in the Final Terms. The Final Terms will also specify the maximum number of Sukuk that may be subscribed for in each Series. The minimum subscription value per Series is (5,000) five thousand Saudi Riyals, unless stated otherwise in the final terms. The total number of sukuk to be subscribed for under the programme may not exceed one million (1,000,000) Sak, and the total Aggregate Nominal Amount of Sukuk to be issued under the Programme may not exceed one billion (1,000,000,000) Saudi Riyals.

- **Full Information on the Rights Granted to Sukukholders:** Each Sukuk will evidence an undivided beneficial ownership interest of the Sukukholders in the Sukuk Assets of the relevant Series and represent an undivided interest in the Payment Obligations and will at all times rank *pari passu*, without any preference or priority, with all other Sukuk of the relevant Series issued under the Programme. The payment obligations of the Issuer under the Sukuk and the Sukuk Documents to which it is a party will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for obligations as may be preferred by provisions of law that are both mandatory and of general application.
- **Meetings of Sukukholders:** The Declaration of Agency includes provisions for Sukukholder meetings, as detailed in Condition 12 (*Meetings of Sukukholders; Modification*) of Section 14 (*Details on Sukuk and Offering Terms and Conditions*) of this Base Prospectus.
- **Status of the Sukuk:** The Sukuk will be issued and registered at the specified nominal value per Sukuk, and the deposited Global Suk represents all valid and outstanding Sukuk issuances, as well as the Sukukholders' ownership in the Sukuk assets. All Sukukholders can apply to the Registrar for proof of their Sukuk ownership.
- **Payment Administrator:** means Riyadh Capital Company. The Issuer and the authorised Sukukholders' Agent appoint the Payment Administrator as their agent for the Programme and any Sukuk series offered, as specified in the Payment Administration Agreement and the Applicable Final Terms and Conditions.
- **Currencies:** Saudi Riyals (SAR)
- **Periodic Distribution Amount:** The Periodic Distribution Amount for Sukukholders is calculated as per the Terms and Conditions of the Sukuk and the Final Terms for each Series.
- **Maturity date:** The Sukuk's maturity date is specified in the Final Terms for each Series.
- **Governing Law:** The Sukuk Documents are governed by, and are to be construed in accordance with, the laws and regulations of KSA.

- **Tax:** All payments by the Issuer under the Sukuk Documents to which it is a party are to be made without withholding or deduction for, or on account of any Taxes (as defined in Condition 14-2-16 (*Taxation*)) imposed in the Kingdom of Saudi Arabia (or any political subdivision or any authority thereof or therein having the power to tax) unless the withholding is required by law. In the event that any such deduction is made by the Issuer as a result of any requirement of law, the Issuer will be required to pay additional amounts such that Sukukholders receive the full amount which otherwise would have been due and payable. Prospective investors should note that the Issuer shall not pay any additional amounts in respect of any withholding required by law to any person who holds Sukuk who is not a Qualified Person.
- **Sukuk Assets:** With respect to each Series, the assets of the Sukuk (the "Sukuk Assets") shall comprise: the Mudaraba Assets, the Murabaha Assets, and the Payment Undertaking, in addition to any amounts due to the Transaction Account from time to time. On the Issue Date, the Sukukholders' Agent shall deposit the proceeds of the subscription of the Sukuk in an account held in the name of the Sukukholders' Agent and administered by the Payment Administrator (for and on behalf of the Sukukholders' Agent, acting on behalf of the Sukukholders) (the Transaction Account). On or around the Issue Date, the Payment Administrator shall:
 - (1) Provide at least fifty-one% (51%) of the amounts standing to the credit of the Transaction Account to the Mudareb to apply as the capital (the Mudaraba Capital) of the mudaraba (the Mudaraba) constituted by the Mudaraba Agreement and the Mudareb shall invest the Mudaraba Capital pursuant to the Mudaraba Agreement in the manner described in Condition 14-2-6(g) (*Mudaraba Assets*); and
 - (2) Apply no more than forty-nine% (49%) of the amounts standing to the credit of the Transaction Account in a murabaha arrangement to be entered into by the Seller with the Purchaser pursuant to the Murabaha Agreement and Condition 14-2-6(h) (*Murabaha Transaction*) (the rights of the Seller pursuant to the terms of the Murabaha Agreement comprising the Murabaha Assets from time to time).

The Mudaraba Assets, the Murabaha Assets and the Payment Obligations, together with any amounts standing to the credit of the Transaction Account from time to time shall constitute the Sukuk assets (the Sukuk Assets).

None of the Issuer (so long as it performs its obligations under the Sukuk Documents), the Sukukholders' Agent nor any of the Dealer(s) or Arrangers is responsible for the performance or the profitability of the Sukuk Assets or for the share and amount of the distributions (if any) made to the Sukukholders.

- **Mudaraba Asset:** On the Issue Date, the Mudareb shall invest the Mudaraba Capital as follows:
 - (1) An amount of the Mudaraba Capital equal to the Available Amount will be invested in the Mudaraba as immediately available funds in cash or cash equivalent which are available to the Mudareb in accordance with the terms of the Mudaraba Agreement; and
 - (2) The remainder of the Mudaraba Capital will be invested by the Mudareb in the Business Portfolio of the Issuer.

Under the Mudaraba Agreement, the Mudareb shall be entitled, in its sole and absolute discretion, to: (a) use all or any part of the Mudaraba Assets as it sees fit, subject to the terms of the Mudaraba Agreement (and in particular, in relation to the Available Amount, subject to clause 1-4 (e) of the Mudaraba Agreement); and (b) commingling its own assets and funds with the Mudaraba Assets.

The Mudareb is required under clause 1-4 (d) of the Mudaraba Agreement to ensure at all times that an amount equal to the applicable Available Amount for the relevant period is maintained as immediately available funds in cash or cash equivalent for the Mudaraba and that such amount is not utilised by the Mudareb unless expressly and specifically instructed otherwise in writing by the Sukukholders' Agent (on behalf of the Sukukholders).

The Mudareb (for the benefit of the Sukukholders) and the Issuer (for its own account) shall each have a share of the Business Portfolio and all assets acquired from or through the Business Portfolio on the basis of the sharing of profit and the bearing of losses pro rata to their respective shares.

The Mudareb's (for the benefit of the Sukukholders) and the Issuer's (for its own account) respective entitlement to the Business Portfolio on the Issue Date shall be set out in the Applicable Final Terms.

Bidaya shall have the right to invest further for its own account, in cash or in kind (whether from its own funds or funds sourced from credit facilities or funds and/or assets sourced from other) and/or for others in the Business Portfolio. Upon any such investment, the Mudareb's (for the benefit of the Sukukholders) and the Issuer's (for its own account and/or for the account of other investors) respective entitlements to the Business Portfolio shall be pro rata to their respective shares from time to time in the aggregate investment in the Business Portfolio.

The proportional profit shares of the Sukukholders and the Mudareb in any Mudaraba Income shall be calculated using the following ratios:

- (1) Sukukholders: (99%) ninety-nine per cent. of any Mudaraba Income (the Mudaraba Profit); and
- (2) Mudareb: (1%) one per cent. of the Mudaraba Income (the Mudareb Profit).

At or prior to 11.00 am. (Riyadh time) five (5) Business Days prior to each Periodic Distribution Date or any Partial Periodic Distribution Date, the Mudareb shall transfer the amounts standing to the credit of the Collection Account to the Transaction Account in the amount necessary to fund each amount due to be paid from the Transaction Account under Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*).

Any surplus Mudaraba Profit remaining in the Collection Account after the application of the amounts referred to in this Condition 14-2-6(g) (*Mudaraba Assets*) shall be reinvested by the Mudareb for the benefit of the Sukukholders in the Business Portfolio, subject at all times to compliance with Condition 14-2-7 (*Covenants and Undertakings*) and clause 4.1.5 of the Mudaraba Agreement.

- **Murabaha Agreements:** On or around each Issue Date, the Seller and the Purchaser shall enter into a murabaha transaction (the Murabaha Agreements) on the terms set out in these Conditions and the Murabaha Agreement.

Unless otherwise stated in the Applicable Final Terms, the Murabaha Agreements corresponding to a particular Series of Sukuk shall include, without limitation, the following terms:

- a. the Cost Price for such Murabaha Agreements shall be an amount equal to no more than 49% of the Aggregate Nominal Amount of the relevant Series of Sukuk;
- b. the Murabaha Profit shall be an amount which equals the difference between the Deferred Price and the Cost Price;

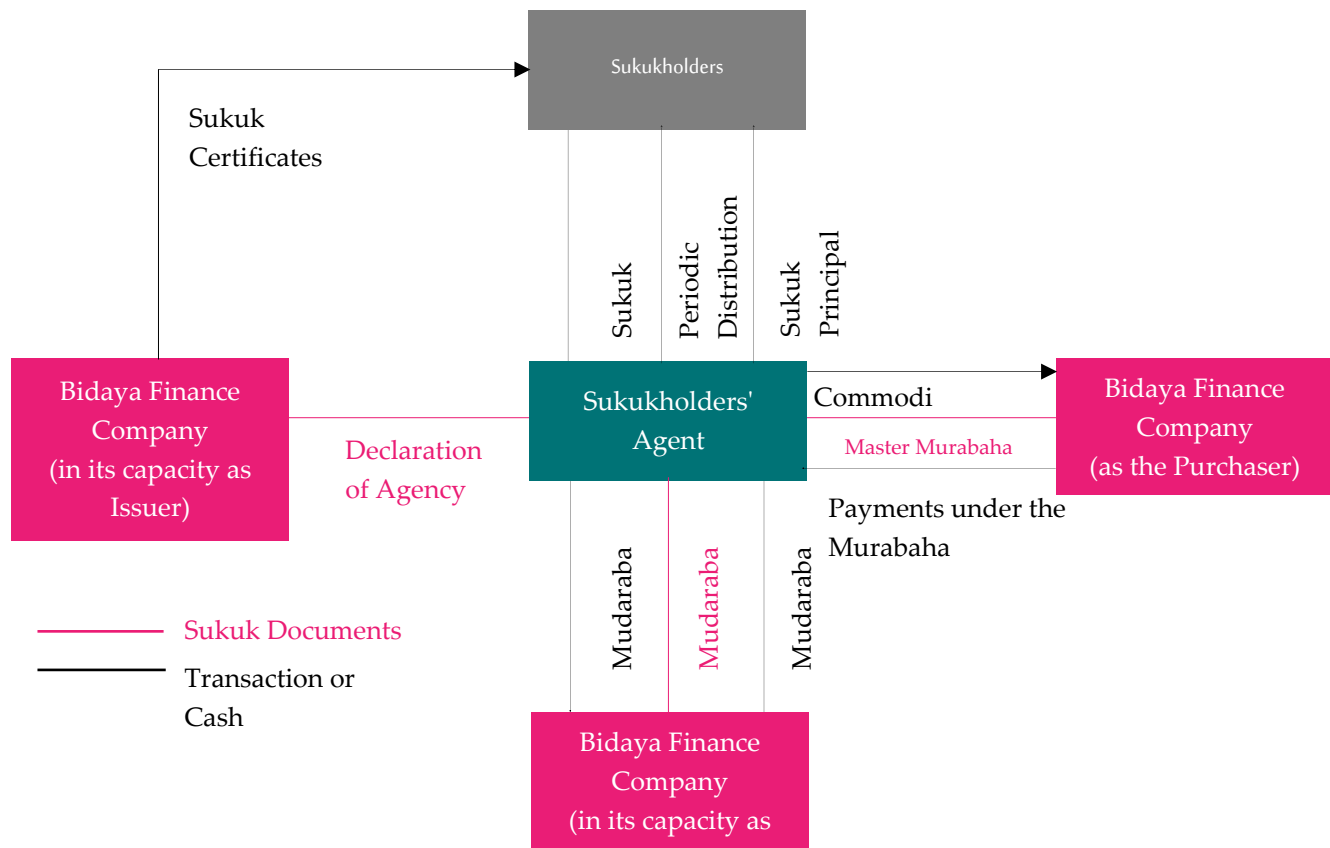
- c. the Deferred Price shall be an amount which equals 99% of the Aggregate Nominal Amount of the relevant Series of Sukuk;
- d. The Deferred Price will be repaid in one or more installments (as per subparagraph e below) on the Deferred Price Repayment Date(s); and
- e. on any Dissolution Date, any outstanding Deferred Price shall become immediately due and payable on such date and such amount shall constitute Murabaha Income.

All payments of the Deferred Price by the Purchaser shall constitute Murabaha Income and shall be paid into the Transaction Account for application in accordance with Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*).

14-1-6 Debt Instrument Structure and Related Cash Flows

The following is a simplified illustration of the Sukuk structure. Prospective Sukukholders should review the Conditions in Section (14-1) (*Information Related to Sukuk and the Terms and Conditions of the Sukuk*) for a detailed description of certain cash flows and the meanings of the terms used below. This illustration is a simplified example provided for informational purposes only and does not constitute a comprehensive description of the Sukuk structure. It should not be interpreted as such. Prospective investors should note that this illustration is supplementary to, and does not supersede, the complete Conditions outlined in this Base Prospectus and the Sukuk Documents (which are binding on Sukukholders).

Figure No.(5): Sukuk Structure



Basic Cash Flows

I. Issue Proceeds:

On the Issue Date and in respect of issuance for each Series of Sukuk, the proceeds of the subscription of the Sukuk shall be deposited by the Sukukholders into a Saudi Riyals denominated account with the Account Bank in respect of such Series held in the name of the Sukukholders' Agent (for and on behalf of the Sukukholders) and administered by the Payment Administrator on its behalf (the "Transaction Account"). The Sukukholders' Agent will allocate the Sukuk Offering Proceeds as follows:

- (1) Provide at least fifty-one% (51%) of the amounts standing to the credit of the Transaction Account to the Mudarab to apply as the capital (the Mudaraba Capital) of the mudaraba (the Mudaraba) constituted by the Mudaraba Agreement and the Mudareb shall invest the Mudaraba Capital pursuant to the Mudaraba Agreement in the manner described in Condition 14-2-6(g) (*Mudaraba Assets*); and

- (2) Apply no more than forty-nine% (49%) of the amounts standing to the credit of the Transaction Account in a murabaha arrangement to be entered into by the Seller with the Purchaser pursuant to the Murabaha Agreement and Condition 14-2-6(h) (*Murabaha Transaction*) (the rights of the Seller pursuant to the terms of the Murabaha Agreement comprising the Murabaha Assets from time to time).

II. Payment of Periodic Distribution Amounts:

- (1) Each Periodic Distribution Amount will be paid using the Sukukholders' share of income from the Mudaraba Assets, based on the implied liquidation of the Mudaraba Assets, five (5) Business Days before the relevant Periodic Distribution Date or Partial Periodic Distribution Date (as applicable).
- (2) Any excess Mudaraba Profits after each Periodic Distribution Amount payment by the Mudareb for the Sukukholders will be reinvested in Bidaya's business portfolio.

III. Payment upon Redemption of Sukuk:

- (1) Bidaya (as the purchaser under the Murabaha Agreements) will repay the outstanding deferred price due and unpaid in the Transaction Account, according to the Murabaha Agreements.
- (2) Bidaya (as the Mudareb), under the Mudaraba Transaction, will fully liquidate the Mudaraba, use its proceeds, and pay any shortfall in the amounts due to the Sukukholders on the liquidation date into the Transaction Account.
- (3) Bidaya (as the Issuer) will then use the amounts in the Transaction Account to redeem the Sukuk.
- (4) After full redemption of the relevant Series, any amounts due in the Transaction Account will be paid to Bidaya for its own account as an incentive fee.

14-1-7 Debt Instrument Offering Price

The Sukuk will be issued at the price specified in the Final Terms for each Series. The Issuer will determine the Sukuk's size and price for each Series according to market conditions. The Sukuk will be priced according to a fixed or variable return mechanism. The return will be either fixed or will be linked to the Saudi Interbank Offered Rate (SAIBOR) set forth in the Applicable Final Terms, plus a fixed profit margin. This fixed rate or the profit margin component of the variable rate will be determined based on market assessment and the risks associated with the relevant issue.

Prior to the Offer Period, all the Final Terms of each Sukuk Series were set through consultation and agreement between the Issuer and the Financial Advisors. The Offer Price and Profit Rate applicable to each Series, along with all other terms mutually agreed upon, will be announced prior to the commencement of the Offer Period. These details, including the determination and publication of the applicable gross profit rate, profit margin, maturity date, and any Issuer call option related to the relevant series, will be included in the Final Terms of that Series. This information will be made available to potential investors prior to the Offer Period, alongside all other information and terms specified in the Final Terms of the Series.

Factors that determine the profit rate pricing for each Series include, but are not limited to:

- (1) The profit rate pricing for each Sukuk Series is determined by several factors, including, but not limited to: the Issuer's risk level, prevailing market conditions, downgrading the Issuer's credit rating or being negatively affected, the Saudi Arabian sovereign risk premium, any additional business-specific risks of the Issuer, the Issuer's financial Condition and performance, the maturity period, any call option held by the Issuer, and any initial issue premium for the Series, and

- (2) any benchmark rate agreed upon between the Issuer and the Financial Advisors to be applied to the overall profit rate, including, but not limited to, the yield on SAR-denominated Saudi government Sukuk for the period mutually agreed upon by the Issuer and the Financial Advisors.

Prior to the Offer Period, the Issuer is obligated to disclose all the above information to potential investors, along with any other factors affecting the pricing of the Sukuk for the relevant series, in addition to all other conditions included in the Final Terms of each Sukuk Series.

14-1-8 Subscription method

Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed form (an “Investor Application Form”) through the websites and platforms of the relevant Dealer(s) and the receiving Entities (“Receiving Entities”) that provide this electronic service to subscribers, or through any other means provided by the Dealer(s) and the Receiving Entities, before the end of the Offer Period and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application Form. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted. The Applicable Final Terms will specify whether Receiving Entities, if any, will be appointed in respect of the issuance of each Series of Sukuk. For further details, please see Section (15) (*Subscription Declarations*) of this Base Prospectus.

14-1-9 Details of the Early Offering Redemption

The Sukuk may only be redeemed prior to the Expiry Date upon:

- a. the occurrence of an Event of Default;
- b. the exercise of Call Option (if the Call Option is specified in the Applicable Final Terms as being applicable to the relevant Series of Sukuk); or
- c. the occurrence of a Tax Event (as defined in Condition 14-2-12(ii) (*Redemption; Dissolution of Sukuk – Early Dissolution for Tax Reasons*)).

14-1-10 Names and Addresses of Agents for Payment, Registration, and Transfer of Debt Instruments

- **Payment Agent:** Payments relating to the Sukuk will be made according to the Payment Administration Agreement dated [•] (the “Payment Administration Agreement”) by the Sukukholders' Agent, the Issuer, and Riyadh Capital as the Payment Administrator (the “Payment Administrator”). Riyadh Capital, headquartered in Riyadh, Al-Shohada District, Unit No. 69, P.O. Box 13241-7279, Riyadh 2414, Kingdom of Saudi Arabia, has been appointed as the Payment Administrator.
- **Registrar and Debt Instrument Transfer Agent:** An agreement has been entered into with the Securities Depository Center Company (“Edaa”) dated [•] (the “**Registry Agreement**”) by the Issuer to maintain the Sukukholders' Registry, record any actions, and document any amendments and/or additions that may occur to the Registry or the Sukukholders. The Edaa's registered office is at King Fahd Road, Unit No. 11, Riyadh 12211-3388, Kingdom of Saudi Arabia.
- **Transfer of Sukuk** The Sukuk may be transferred in accordance with the regulations and procedures established by the Registrar and Tadawul by delivering to the Registrar and Tadawul such information as such regulations and procedures shall require. All transfers of Sukuk and entries on the Register are subject to the regulations and procedures of the Registrar, Tadawul and the provisions of the Payment Administration Agreement, including in relation to limitations in respect of

closed periods. The regulations and procedures may be changed by the Registrar and Tadawul, respectively, at any time when necessary. The transfer of Sukuk may be subject to a charge by the Registrar and Tadawul and all such charges shall be borne solely by the transferring Sukukholder and the transferee. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such charges imposed by the Registrar or Tadawul.

14-1-11 Repayment Dates

- a. Unless such Sukuk have been previously redeemed, purchased, or cancelled, with respect to each Series of Sukuk, the Sukuk shall be redeemed on the Scheduled Maturity Date, and each Sukukholder shall receive its pro rata share of the Liquidation Distribution Amount. Upon such dissolution, provided that each Sukukholder has received its proportional share of the Dissolution Distribution Amount due to it, the Sukukholders shall cease to have any interest in the Sukuk Assets and no further amounts shall be payable in respect thereof and neither the Issuer nor the Sukukholders' Agent shall have any further obligations in respect thereof.
- b. If the relevant Final Terms specify redemption in installments, Sukukholders can receive capital installments on the relevant partial redemption dates (as defined in the Final Terms). In this case, a portion of the Sukuk issuance will be redeemed equal to the value of the Sukuk capital installments paid to the Sukukholders (the total nominal value of the Sukuk issuance will be reduced accordingly after that payment), without prejudice to other early redemption, purchase, and redemption cases.
- c. The Issuer may redeem the Sukuk before its maturity date if this option is specified in the Applicable Final Terms.

14-1-12 Procedures and Timeframe for the Allocation and Delivery of Debt Instruments

Please refer to Section 15 (*Subscription Declarations*) of this Base Prospectus.

14-1-13 Decisions, Authorisations, and Approvals Pursuant to Which the Debt Instruments Were or Will Be Issued and Offered

- Board of Directors' Resolution No. 202-2023G dated 25/06/1436H (corresponding to 28/09/2023G), approved the conclusion of a Shariah-compliant Sukuk Programme worth SAR 1,000,000,000, to be issued through a series of issuances for public offering.
- A copy of SAMA's non-objection on the issuance of the Sukuk dated 10/07/1445H (corresponding to 22/01/2024G).
- A copy of CMA's approval decision for the offering and registration of the Sukuk, issued on • /•/ •H (corresponding to •/ •/•G).
- A copy of the Saudi Stock Exchange's (Tadawul) approval decision for the listing of the Sukuk, issued on •/ •/•H (corresponding to •/ •/•G).

14-1-14 Nature of the Guarantees, Pledges, and Obligations to secure the Offering

Please refer to Section 14 (*Details on Sukuk and the Terms & Conditions of the Sukuk*) and Condition 14-2-7: (*Condition 6: Covenants and Undertakings*) of this Base Prospectus.

14-1-15 Events of Default

Please refer to Section 14 (*Details on Sukuk and the Terms & Conditions of the Sukuk*) and Condition 14-2-13 (*Condition 12: Events of Default*) and **Error! Reference source not found.** “Covenants and Undertakings” of this Base Prospectus.

14-1-16 Agreements with the Sukukholders' Agent

Riyadh Capital, a Saudi company headquartered in Riyadh, Al-Shohada District, Unit No. 69, P.O. Box 13241 - 7279, Riyadh 2414, Kingdom of Saudi Arabia, has been appointed as the Sukukholders' Agent. The Sukuk documents were concluded as follows:

- (1) A Mudaraba Agreement between Riyadh Capital (the Sukukholders' Agent) and Bidaya Finance Company (the Issuer and the Mudareb). The parties agreed on the terms and conditions under which the Mudareb will manage the Mudaraba based on its expertise and share the profits resulting from the Mudaraba in accordance with this agreement;
- (2) The Master Murabaha Agreement between Riyadh Capital (the Seller) and Bidaya Finance Company (the Issuer and Purchaser), whereby the parties agree on the terms and conditions under which the Payment Administrator, on behalf of the Issuer, will invest approximately forty-nine% (49%) of the proceeds of each Series to purchase commodities through Murabaha Transactions between the Seller and Purchaser;
- (3) The Sukuk Issuance Programme Agreement between Bidaya (the Issuer), Merchants Capital and Impact46 (the Joint Arrangers), and Musharka Capital Company (the Lead Dealer), whereby the parties agree to document certain agreed-upon concepts and arrangements for each Series of Sukuk issuances under the Programme;
- (4) The Master Declaration of Agency Agreement between Bidaya (the Issuer) and Riyadh Capital (the Sukukholders' Agent), whereby the parties agree on the terms and conditions of the Agreement, under which Bidaya delegates and transfers specific powers, duties, delegations, authorities, and rights to the Sukukholders' Agent, as stipulated in this Declaration of Agency Agreement, and
- (5) Payment Administration Agreement between Riyadh Capital (the Sukukholders' Agent), Bidaya (the Issuer), Riyadh Capital (the Payment Administrator). It was agreed to organise certain arrangements regarding the payments for the Programme and the issuance of Sukuk under the Programme.

Copies of the Sukuk documents mentioned above, containing details of the duties of the Sukukholders' Agent, may be inspected at the Issuer's registered office at 20th Floor, Al Ebda'a Tower, King Fahd Road, P.O. P.O. Box: Box 93898, Riyadh 11683, KSA

14-1-17 The Sukuk are Unsecured Primary Debt Instruments

The Sukuk is structured as senior debt and is pari passu with all existing and future loans and obligations of the Issuer, constituting an indivisible ownership interest in the Sukuk Assets. They also constitute an indivisible interest in the Payment Obligations, and will at all times rank pari passu among themselves. As stipulated in the Sukuk Documents, the Issuer's Payment Obligations are direct, general, unconditional, and unsecured, ranking at all times pari passu with all other present and future unsecured obligations of the Issuer, except for those preferred by mandatory laws of general application.

14-1-18 Applicable Laws Relevant to the Sukuk

- a. **Governing Law:** The Sukuk Documents and the Sukuk are governed by, and are to be construed in accordance with, the laws and regulations of KSA.
- b. **Jurisdiction:** The Committees shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Sukuk or the Sukuk Documents. For such purposes, all relevant parties (including, the Issuer and the Sukukholders) irrevocably submit to the jurisdiction of the Committees. No suit, action or proceedings which may arise out of or in connection with the Sukuk or the Sukuk Documents may be filed or brought outside KSA. No court or any judicial authority outside KSA shall have jurisdiction to hear any such claim.
- c. **Restrictions on the Transfer of Sukuk:** All transfers of Sukuk and entries on the Register are subject to the regulations and procedures of the Registrar, Tadawul and the provisions of the Payment Administration Agreement, including in relation to limitations in respect of closed periods. The regulations and procedures may be changed by the Registrar and Tadawul, respectively, at any time when necessary.
- d. **Expected Date of Commencement of Trading in the Sukuk:** The Sukuk will be listed and traded according to the procedures for listed debt instruments and relevant regulations and laws.

14-2 Terms and Conditions of the Sukuk

14-2-1 Preamble (Introduction)

The following is the text of the Terms and Conditions of the Sukuk which (subject to modification and except for the text in italics) will be attached and (subject to the provisions thereof) apply to each Global Sak.

The Saudi Central Bank does not make any representation as to the accuracy or completeness of this Base Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

Bidaya Finance Company, a Saudi closed joint stock company incorporated in accordance with the Companies Law of the Kingdom of Saudi Arabia. The Company operates under the Commercial Registration No. 1010432564 issued in Riyadh dated 25/06/1436H (corresponding to 14/04/2015G) with a paid-up capital of (SAR 900,000,000) nine hundred million Saudi Riyals and divided over (90,000,000) ninety million shares with a nominal value of (SAR10) ten Saudi Riyals per share, having its registered office at the 20th Floor Al Ebdaa Tower, King Fahad Road, P.O. Box 93898, Riyadh 11683, Kingdom of Saudi Arabia:

The Sukuk shall be issued through a programme has established a programme (hereinafter referred to as, the “**Programme**”) with an aggregate nominal value of up to (SAR 1,000,000,000) one billion Saudi Riyals divided over (1,000,000) one million sukuks to be issued in a series-of separate issuances (each separately hereinafter referred to as the “**Series**”) in accordance with the Terms and Conditions and the Applicable Final Terms in relation to each Series of separate issuances, provided the Sukuk are issued at the specified nominal value of each Sak in accordance with the Applicable Final Terms related to the relevant issuance. Note that references to the Terms and Conditions in this Prospectus (the “**Conditions**” and any reference therein to a numbered Condition is a reference to the equivalent numbered Condition in the Applicable Final Terms) are references to the Sukuk subject to the Final Terms (the “**Applicable Final Terms**”), and references to the Applicable Final Terms is a reference to the Final Terms (or

the provisions related thereto) of such Series (as defined below) and as disclosed by the Issuer at the time the relevant Series is issued.

The Applicable Final Terms supplement the Conditions in this Base Prospectus and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with any Condition, replace or modify such Condition for the purposes of each Global Sak issued in respect of a Series under the Programme.

Each Sukuk will represent an undivided common ownership interest in the Sukuk Assets (as defined herein) of the relevant Series and will at all times rank *pari passu* among themselves.

Pursuant to the declaration of agency (the **Declaration of Agency**) dated on [●] 2025G between the Issuer and Riyad Capital (in its capacity as agent on behalf of the Sukukholders, the **Sukukholders' Agent**, which expression includes any successor Sukukholders' Agent in relation to the Sukuk), the Sukukholders' Agent will be appointed to act as agent for and on behalf of the Sukukholders in respect of the relevant Series of Sukuk.

Each Sukukholder by subscribing to, acquiring and/or holding Sukuk shall be deemed to authorise, ratify and approve the entry by the Sukukholders' Agent into the Sukuk Documents (as defined below) to which it is a party and agrees to the terms of each of the Sukuk Documents including, but not limited to, the appointment of the Sukukholders' Agent as agent of the Sukukholders in the Declaration of Agency. The appointment of the Sukukholders' Agent may be revoked or terminated (and the Sukukholders' Agent may resign its appointment) in accordance with the provisions of the Declaration of Agency. Payments relating to the Sukuk will be made pursuant to a payment administration agreement (the **Payment Administration Agreement**) dated on or about [●] 2025G between the Issuer, the Sukukholders' Agent and Riyad Capital (in its capacity as payment administrator, the **Payment Administrator**).

The Sukuk of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Sukuk of each Series and, in these Conditions, the expressions "Sukuk", "Sukukholders" and related expressions shall be construed accordingly.

The Company confirms that it will not provide any guarantees, undertakings, or other similar obligations in relation to the Sukuk.

Certain provisions of these Conditions are deemed as summaries of the Sukuk Documents and are subject to their detailed provisions. The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Sukuk Documents applicable to them.

14-2-2 Condition 1: Interpretation

- 1.1 Words and expressions used in the Applicable Final Terms shall have the same meanings where used in the Conditions, unless the context otherwise requires or unless otherwise stated and, provided that, in the event of any inconsistency between the Conditions and the Applicable Final Terms, the Applicable Final Terms will prevail. Moreover, capitalised terms used in this section shall have the same the meaning given thereto under section 1 "Definitions and Terms" of the Base Prospectus.
- 1.2 All references in these Conditions to any agreement, instrument or other document (including the Mudaraba Agreement, Murabaha Agreement, Declaration of Agency, Payment Administration Agreement, Registry

Agreement, Investor Application Form and Sukuk (including the Global Sak) shall be deemed to be a reference to that agreement, instrument or other document as may be amended, supplemented, replaced or revised.

1.3 In addition, the following words and expressions shall have the following meanings:

Agent means the Sukukholders' Agent, the Payment Administrator and the Registrar.

Aggregate Nominal Amount means, in respect of each Series, the amount specified as such in the Applicable Final Terms.

Applicable Final Terms means the applicable final terms relating to a particular Series issued under the Programme.

Available Amount means in relation to each Series:

- a. in the period from and including the Issue Date to but excluding the first Periodic Distribution Date, an amount that is equal to the sum of: (i) the first Periodic Distribution Amount due under the relevant Series; and (ii) the difference between the Aggregate Nominal Amount of such Series and the Deferred Price of in respect of such Series; and
- b. thereafter, during each Periodic Distribution Period, an amount that is equal to the sum of: (i) the Periodic Distribution Amount falling due on the next Periodic Distribution Date under the relevant Series; and (ii) the difference between the Aggregate Nominal Amount of such Series and the Deferred Price in respect of such Series

Authority means the Capital Market Authority of the Kingdom of Saudi Arabia

Business Day means, a day on which businesses, companies and banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Kingdom of Saudi Arabia.

Business Portfolio means all the Shari'ah-compliant business of the Issuer from time to time.

Collection Account has the meaning given to it in Condition 14-2-6(g) (*Mudaraba Assets*).

Committees means the Committee for the Resolution of Securities Disputes and the Appeal Committee for the Resolution of Securities.

Commodities have the meaning given to it in the Murabaha Agreement.

Companies Regulations means the companies regulations promulgated pursuant to Royal Decree no. M/132 dated 01/12/1443H (corresponding to 30/06/2022G).

Compliance Certificate has the meaning given to it in Condition 1.4(i) (*Covenants and Undertakings*).

Conditions means the terms and conditions in respect of the Sukuk.

Confirmation of Terms and Notice of Offer to Purchase has the meaning given to it in the Murabaha Agreement.

Consolidated Net Assets of the Issuer means the aggregate of the Issuer's total assets less the aggregate of the Issuer's total liabilities, in each case, as such terms are used in and as determined by reference to the Financial Statements.

Cost Price has the meaning given to it in the Murabaha Agreement.

Day means a calendar day.

Deferred Price has the meaning given to it in the Murabaha Agreement.

Deferred Price Payment Date(s) has the meaning given to it in the Murabaha Agreement.

Dissolution Date means, as the case may be:

- a. the Expiry Date;
- b. following the occurrence of an Event of Default (as defined in Condition 14-2-13 (*Events of Default*)), the date on which the Sukuk are redeemed in accordance with the provisions of Condition 14-2-13 (*Events of Default*);
- c. the date on which the Sukuk are redeemed in accordance with the provisions of Condition 14-2-12(ii) (*Redemption: Redemption of Sukuk – Early Dissolution for Tax Reasons*); or
- d. the Optional Dissolution Date in accordance with the provisions of Condition 14-2-12(hh) (*Redemption: Redemption of Sukuk – Redemption at the Option of the Issuer*).

Dissolution Distribution Amount means, in relation to a particular Series of Sukuk, the sum of:

- a. the outstanding nominal amount of such Series of Sukuk less any loss relating to the Sukuk Assets; and
- b. any accrued but unpaid Periodic Distribution Amounts or Partial Periodic Distribution Amount (as applicable) for such Series of Sukuk and all amounts which have become due and payable and remain unpaid by the Issuer immediately prior to the Dissolution Date for such Series of Sukuk.

Event of Default means the occurrence of any of the events or circumstances set out in Condition 14-2-13 (*Events of Default*) of these Conditions which is continuing, thus allowing the Sukukholders' Agent to carry out the steps set out in Condition 14-2-13 (*Events of Default*).

Event of Default Date means the date on which the Sukukholders' Agent receives the first written notice from the Sukukholders (in accordance with Condition 14-2-13 (*Events of Default*)), including a description of the Event of Default affecting the Sukukholders' rights. This date shall be used to determine the commencement of proceedings relating to the rights of the Sukukholders to claim the Dissolution Distribution Amount or take any other action under the Sukuk Documents.

Event of Default Exercise Notice means the notice submitted by the Sukukholders' Agent to the Issuer on behalf of the Sukukholders, based on its receipt of an Event of Default Notice from Sukukholders representing the required quorum during the exercise period, in which it is specified that the Sukukholders have decided to exercise their rights arising from the occurrence of the Event of Default in accordance with the provisions of Condition 14-2-13 (*Events of Default*), including claiming the Dissolution Distribution Amount or taking any other actions prescribed under the Sukuk documents.

Event of Default Notice means the written notice sent by any of the Sukukholders (meeting the required quorum) to the Sukukholders' Agent with regard to a particular Event of Default in accordance with provisions of Condition 14-2-13 (*Events of Default*).

Exercise Period means the period following the notice from the Sukukholders of the occurrence of an Event of Default, during which the Sukukholders are granted a specified time period (being ten (10) Business Days or any other period specified in the relevant notice) to decide whether they wish to exercise their rights in accordance with Condition 14-2-13 (*Events of Default*).

Extraordinary Resolution means a resolution passed at a duly convened meeting of the Sukukholders by a majority of at least (75%) seventy-five per cent. of the Aggregate Nominal Amount of the Series as are current on such date represented and voting thereon.

Expiry Date has the meaning given to it in the Applicable Final Terms.

Financial Indebtedness means any indebtedness for or in respect of:

- a. moneys borrowed;
- b. any acceptance credit (including any dematerialised equivalent);
- c. any long-term or short-term bond, note, debenture, loan stock, sukuk or other similar instrument;
- d. any redeemable preference share;
- e. any agreement treated as a finance or capital lease in accordance with accounting and auditing standards adopted by SOCPA;
- f. receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- g. any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- h. any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value will be taken into account);
- i. any counter indemnity obligation in respect of a guarantee, indemnity, bond, sukuk, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- j. any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) (inclusive) above.

Financial Statements means, with respect to any period, the audited (with respect to annual only) or unaudited financial statements of the Issuer for such period and, where no period is specified, shall be in reference to the most recent financial year or financial period of the Issuer for which audited financial statements or unaudited financial statements (as applicable) are available (in each case, prepared on a consolidated basis, as applicable).

Global Sak means the registered form global sak representing the Sukuk issued under a Series.

Income Tax Law means the Income Tax Law issued by Royal Decree No. M/1 dated 15/1/1425H (corresponding to 06/03/2004G).

Instalment Amount has the meaning given to it in Condition 14-2-12(gg) (*Scheduled Redemption in Part*).

Investor Application Form means the form required to be submitted before the end of the Offer Period by the Persons wishing to invest in the Sukuk.

Investment Offer With Promise To Purchase has the meaning given to it in the Murabaha Agreement.

Issue Date has the meaning given to it in the Applicable Final Terms.

Kingdom means the Kingdom of Saudi Arabia.

Liability means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and reasonable legal fees and expenses on a full indemnity basis but not including any indirect or consequential losses or liability, or any loss of opportunity.

Margin means, in respect of each Series, the percentage per annum specified as such in the Applicable Final Terms.

Material Subsidiary means any Subsidiary of the Issuer, present or future, the aggregate assets of which exceed an amount equal to (5%) five per cent. of the Consolidated Net Assets of the Issuer, as determined by reference to the Financial Statements.

Mudaraba Agreement means master mudaraba agreement dated on or about [●] 2025 between the Issuer (in such capacity, the **Mudareb**) and the Sukukholders' Agent (in its capacity as *rab-al-maal*).

Mudaraba Assets means in respect of each Series:

- a. the Available Amount, an amount equivalent to the funds available for investment in the Mudaraba, as immediately available funds to the Mudareb in the form of cash or cash equivalents, in accordance with the definition of Available Amount in these Conditions and the provisions of the Mudaraba Agreement;
- b. the Mudareb's share (for the benefit of the Sukukholders) in the Issuer's Business Portfolio; and
- c. any amount standing to the credit of the Collection Account.

Under the Mudaraba Agreement, the Mudareb shall be entitled, in its sole and absolute discretion, to: (A) use all or any part of the Mudaraba Assets as it sees fit, subject to the terms of the Mudaraba Agreement (and in particular, in relation to the Available Amount, subject to clause 4.1(e) of the Mudaraba Agreement); and (B) commingle its own assets and funds with the Mudaraba Assets.

Mudaraba Capital has the meaning in Condition 14-2-6(g) (*Mudaraba Assets*).

Mudaraba Income means the total operating income from the Mudaraba Assets without taking into account cost of funding sources.

Mudaraba Profit has the meaning in Condition 14-2-6(g) (*Mudaraba Assets*).

Mudareb means the Issuer in its capacity as mudareb under the Mudaraba Agreement.

Mudareb Profit has the meaning in Condition 14-2-6(g) (*Mudaraba Assets*).

Murabaha Agreement means the murabaha agreement dated on or about [●] 2025 between the Issuer (as **Purchaser**) and the Sukukholders' Agent (as **Seller**).

Murabaha Assets has the meaning given to it in Condition 14-2-6(f) (*Sukuk Assets*).

Murabaha Income means those amounts specified in Condition 14-2-6(h) (*Murabaha Transaction*) as constituting Murabaha Income.

Murabaha Profit means the profit payable in respect of the Murabaha Transaction.

Murabaha Transaction has the meaning given to such term in Condition 14-2-6(h) (*Murabaha Transaction*).

Non-Recourse Project Financing means any financing of all or part of the costs of the acquisition, construction or development or any project, provided that:

- a. any Security Interest given by the Issuer is limited solely to assets of the project;
- b. the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and
- c. there is no other recourse to the Issuer in respect of any default by any person under the financing.

Offer Period has the meaning given to it in the Applicable Final Terms.

On-Sale Agent has the meaning given to in the Murabaha Agreement.

Optional Dissolution (Call) means the call option described Condition 14-2-12(hh) (*Redemption: Redemption of Sukuk - Redemption at the Option of the Issuer*).

Optional Dissolution Date has the meaning given to it in Condition 14-2-12(hh) (*Redemption: Redemption of Sukuk - Redemption at the Option of the Issuer*).

Partial Periodic Distribution Amount means, in relation to any Partial Periodic Distribution Date, an amount calculated as follows:

- a. where the Fixed Periodic Distribution Provisions are applicable, it has the meaning given in the Condition 14-2-8(p) (*Fixed Period Distribution Provisions - Calculation of distribution in respect of Partial Periodic Distribution Amounts*); and
- b. where the Floating Periodic Distribution Provisions are applicable, it has the meaning given in the Condition 14-2-9(x) (*Floating Periodic Distribution Provisions - Calculation of distribution in respect of Partial Periodic Distribution Amounts*).

Partial Periodic Distribution Date means any date on which the Issuer is to redeem the Sukuk following an Event of Default.

Partial Periodic Distribution Period means the period from the immediately preceding Periodic Distribution Date to the Partial Periodic Distribution Date.

Payment Obligations means all obligations of the Issuer to make payments to the Transaction Account for the Periodic Distribution Amounts, any Partial Periodic Distribution Amount and/or any Instalment Amounts

due and owing and, if such payment is made on a Dissolution Date, the Dissolution Distribution Amount and any other amount payable to the Sukukholders under any Sukuk Documents, in each case pursuant to these Conditions and the Sukuk Documents.

Periodic Distribution Amount has the meaning given to it in Condition 14-2-8 (*Fixed Periodic Distribution Provisions*) or Condition 14-2-9 (*Floating Periodic Distribution Provisions*) as applicable.

Periodic Distribution Date has the meaning given to it in the Applicable Final Terms.

Periodic Distribution Determination Date has the meaning given to it in the Applicable Final Terms.

Periodic Distribution Period means the period from and including the Issue Date to but excluding the first Periodic Distribution Date, and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date.

Permitted Financial Indebtedness means:

- a. any Financial Indebtedness outstanding on the Issue Date of the relevant Series of Sukuk;
- b. Financial Indebtedness owed by the Issuer or any Material Subsidiary of the Issuer to the Issuer or any other Subsidiary of the Issuer (as applicable); *provided however*, that any subsequent disposition, pledge or transfer of such Financial Indebtedness (other than to the Issuer or a Subsidiary of the Issuer) shall be deemed, in each case, to constitute the incurrence of such Financial Indebtedness by the Issuer thereof; and
- c. Financial Indebtedness of the Issuer or a Subsidiary of the Issuer (if any) incurred and outstanding on or prior to the date on which such Subsidiary became a Subsidiary of the Issuer (other than Financial Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilised to consummate, the transaction or series of related transactions pursuant to which the Subsidiary became a Subsidiary of the Issuer).

Permitted Security Interest means:

- a. any Security Interest arising by operation of law and in the ordinary course of trading;
- b. any Security Interest existing on the date on which agreement is reached to issue the first Series of Sukuk;
- c. any Security Interest granted to secure a Non-Recourse Project Financing or to secure any Financial Indebtedness incurred in connection with a Securitisation;
- d. any Security Interest securing the Financial Indebtedness of a person existing at the time that such person is merged into, or consolidated with, the Issuer provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Issuer;
- e. any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer and not created in contemplation of such acquisition;
- f. any Security Interest granted to secure the Issuer's payment obligations in connection with the Sukuk or the Sukuk Documents; or

- g. any renewal of or substitution for any Security Interest permitted by any of paragraphs (a) to (c) (inclusive) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets).

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Profit Rate means, in respect of each Series, the percentage per annum specified as such in the Applicable Final Terms.

Purchaser means the Issuer in its capacity as purchaser under the Murabaha Agreement.

Qualified Person means:

- a. a natural person who is considered to be resident in the Kingdom in accordance with the Income Tax Law issued by a Royal Decree no. M/1 dated 15/1/1425H (as amended) and the implementing regulations thereof; or
- b. a legal person who is considered to be resident in the Kingdom in accordance with the Income Tax Law and who is holding a current commercial registration number issued by the Ministry of Commerce. However, the requirement for such legal person to hold a current commercial registration number issued by the Ministry of Commerce would not apply to Saudi Arabian governmental entities and mutual funds established in the Kingdom and managed by a person authorised by the Authority or any other entity established in the Kingdom that is not required by the laws of the Kingdom to hold a commercial registration,
- and who, in each case, has a bank account with a local bank in the Kingdom; or
- c. any other category of person specified as such in the Applicable Final Terms.

Record Date means in the case of the payment of a Periodic Distribution Amount or an Instalment Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Distribution Amount, the date falling two (2) Business Days before the date for payment of the relevant Dissolution Distribution Amount, as the case may be.

Reference Banks means each of three (3) banks licensed by the Saudi Central Bank and engaged in the interbank market selected by or on behalf of the Payment Administrator from time to time and a **Reference Bank** shall mean any one of them as the context may require.

Register means the register of Sukukholders maintained and administered by the Registrar.

Registrar Securities Depository Center Company (Edaa).

Registry Agreement means the registry agreement between the Issuer and the Registrar in relation to the Sukuk

Related Party means each of the Issuer, any of the Issuer's Subsidiaries (if any), any holding company of the Issuer from time to time, any director, officer, employee, consultant, agent, advisor or shareholder of any thereof or any family member of any such director, officer, employee, consultant, agent, advisor or

shareholder or any company or other entity controlled by any such director, officer, employee, consultant, agent, advisor, shareholder or family member. For this purpose, control means, in respect of a company or other entity, the ability to direct its affairs and/or control the composition of its board of directors or equivalent body.

Relevant Indebtedness means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, debenture stock, loan stock, Sukuk Obligations in respect of certificates or other securities, in each case which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market.

Relevant Screen Page has the meaning given to it in the Applicable Final Terms.

Required Sukukholders as of any date, means the Sukukholders holding more than (50%) fifty per cent. of the Aggregate Nominal Amount of the Series as are current on such date.

SAR or Saudi Riyals means the lawful currency of Kingdom of Saudi Arabia.

Securitisation means: any securitisation of existing or future assets and/or revenues, provided that:

- a. any Security Interest given by the Issuer in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation;
- b. each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the sole source of repayment for the money advanced or payment of any other liability; and

there is no other recourse to the Issuer in respect of any default by any person under the securitisation.

Security Interest means any mortgage, charge (fixed or floating), pledge, encumbrance, lien or hypothecation, any taking of title, reservation of title, set-off or trust arrangement for the purpose of taking security, any assignment by way of security or any other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Seller means the Sukukholders' Agent in its capacity as seller under the Murabaha Agreement.

Settlement Date has the meaning given to it in the Murabaha Agreement.

Shortfall has the meaning given to it in Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*).

SOCPA means the Saudi Organisation for Chartered and Professional Accountants.

Specified Currency has the meaning given to it in the Applicable Final Terms.

Specified Denominations means the registered form of the Sukuk in denominations of (SAR 1,000) one thousand Saudi Riyals.

Subsidiary means in relation to any person (the **first person**), at any particular time, any person (the **second person**):

- a. which is then directly or indirectly controlled by the first person;

- b. more than 30% of whose issued voting equity share capital (or equivalent) is then beneficially owned by the first person; or
- c. which is a Subsidiary of another Subsidiary of the first person.

For the second person to be **controlled** by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person.

Sukuk Assets has the meaning given to it in Condition 14-2-6(f) (*Sukuk Assets*).

Sukuk Documents means in relation to each Series: (1) the Mudaraba Agreement; (2) the Murabaha Agreement (including any document delivered or executed pursuant to the Murabaha Agreement); (3) the Declaration of Agency; (4) the Payment Administration Agreement; (5) the Sukuk (including the Global Sak); (6) the Registry Agreement; and (7) any other agreements, fee letters and documents delivered or executed in connection therewith.

Sukuk Obligation means any undertaking or other obligation to pay any money given in connection with the issue of sukuk or other instruments intended to be issued in compliance with the principles of Shari'ah, whether or not in return for consideration of any kind.

Sukukholders means the Person in whose name any of the Sukuk is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and the expressions holders and holders of Sukuk and related expressions shall (where appropriate) be construed accordingly.

Supplier has the meaning given to it in the Murabaha Agreement.

Tadawul means the Saudi Stock Exchange Company.

Tax Redemption Date has the meaning given in Condition 14-2-12(ii) (*Redemption: Redemption of Sukuk - Early Dissolution for Tax Reasons*).

Taxes means any present or future taxes, zakat, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Saudi Arabia or any political subdivision thereof or any authority therein or thereof having power to tax.

Transaction Account has the meaning given to it in Condition 14-2-6(f) (*Sukuk Assets*).

U.S. dollars and U.S.\$ are to United States Dollar, the legal currency of the United States.

ZATCA means the Zakat, Tax and Customs Authority.

Without prejudice to its status for any other purpose, a Sukuk shall be considered to be **current** unless it has been redeemed pursuant to Condition 14-2-12 (*Redemption: Redemption of Sukuk*) or purchased under Condition 14-2-10 (*Purchase and Cancellation of Sukuk*) and in either case has been cancelled in accordance with Condition 14-2-10(bb) (*Cancellation*); provided however, that, for the purposes of: (i) ascertaining the right to attend and vote at any meeting of Sukukholders; (ii) Condition 14-2-17(bbb) (*Meetings of Sukukholders*) and the Declaration of Agency; (iii) determining the Required Sukukholders for the purposes of Condition 14-2-13

(Events of Default); (iv) Condition 14-2-14 (*Enforcement and Exercise of Rights*); clause 9.4 (*Enforcement and exercise of rights*) of the Declaration of Agency; (v) any discretion, power or authority (whether contained in these Conditions or any Sukuk Document or vested by operation of law) which the Sukukholders' Agent is required, expressly or impliedly, to exercise in, or by reference to, the interests of the Sukukholders or any of them; and (vi) any determination by the Sukukholders' Agent that any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Sukukholders or any of them, those Sukuk (if any) which are for the time being held by or for the benefit of the Issuer or any Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to be current.

14-2-3 Condition 2: Form and Denomination

Each Series of Sukuk will be issued in dematerialised registered form in the Specified Denominations. Each Series of Sukuk will be collectively represented by a Global Sak which will be deposited with the Sukukholders' Agent in accordance with the provisions of the Declaration of Agency. Individual Sukuk representing holdings of the Global Sak will not be issued but Sukukholders will on request be entitled to receive a statement from the Registrar recording their holding of Sukuk. The Global Sak will represent all of the Sukuk of that Series that are current and the ownership by the Sukukholders of an undivided beneficial ownership interest in the Sukuk Assets.

14-2-4 Condition 3: Register, Title and Transfers

(a) Register

The Issuer will cause the Registrar to maintain the Register. The Registrar will maintain the Register in respect of each Series of Sukuk in accordance with the regulations and procedures of the Registrar and Tadawul by implementing the registry system administered by the Registrar (the **Register**). Each Sukukholder will (except as otherwise required by law) be treated as the absolute owner of the relevant Sukuk for all purposes (regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Global Sak) and no person will be liable for so treating the holder of any Sukuk. Each Sukukholder will be recognised by the Issuer as entitled to such Sukuk free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of the Global Sak.

(b) Title

Title to the Sukuk passes only by registration in the Register and each Sukukholder shall (except as otherwise required by law) be treated as the absolute owner of such Sukuk for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein).

(c) Transfers

The Sukuk may be transferred in accordance with the regulations and procedures established by the Registrar and Tadawul by delivering to the Registrar and Tadawul such information as such regulations and procedures shall require.

All transfers of Sukuk and entries on the Register are subject to the regulations and procedures of the Registrar, Tadawul and the provisions of the Payment Administration Agreement, including in relation to limitations in respect of closed periods. The regulations and procedures may be changed by the Registrar and Tadawul, respectively, at any time when necessary.

The transfer of Sukuk may be subject to a charge by the Registrar and Tadawul and all such charges shall be borne solely by the transferring Sukukholder and the transferee. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such charges imposed by the Registrar or Tadawul.

14-2-5 Condition 4: Status

- (d) The Sukuk constitute undivided beneficial ownership interests in the Sukuk Assets and represent an undivided interest in the Payment Obligations and will at all times rank *pari passu* among themselves. The Payment Obligations of the Issuer under the Sukuk and the Sukuk Documents to which it is a party will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (e) No Sukukholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Sukuk, the Payment Obligations, and each Sukukholder, by virtue of its subscription, purchase, acquiring, or holding of any Sukuk, shall be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

14-2-6 Condition 5: Sukuk Assets

- (f) Sukuk Assets

On the Issue Date, the Sukukholders' Agent shall deposit the proceeds of the subscription of the Sukuk in an account held in the name of the Sukukholders' Agent and administered by the Payment Administrator (for and on behalf of the Sukukholders' Agent, acting on behalf of the Sukukholders) (the **Transaction Account**).

On or around the Issue Date, the Payment Administrator shall:

- (i) provide at least (51%) fifty-one per cent. of the amounts standing to the credit of the Transaction Account to be applied as the capital (the **Mudaraba Capital**) of the *mudaraba* (the **Mudaraba**) constituted by the Mudaraba Agreement and the Mudareb shall invest the Mudaraba Capital pursuant to the Mudaraba Agreement in the manner described in Condition 14-2-6(g) (*Mudaraba Assets*); and
- (ii) apply no more than (49%) forty-nine per cent. of the amounts standing to the credit of the Transaction Account in a *murabaha* arrangement to be entered into by the Seller with the Purchaser pursuant to the Murabaha Agreement and Condition 14-2-6(h) (*Murabaha Transaction*) (the rights of the Seller pursuant to the terms of the Murabaha Agreement comprising the **Murabaha Assets** from time to time).

The Mudaraba Assets, the Murabaha Assets and the Payment Obligations, together with any amounts standing to the credit of the Transaction Account from time to time shall constitute the Sukuk assets (the **Sukuk Assets**).

None of the Issuer (so long as it performs its obligations under the Sukuk Documents), the Sukukholders' Agent or any of the Dealers is responsible for the performance or the profitability of the Sukuk Assets or for the share and amount of the distributions (if any) made to the Sukukholders.

(g) Mudaraba Assets

On the Issue Date, the Mudareb shall invest the Mudaraba Capital as follows:

- (i) an amount of the Mudaraba Capital equal to the Available Amount will be invested in the Mudaraba as immediately available funds in cash or cash equivalent which are available to the Mudareb in accordance with the terms of the Mudaraba Agreement; and
- (ii) the remainder of the Mudaraba Capital will be invested by the Mudareb in the Business Portfolio of the Issuer.

Under the Mudaraba Agreement, the Mudareb shall be entitled, in its sole and absolute discretion, to: (A) use all or any part of the Mudaraba Assets as it sees fit, subject to the terms of the Mudaraba Agreement (and in particular, in relation to the Available Amount, subject to clause 4.1(e) of the Mudaraba Agreement); and (B) commingle its own assets and funds with the Mudaraba Assets.

The Mudareb is required under clause 4.1(e) of the Mudaraba Agreement to ensure at all times that an amount equal to the applicable Available Amount for the relevant period is maintained as immediately available funds in cash or cash equivalent for the Mudaraba and that such amount is not utilised by the Mudareb unless expressly and specifically instructed otherwise in writing by the Sukukholders' Agent (on behalf of the Sukukholders).

The Mudareb (for the benefit of the Sukukholders) and the Issuer (for its own account) shall each have a share of the Business Portfolio and all assets acquired from or through the Business Portfolio on the basis of the sharing of profit and the bearing of losses pro rata to their respective shares.

The Mudareb's (for the benefit of the Sukukholders) and the Issuer's (for its own account) respective entitlement to the Business Portfolio on the Issue Date shall be set out in the Applicable Final Terms.

The Issuer shall have the right to invest further for its own account, in cash or in kind (whether from its own funds or funds sourced from credit facilities or funds and/or assets sourced from other) and/or for others in the Business Portfolio. Upon any such investment, the Mudareb's (for the benefit of the Sukukholders) and the Issuer's (for its own account and/or for the account of other investors) respective entitlements to the Business Portfolio shall be pro rata to their respective shares from time to time in the aggregate investment in the Business Portfolio. The proportional profit shares of the Sukukholders and the Mudareb in any Mudaraba Income shall be calculated using the following ratios:

- (i) Sukukholders: (99%) ninety-nine per cent. of any Mudaraba Income (the **Mudaraba Profit**); and
- (ii) Mudareb: (1%) one per cent. of any Mudaraba Income (the **Mudareb Profit**).

The Mudaraba Profit (and only Mudaraba Profit) shall be credited to a book-entry notional account to be maintained by the Mudareb in its books for and on behalf of the Sukukholders (the **Collection Account**).

For the purposes of calculating the amounts standing to the credit of the Collection Account, five (5) Business Days prior to each Periodic Distribution Date or any Partial Periodic Distribution Date, the Mudareb shall

calculate the Mudaraba Income received during the current Periodic Distribution Period or any Partial Periodic Distribution Period, as the case may be, on the basis of:

- (i) a constructive liquidation of the Business Portfolio five (5) Business Days prior to the relevant Periodic Distribution Date or any Partial Periodic Distribution Date; and
- (ii) the Mudareb's management accounts for the relevant period.

On or prior to 11.00 a.m. (Riyadh time) five (5) Business Days prior to each Periodic Distribution Date or any Partial Periodic Distribution Date, the Mudareb shall transfer the amounts standing to the credit of the Collection Account to the Transaction Account in the amount necessary to fund each amount due to be paid from the Transaction Account under Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*).

Any surplus Mudaraba Profit remaining in the Collection Account after the application of the amounts referred to above in this Condition 14-2-6(g) (*Mudaraba Assets*) shall be reinvested by the Mudareb for the benefit of the Sukukholders in the Business Portfolio, subject at all times to compliance with Condition 14-2-7 (*Covenants and Undertakings*) and clause 4.1(e) of the Mudaraba Agreement.

(h) Murabaha Transaction

On or around each Issue Date, the Seller and the Purchaser shall enter into a murabaha transaction (a **Murabaha Transaction**) on the terms set out in these Conditions and the Murabaha Agreement.

Unless otherwise stated in the Applicable Final Terms, the Murabaha Transaction corresponding to a particular Series of Sukuk shall include, without limitation, the following terms:

- (i) the Cost Price for such Murabaha Transaction shall be an amount equal to no more than (49%) forty nine per cent. of the Aggregate Nominal Amount of the relevant Series of Sukuk;
- (ii) the Murabaha Profit shall be an amount which equals the difference between the Deferred Price and the Cost Price;
- (iii) the Deferred Price shall be an amount which equals (99%) ninety nine per cent. of the Aggregate Nominal Amount of the relevant Series of Sukuk;
- (iv) the Deferred Price shall be paid in one or more instalments on (subject to sub-paragraph (v) below) the Deferred Price Payment Date(s); and
- (v) on any Dissolution Date, any outstanding Deferred Price shall become immediately due and payable on such date and such amount shall constitute the **Murabaha Income**.

All payments of the Deferred Price by the Purchaser shall constitute the **Murabaha Income** and shall be paid into the Transaction Account for application in accordance with Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*).

Purchase of Commodities

The Purchaser may propose to enter into a Murabaha Contract with the Seller by delivering to the Seller a duly completed Investment Offer With Promise To Purchase by 10.00 a.m. (Riyadh time) one (1) Business Day prior to the proposed Settlement Date.

As soon as practicable following delivery by the Purchaser to the Seller of a duly completed Investment Offer With Promise To Purchase in accordance with the terms of the Murabaha Agreement, if the Seller wishes to enter into a Murabaha Transaction, the Seller shall purchase the Commodities (as defined herein) which are the subject of the Investment Offer with Promise To Purchase.

*As soon as practicable upon completion of the purchase of the relevant Commodities by the Seller, and no later than 1.00 p.m. (Riyadh time) on the Settlement Date, the Purchaser shall propose the Murabaha Profit and offer to purchase the Commodities from the Seller on the terms set out in a confirmation of terms and notice of offer to purchase (a **Confirmation of Terms and Notice of Offer to Purchase**) delivered to the Seller.*

As soon as practicable upon the Purchaser delivering the relevant Confirmation of Terms and Notice of Offer to Purchase to the Seller, and no later than 3.00 p.m. (Riyadh time) on the Settlement Date, the Seller will deliver to the Purchaser a notice of acceptance of such offer.

The Purchaser shall appoint the On-Sale Agent as its on-sale agent and may instruct such On-Sale Agent to on-sell to a third party (other than the Seller) the Commodities it has purchased under the Murabaha Contract, and to pay such consideration directly into the Purchaser's bank account notified to the On-Sale Agent.

In accordance with the Murabaha Agreement, the Seller unconditionally and irrevocably instructs the Purchaser to pay any amount payable to the Seller, or to the order of the Seller, in respect of a Deferred Price directly to the Transaction Account.

(i) Application of Proceeds - Transaction Account

At or prior to 11.00 a.m. (Riyadh time) one (1) Business Day prior to each Periodic Distribution Date, any Partial Periodic Distribution Date or on any Dissolution Date, the Sukukholders' Agent shall instruct the Payment Administrator to pay all monies standing to the credit of the Transaction Account in the following order of priority:

- (i) *first*, to the extent not previously paid, *pari passu* and rateably, to each Agent to which the Issuer is liable to make a payment, in each case in respect of the amounts owing to each of them under the Sukuk Documents or otherwise in their respective capacities;
- (ii) *second*, to each Sukukholder in order to pay:
 - (A) the aggregate amount of any shortfall between the amounts paid to Sukukholders on any previous Periodic Distribution Date(s) and the corresponding Periodic Distribution Amount(s) for such date(s) (each, a **Shortfall**) to the extent these remain unpaid; and
 - (B) the Periodic Distribution Amount due for the relevant current Periodic Distribution Period or the Partial Periodic Distribution Amount due for the relevant Partial Periodic Distribution Period and the Instalment Amount due on the relevant Periodic Distribution Date, as applicable;
- (iii) *third*, only if such payment is made on a Dissolution Date, *pari passu* and rateably, to the Sukukholders the amount due to pay the Dissolution Distribution Amount; and
- (iv) *fourth*, only if such payment is made on a Dissolution Date, to the Issuer for its own account as incentive fees.

14-2-7 Condition 6: Covenants and Undertakings

- 1.4 The Issuer covenants and undertakes that, among other things, so long as any Sukuk remains current:
- (a) an amount equal to the Available Amount for the relevant period remains invested in the Mudaraba as immediately available funds in cash or cash equivalent which are available to the Mudareb in accordance with the terms of the Mudaraba Agreement;
 - (b) to extent that the Mudaraba Assets do not exceed the value of the Mudaraba Capital, no Mudaraba Assets other than Mudaraba Profit are used to fund the amounts due to be paid from the Transaction Account under Condition 14-2-6(i) (*Application of Proceeds – Transaction Account*);
 - (c) it will not, and will not permit any of its Material Subsidiaries (if any) to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise with respect to or otherwise become responsible for, contingently or otherwise, the payment of (collectively, incur as appropriate, an incurrence) any Financial Indebtedness (other than Permitted Financial Indebtedness), *provided however*, that the Issuer or any of its Material Subsidiaries (if any) may incur Financial Indebtedness if:
 - (i) no Event of Default has occurred or is continuing (or would occur as a result of the incurrence of such Financial Indebtedness); and
 - (ii) in respect of the Issuer only, such Financial Indebtedness ranks junior to or equal in right of payment with the Payment Obligations in the case of any distribution of assets of the Issuer in any liquidation of the Issuer;
 - (d) it will not, and will not permit any of its Material Subsidiaries (if any), to create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon, or with respect to, the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto securing the Sukuk equally and rateably with the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other Security Interest as shall be approved by an Extraordinary Resolution of the Sukukholders;
 - (e) it shall not use the proceeds of the issue of the Sukuk for any purpose other than as set out in the Base Prospectus and the Sukuk Documents;
 - (f) other than as required by the Companies Regulations, it shall not put to its directors or shareholders any resolution for or appoint any liquidator for its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it;
 - (g) it shall maintain, or procure the maintenance of, the following financial covenants:
 - (i) Total Shareholders' Equity: the Issuer shall ensure that its total shareholders' equity is not less than (SAR 750,000,000) seven hundred fifty million Saudi Riyals at any time; and
 - (ii) Financial Indebtedness: the Issuer shall ensure that its Financial Indebtedness shall not at any time exceed 5x of its Total Shareholders' Equity.

- (h) it shall supply to the Sukukholders' Agent:
 - (i) as soon as the same become available, but in any event within 90 days after the end of each of its financial years its audited annual Financial Statements for that financial year; and
 - (ii) its interim Financial Statements for each financial quarter as soon as the same become available, but in any event within thirty (30) business days after the end of each quarter of each of its financial year;
- (i) it shall supply to the Sukukholders' Agent, with each set of Financial Statements delivered pursuant to Condition 1.4(h), an unaudited compliance certificate (and, only to the extent requested by the Sukukholders' Agent, an audited compliance certificate) (any such compliance certificate, a **Compliance Certificate**) setting out (in reasonable detail) computations as to compliance with Condition 1.4(g) as at the date at which the relevant financial statements delivered were drawn up. The financial covenants set out in Condition 1.4(g) shall be tested by reference to the Financial Statements, which the relevant Compliance Certificate delivered pursuant to this Condition 1.4(i) accompanies.

Each Compliance Certificate shall be available for inspection by any Sukukholder during normal business hours at the offices of the Issuer and the Sukukholders' Agent;

- (j) it shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, other than any sale, lease, transfer or other disposal:
 - (i) made in the Issuer's ordinary course of business;
 - (ii) of assets in exchange for other assets comparable or superior as to type, value and quality;
 - (iii) where the consideration receivable by the Issuer for such sale, lease, transfer or other disposal is cash in an amount which is at least equal to the market value (as determined by the Sukukholders' Agent acting reasonably) of the relevant asset and such sale, lease, transfer or other disposal is entered into at arm's length with a person or an entity which is not a Related Party;
 - (iv) where the consideration receivable by the Issuer for such sale, lease, transfer or other disposal at the time of the transaction is in an amount which is less than the market value (as determined by the Sukukholders' Agent acting reasonably) of the relevant asset, but the Issuer has the right to recover:
 - (A) where the counterparty is a Subsidiary of the Issuer, the difference between the consideration receivable at the time of the transaction and the market value of the relevant asset at the time the relevant asset is subsequently disposed of by the counterparty or another Subsidiary (in case of a subsequent disposal by the counterparty to another Subsidiary of the Issuer) to a person or entity which is not a Subsidiary of the Issuer, at some time in the future not later than the date on which the relevant asset is disposed of to that person which is not a Subsidiary of the Issuer; or
 - (B) where the counterparty is not a Subsidiary of the Issuer, the difference between the consideration receivable at the time of the transaction and the market value of the relevant

asset at the time of the transaction, at some time in the future not later than the date on which the relevant asset is subsequently disposed of by the counterparty; or

- (v) where the higher of the market value (as determined by the Sukukholders' Agent acting reasonably) or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal by the Issuer, other than any permitted under paragraphs (i), (ii) and (iii) above) does not exceed an amount equal to (10%) ten per cent. of the Consolidated Net Assets of the Issuer (or its equivalent in another currency or currencies) in any financial year;
- (k) it shall make no substantial change to the general nature of its business from that carried on at the Issue Date; and
- (l) except as provided in Condition 14-2-17 (*Meetings of Sukukholders; Modification*), amend or agree to any amendment to any Sukuk Document to which it is a party (other than in accordance with the terms thereof).

14-2-8 Condition 7: Fixed Periodic Distribution Provisions

- (m) Application

This Condition 14-2-8 (*Fixed Periodic Distribution Provisions*) is applicable to the Sukuk only if the Fixed Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable.

- (n) Periodic Distribution Amount

Subject to Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*) and Condition 14-2-11 (*Payments*), the Issuer shall instruct the Payment Administrator to distribute to the Sukukholders pro rata a distribution in relation to the Sukuk on each Periodic Distribution Date equal to the applicable Periodic Distribution Amount. If any Periodic Distribution Date is not a Business Day, the Periodic Distribution Date will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In this Condition 14-2-8:

Periodic Distribution Amount means, for each Periodic Distribution Period, an amount calculated as follows:

$$\left(\frac{P \times R}{360} \right) \times D$$

Where:

- P** = the Aggregate Nominal Amount of the Series as are current on the Record Date immediately preceding the last day of such Periodic Distribution Period;
 - R** = the Profit Rate; and
 - D** = the actual number of days in such Periodic Distribution Period.
- (o) Cessation of accrual

No further amounts shall be payable on any Sukuk from and including its due date for dissolution unless, upon due presentation, payment in respect of the Sukuk is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event such amounts payable on the Sukuk shall continue to be due and payable.

(p) Calculation of distribution in respect of Partial Periodic Distribution Amounts

When a distribution is required to be calculated in respect of a period less than a full Periodic Distribution Period, it shall be calculated on the basis of the actual number of days elapsed in such period and an actual/360 basis.

(q) Notifications

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Payment Administrator shall (in the absence of gross negligence, willful misconduct, fraud or manifest error) be binding on the Issuer, the Sukukholders' Agent, the Payment Administrator and the Sukukholders and (subject as aforesaid) no liability to any such Person will attach to the Payment Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(r) Rounding

Amounts shall be rounded to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

14-2-9 Condition 8: Floating Periodic Distribution Provisions

(s) Application

This Condition 14-2-9 is applicable to the Sukuk only if the Floating Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable.

(t) Periodic Distribution Amount

Subject to Condition 14-2-6(i) (*Application of Proceeds - Transaction Account*) and Condition 14-2-11 (*Payments*), the Issuer shall instruct the Payment Administrator to distribute to the Sukukholders *pro rata* a distribution in relation to the Sukuk on each Periodic Distribution Date equal to the applicable Periodic Distribution Amount. If any Periodic Distribution Date is not a Business Day, the Periodic Distribution Date will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In this Condition 14-2-9:

Periodic Distribution Amount means, for each Periodic Distribution Period, an amount calculated as follows:

$$\left(\frac{P \times (S+M)}{360} \right) \times D$$

Where:

- P** = the Aggregate Nominal Amount of the Series as are current on the Record Date immediately preceding the last day of such Periodic Distribution Period;
- S** = the Reference Rate for the Periodic Distribution Period in which the Periodic Distribution Date falls;
- M** = the Margin; and
- D** = the actual number of days in such Periodic Distribution Period.

(u) Reference Rate

The reference rate (the **Reference Rate**) for each Periodic Distribution Period shall be determined by or on behalf of the Payment Administrator on the following basis:

- (i) the Payment Administrator will determine the relevant Saudi Arabian Interbank Offered Rate (**SAIBOR**) specified in the Applicable Final Terms which appears on the Relevant Screen Page (or such other page as may replace that page on that service, or such other service as may be nominated by the Payment Administrator as the information vendor for the purpose of displaying comparable rates) as of 11.00 a.m. (Riyadh time) on the Periodic Distribution Determination Date; or
- (ii) if such rate does not appear on that page, the Payment Administrator will:
 - (A) determine the average rate at which deposits in Saudi Arabian Riyals are offered by the Reference Banks in the Saudi interbank market at approximately 11.00 a.m. (Riyadh time) on the Periodic Distribution Determination Date to prime banks in the Saudi interbank market for a period equal to the Reference Rate set forth in the Applicable Final Terms and in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) for such quotations where two or more quotations are available,

and the Reference Rate shall be the rate or (as the case may be) the arithmetic mean so determined; and

- (iii) notwithstanding the provisions of paragraphs (i) and (ii) above, upon the occurrence of a SAIBOR Event, the Payment Administrator shall notify the Issuer accordingly and the Issuer shall consult with the Reference Banks as to whether there is a successor or replacement rate or alternative rate to SAIBOR in customary market usage (including whether any spread, which may be positive, negative or zero (or formula or methodology for calculating such spread) is to be applied to such successor, replacement or alternative rate, as formally recommended or provided for or in customary market usage, in relation to the replacement of SAIBOR with such successor, replacement or alternative rate), in which case such successor, replacement or alternative rate, after the application of any such spread (if applicable), shall be the Reference Rate for the determination of the Periodic Distribution Amount pursuant to this Condition 14-2-9(t) and the Issuer shall notify the Payment Administrator in writing of such successor, replacement or alternative rate and any requirement to apply any such spread (if applicable) no

later than five (5) Business Days prior to the Periodic Distribution Determination Date, and the Payment Administrator shall determine the Reference Rate applicable to the Sukuk on each Periodic Distribution Determination Date following it being so notified, *provided however*, that if the Payment Administrator is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with paragraph (ii) and (iii) above, in relation to any Periodic Distribution Period, the Reference Rate applicable to the Sukuk during such Periodic Distribution Period will be the Reference Rate or (as the case may be) arithmetic mean last so determined in relation to the Sukuk in respect of the most recent preceding Periodic Distribution Period.

In this Condition 14-2-9:

SAIBOR Event means the occurrence of any of the following events:

- (i) SAIBOR ceases to (a) be published for a period of at least five (5) Business Days; or (b) exist or be administered; or
 - (ii) the supervisor or the administrator of SAIBOR announces that SAIBOR will cease to be published or has been or is to be discontinued, prohibited from use or has ceased or will cease to be representative, or that its use is or will be subject to restrictions or adverse consequences, and such cessation, discontinuation, prohibition, restrictions or adverse consequences has or have already occurred or will occur on or before the next Periodic Distribution Determination Date,
- in each case, such that the Payment Administrator is or will be no longer able to determine SAIBOR in accordance with Condition 14-2-9(u)(i) for the purposes of the determination of the Reference Rate on such Periodic Distribution Determination Date.

(v) Publication

The Payment Administrator shall cause the Reference Rate and the Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, to be notified to the Issuer and the Sukukholders' Agent as soon as practicable after such determination but in any event not later than the first day of the relevant Periodic Distribution Period. Notice thereof shall also promptly be provided to the Registrar. The Payment Administrator shall be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Periodic Distribution Period.

(w) Cessation of accrual

No further amounts shall be payable on any Sukuk from and including its due date for redemption unless, upon due presentation, payment in respect of the Sukuk is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event such amounts payable on the Sukuk shall continue to be due and payable.

(x) Calculation of distribution in respect of Partial Periodic Distribution Amounts

When a distribution is required to be calculated in respect of a period less than a full Periodic Distribution Period, it shall be calculated on the basis of the actual number of days elapsed in such period and an actual/360 basis.

(y) Notifications

All notifications, opinions, determinations, Sukuk, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Payment Administrator shall (in the absence of gross negligence, willful misconduct, fraud or manifest error) be binding on the Issuer, the Sukukholders' Agent, the Payment Administrator and the Sukukholders and (subject as aforesaid) no liability to any such Person will attach to the Payment Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(z) Rounding

Amounts shall be rounded to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

14-2-10 Condition 9: Purchase and Cancellation of Sukuk

(aa) Purchase

The Issuer or any Subsidiary of the Issuer may at any time purchase Sukuk in the open market or otherwise and at any price agreed between the Sukukholder and the Issuer.

(bb) Cancellation

If any Sukuk are so purchased by the Issuer or any Subsidiary of the Issuer such Sukuk shall be cancelled and may not be reissued or resold.

14-2-11 Condition 10: Payments

(cc) General

Payments under the Sukuk shall be made by or on behalf of the Issuer in SAR by wire transfer to the Registered Account (as defined below) of the Sukukholder. The Dissolution Distribution Amount, each Periodic Distribution Amount, any Partial Periodic Distribution Amount and/or any Instalment Amount will be paid to the Sukukholder shown on the Register at the close of business on the relevant Record Date.

All payments made by the Issuer into the Transaction Account shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the Issuer's liability for monies payable by it to or to the order of the Sukukholders pursuant to the Sukuk Documents and these Conditions.

For the purposes of this Condition 14-2-11 (*Payments*), a Sukukholder's **Registered Account** means the SAR account maintained by or on behalf of such Sukukholder with a bank in the Kingdom as notified in writing to the Registrar not later than the relevant Record Date.

(dd) Payments subject to applicable laws

All payments in respect of the Sukuk are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14-2-16 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to Condition 14-2-16 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(ee) Payments on Business Days

Payment instructions shall be initiated for value on the due date, or, if any due date is not a Business Day, postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day. A Sukukholder shall not be entitled to any distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

14-2-12 Condition 11: Redemption: Redemption of Sukuk

(ff) Scheduled Redemption

Unless previously redeemed, or purchased and cancelled in full, the Sukuk shall be redeemed on the Expiry Date and each Sukukholder shall receive its proportional share of the Dissolution Distribution Amount due to the Sukukholders from the proceeds of the Sukuk Assets.

(gg) Scheduled Redemption in Part

Unless previously redeemed, or purchased and cancelled in full, and if this Condition 14-2-12(gg) (*Scheduled Redemption in Part*) is expressed to be applicable in the Applicable Final Terms, the Issuer will redeem the Sukuk in instalments on each Periodic Distribution Date in an aggregate amount equal to the amount (each an **Instalment Amount**) set out opposite the relevant Periodic Distribution Date in the Applicable Final Terms. If any partial redemption of the Sukuk is made at any time otherwise than in accordance with this Condition 14-2-12(gg) (*Scheduled Redemption in Part*), then each Instalment Amount which falls to be paid after the date of such partial redemption shall be reduced by a proportion of such Instalment Amount which is the same proportion as the amount by which the Aggregate Nominal Amount of the Sukuk which was current was reduced as a result of such partial redemption bore to the Aggregate Nominal Amount of the Sukuk which was current of such Sukuk immediately prior to such partial redemption being made but after deducting any Instalment Amount to be paid on that date.

(hh) Redemption at the Option of the Issuer

If the Optional Dissolution (Call) option is specified in the Applicable Final Terms as being applicable, and subject to the value of the Sukuk Assets not being below the Aggregate Nominal Amount, the Sukuk may be redeemed at the option of the Issuer in whole, but not in part, on an optional dissolution date (the **Optional Dissolution Date**) which:

- (i) if the Floating Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable, then such Optional Dissolution Date must fall on a Periodic Distribution Date; or
- (ii) if the Fixed Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable, then such Optional Dissolution Date may fall on any date,

on giving not less than thirty (30) nor more than sixty (60) days' notice to the Sukukholders in accordance with Condition 14-2-18 (*Notices*) (which notice shall be irrevocable), at the Dissolution Distribution Amount.

(ii) Early Dissolution for Tax Reasons

The Sukuk may be redeemed at the option of the Issuer in whole, but not in part on a tax redemption date (the **Tax Redemption Date**) which:

- (i) if the Floating Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable, then such Optional Dissolution Date must fall on a Periodic Distribution Date; or
- (ii) if the Fixed Periodic Distribution Provisions are specified in the Applicable Final Terms as being applicable, then such Optional Dissolution Date may fall on any date,

on giving not less than thirty (30) nor more than sixty (60) days' notice to the Sukukholders in accordance with Condition 14-2-18 (*Notices*) (which notice shall be irrevocable), at the Dissolution Distribution Amount, together with Periodic Distribution Amounts accrued (if any) to the Dissolution Date if a Tax Event occurs, where **Tax Event** means:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14-2-16 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom or any political subdivision or authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date (as specified in the Applicable Final Terms); and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

then, *provided, however*, that no such notice of dissolution shall be given earlier than:

- (1) where the Sukuk may be dissolved at any time, ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Sukuk were then due; or
- (2) where the Sukuk may be dissolved only on a Periodic Distribution Date, sixty (60) days prior to the Periodic Distribution Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Sukuk were then due.

Prior to the publication of any notice of dissolution pursuant to this paragraph, the Issuer shall obtain and make available to the Sukukholders for inspection at its principal office during business hours: (a) a certificate signed by two directors of the Issuer, which shall be binding on the Sukukholders, stating that the Issuer is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in (i) or (ii) and (A) and (B) above to the right of the Issuer to so redeem have occurred; and (b) an opinion of independent tax adviser of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon such redemption, the Issuer shall be bound to redeem the Sukuk in accordance with this Condition 14-2-12(ii).

(jj) Dissolution following an Event of Default

Upon the occurrence of an Event of Default (as defined in Condition 14-2-13 (*Events of Default*)), which is continuing, the Sukuk may be redeemed at the Dissolution Distribution Amount pursuant to Condition 14-2-13 (*Events of Default*).

(kk) No other Dissolution

The Issuer shall not be entitled to redeem the Sukuk otherwise than as provided in this Condition 14-2-12 (*Redemption: Redemption of Sukuk*) and Condition 14-2-10 (*Purchase and Cancellation of Sukuk*).

(ll) Liquidation of the Mudaraba and distribution of remaining Sukuk Assets

The Mudareb shall liquidate the Mudaraba Assets on the Business Day prior to the Dissolution Date. The proceeds of such liquidation (being the then current value of the Sukukholders' share of the Mudaraba Assets including the Available Amount) shall be used to pay any shortfall in the amounts due to the Sukukholders and/or Sukukholders' Agent on the Dissolution Date under the Sukuk (after taking into account any other amounts due to the Sukukholders under the Sukuk Documents) by payment of such amounts into the Transaction Account. Any surplus liquidation proceeds, after payment of the amounts (if any) described in this Condition 14-2-12(ll), may be granted by the Sukukholders to the Mudareb as an incentive fee for its own account.

(mm) Cancellations

All Sukuk which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

14-2-13 Condition 12: Events of Default

The occurrence and continuation of any of the following events and circumstances shall constitute an **Event of Default**:

- (nn) **Non-payment:** The Issuer (acting in any capacity) fails to pay an amount in the nature of profit payable by it pursuant to the Sukuk or any Sukuk Document to which it is a party and the failure continues for a period of five (5) days, or the Issuer (acting in any capacity) fails to pay an amount in the nature of principal payable by it pursuant to the Sukuk or any Sukuk Document to which it is a party and the failure continues for a period of seven (7) days.
- (oo) **Breach of other obligations:** The Issuer (in any of its capacities) does not comply with any provision of the Sukuk (other than those referred to in Condition 14-2-13(nn) (*Non-payment*) and Condition 14-2-13(qq) (*Financial covenants*) or the Sukuk Documents), *provided however*, that if the failure to so comply is, in the opinion of the Sukukholders' Agent, capable of remedy and is remedied within thirty (30) Business Days of the Sukukholders' Agent giving written notice of such non-compliance, addressed to the Issuer, then no Event of Default shall occur on account of such non-compliance. For the avoidance of doubt, if the Issuer breaches any of its obligations under the Conditions or the Sukuk Documents — excluding cases of non-payment and financial covenants expressly mentioned in Condition 14-2-13(nn) (*Non-payment*) and Condition 14-2-13(qq) (*Financial covenants*) — such breach shall not be considered an "Event of Default" unless, in the opinion of the Sukukholders' Agent, it is incurable or the Issuer fails

to remedy it within a period of thirty (30) Business Days from the date it receives a written notice from the Sukukholders' Agent informing it of the breach.

- (pp) **Mudaraba Shortfall:** If specified in the Applicable Final Terms as being applicable, the value of the Mudaraba Assets at any time falls below a per cent. of the Aggregate Nominal Amount of such Series of Sukuk (with such per cent. to be determined based on the sole assessment of the Mudareb, which shall be conclusive and binding on the Issuer, the Sukukholders' Agent and the Sukukholders and set out in the Applicable Final Terms).
- (qq) **Financial covenants:** As of 31 December of any year in which Sukuk remains current, any requirement of Condition 1.4(g) is not satisfied.
- (rr) **Failure to take action:** Any action, Condition or thing at any time required to be taken, fulfilled or done in order:
 - (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Sukuk or the Sukuk Documents; and
 - (ii) to ensure that those obligations are legal, valid, binding and enforceable, is not taken, fulfilled or done.
- (ss) **Unlawfulness:** The Issuer is deemed to be in default of payment if it becomes unlawful, under the applicable laws and regulations of the Kingdom of Saudi Arabia or any other relevant jurisdiction, for the Issuer to perform or comply with any of its obligations under the Sukuk or the Sukuk Documents, in whole or in part. This includes situations where any of the Sukuk Documents or any of the obligations of the Issuer contained therein become illegal, invalid, non-binding, or unenforceable due to a change in regulations, a court ruling, or any other legal reason. Such a situation shall constitute an Event of Default, triggering the Sukukholders' rights to take the legally available actions in accordance with the provisions of the Sukuk Documents and the applicable laws.
- (tt) **Repudiation:** The Issuer repudiates the Sukuk or any Sukuk Document.
- (uu) **Insolvency and Insolvency Proceedings:**
 - (i) the Issuer or a Material Subsidiary (if any) is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts by reason of actual or anticipated financial difficulties or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or
 - (ii) an administrator or liquidator is appointed (otherwise than for the purposes of, or pursuant to, a merger, amalgamation, reorganisation or restructuring whilst solvent on terms approved by an Extraordinary Resolution) over the whole or substantially all of the undertaking, assets and revenues of the Issuer or a Material Subsidiary (if any) and such appointment is not discharged within thirty (30) Business Days; or
 - (iii) the Issuer or a Material Subsidiary (if any) makes a general assignment or an arrangement or composition with, or for the benefit of, its creditors in respect of any Financial Indebtedness (including any arrangement under the settlement to avoid the Bankruptcy Law issued pursuant

to Royal Decree No. M/50 dated 28/05/1439H (corresponding to 14/02/2018G) or declares a moratorium in respect of any of its Financial Indebtedness; or

- (iv) the Issuer or a Material Subsidiary (if any) ceases to carry on the whole or substantially all of its business (otherwise than for the purposes of, or pursuant to, a merger, amalgamation, reorganisation or restructuring whilst solvent on terms approved by an Extraordinary Resolution); or
 - (v) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or a Material Subsidiary (if any) (otherwise than for the purposes of, or pursuant to, a merger, amalgamation, reorganisation or restructuring on terms approved by an Extraordinary Resolution); or
 - (vi) any event occurs under the laws, regulations or rules of the Kingdom that has an analogous effect to any of the events referred to in Condition 14-2-13(uu)(i) to 14-2-13(uu)(v).
- (vv) Cross-default:
- (i) any Financial Indebtedness of the Issuer or any Material Subsidiary (if any) is not paid when due nor within any originally applicable grace period; or
 - (ii) any Financial Indebtedness of the Issuer or any Material Subsidiary (if any) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
 - (iii) any Security Interest given by the Issuer or any Material Subsidiary (if any) for any Financial Indebtedness becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to the Issuer or any Material Subsidiary (if any) that such Security Interest has become enforceable) unless the full amount of the Financial Indebtedness which is secured by the relevant Security Interest is discharged within thirty (30) Business Days of the later of the first date on which: (a) a step is taken to enforce the relevant Security Interest; and (b) the Issuer or any Material Subsidiary (if any) is notified that a step has been taken to enforce the relevant Security Interest;

provided, however, that no Event of Default will occur pursuant to this Condition 14-2-13(vv) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within Conditions 14-2-13(vv)(i), 14-2-13(vv)(ii) and 14-2-13(vv)(iii) above of the Issuer or a Material Subsidiary of the Issuer (if any) (but not the Issuer) is less than (SAR 25,000,000) twenty five million Saudi Riyals (or its equivalent in any other currency or currencies).

- (ww) **Unsatisfied judgement:** One or more judgment(s) or order(s) for the payment of an amount in excess of (SAR 25,000,000)) twenty five million Saudi Riyals (or its equivalent in any other currency or currencies), whether individually or in aggregate is rendered against the Issuer or any of its Material Subsidiaries (if any) and continue(s) unsatisfied and unstayed for a period of thirty (30) Business Days after the date(s) thereof or, if later, the date therein specified for payment, unless such judgment(s) or order(s) are being appealed or defended in good faith and in respect of which adequate provision has been made in accordance with applicable accounting standards in the Kingdom.

If an Event of Default occurs and is continuing, the Sukukholders' Agent shall as soon as is reasonably practicable after it receives notice thereof give notice of the occurrence of such Event of Default to the Sukukholders requiring them to indicate within a period of up to ten (10) Business Days, or such other date as is notified to Sukukholders by the Sukukholders' Agent (the **Exercise Period**) whether they wish to exercise their rights pursuant to this Condition 14-2-13 (*Events of Default*). Any Sukukholder may then deliver a notice within such Exercise Period to the Sukukholders' Agent (an **Event of Default Notice**).

If the Sukukholders' Agent receives an Event of Default Notice, the Sukukholders' Agent shall promptly give notice to the Issuer and the Payment Administrator that such an Event of Default Notice has been received, specifying the Event of Default referred to therein (but so that such notice shall only be given in relation to the first Event of Default Notice received in respect of any Event of Default). If the Sukukholders' Agent receives Event of Default Notices from at least the Required Sukukholders within the Exercise Period (as defined), the Sukukholders' Agent shall promptly deliver to the Issuer an exercise notice (the **Event of Default Exercise Notice**) so notifying the Issuer (with a copy to the Sukukholders). The term "**Required Sukukholders**" in this context refers to Sukukholders representing not less than (50%) fifty per cent. of the Aggregate Nominal Amount of the Sukuk of the same Series outstanding on that date, as specified in the Declaration of Agency.

Upon the delivery of the Event of Default Exercise Notice pursuant to this Condition 14-2-13 (*Events of Default*) and provided that the Event of Default in respect of such Event of Default Exercise Notice is continuing, the Sukukholders' Agent may, at any time, and is irrevocably authorised on behalf of the Sukukholders to: (i) enforce such rights as it may have under the Sukuk Documents following an Event of Default; (ii) demand, claim, enforce and prove payment of the Dissolution Distribution Amount applicable to the Sukuk as of the date on which Event of Default Notice(s) from the Sukukholders were first received (the **Event of Default Date**), from the Issuer; and (iii) file claims and proofs, give receipts and take all such proceedings and do all such things as the Sukukholders' Agent sees fit to recover the Dissolution Distribution Amount.

14-2-14 Condition 13: Enforcement and Exercise of Rights

- (xx) The Sukukholders' Agent may at any time, at its absolute discretion, take such action against the Issuer as it may think fit to enforce the provisions of the Sukuk or the Sukuk Documents, without the need to obtain prior approval from the Sukukholders or notify the Issuer. Nevertheless, The Sukukholders' Agent shall not be bound to take any action against the Issuer under any Sukuk Documents unless: (i) requested to do so pursuant to Condition 14-2-13 (*Events of Default*); (ii) directed by an Extraordinary Resolution in this respect; or (iii) it receives a written request from the Sukukholders representing the required quorum in accordance with the provisions of the Sukuk Documents, provided that it has been indemnified, or provided with sufficient guarantees or funding in advance, to its satisfaction, for any liabilities or costs that may arise as a result of taking such action.
- (yy) No Sukukholder shall be entitled to proceed directly against the Issuer except in two specific cases: first, if the Sukukholders' Agent becomes legally required, is requested to do so by the Required Sukukholders, or by virtue of an Extraordinary Resolution, to take legal action against the Issuer, and fails to do so within forty (40) Business Days of becoming so bound or receiving the relevant request, and such failure is continuing; and second, the relevant Sukukholder or group of Sukukholders who propose to proceed hold at least 25% of the Aggregate Nominal Amount of the relevant Series then current on such date. Under no circumstances shall the Sukukholders' Agent or any Sukukholders have

any right to sell or dispose of the Sukuk Assets in any way except pursuant to the provisions of the Sukuk Documents.

14-2-15 Condition 14: Declaration of Agency

- (zz) The Declaration of Agency entered into between the Issuer and the Sukukholders' Agent shall be governed by the laws and regulations of the Kingdom of Saudi Arabia.
- (aaa) Pursuant to the Declaration of Agency, each Sukukholder by completing the Investor Application Form or by subscription to acquire or holding Sukuk, shall be deemed:
 - (i) to have appointed the Sukukholders' Agent as its agent, with full capacity, powers, duties, and authorities, in relation to the relevant Series of Sukuk on the terms set out in the Declaration of Agency, and in each supplemental declaration of agency; and
 - (ii) to have ratified and accepted the entry by the Sukukholders' Agent into the Sukuk Documents to which it is a party and the performance by the Sukukholders' Agent of its obligations thereunder; and
 - (iii) to have given an irrevocable and unconditional instruction requiring the Sukukholders' Agent to, on the date fixed for payment of Dissolution Distribution Amount of a Series upon satisfaction of the relevant Payment Obligations, transfer and/or assign, at any time, in whole or in part, the remaining portion of the Sukuk Assets of the relevant Series to the Issuer (for its own account).

The Sukukholders in respect of a Series of Sukuk may by way of Extraordinary Resolution revoke the appointment of the Sukukholders' Agent for that Series of Sukuk by not less than thirty (30) days' written notice to the Sukukholders' Agent. The appointment of the Sukukholders' Agent shall automatically terminate forthwith the Sukukholders' Agent becomes incapable of acting (due it being unlawful for the Sukukholders' Agent to so act or otherwise); the Sukukholders' Agent admits in writing its insolvency or inability to pay its debts as they fall due.

14-2-16 Condition 15: Taxation

All payments in respect of the Sukuk shall be made without withholding or deduction for, or on account of, any present or future taxes, *zakat*, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction (the **Taxes**), unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay additional amounts so that the full amount which otherwise would have been due and payable under the Sukuk is received by the Sukukholders, except that no such additional amount shall be payable to any Sukukholder that is not, or at any time cease to be, a Qualified Person.

In these Conditions, references to the Dissolution Distribution Amount or Periodic Distribution Amounts (if any) or any Instalment Amount (and related expressions including, without limitation, the "nominal amount" of the Sukuk, Mudaraba Profit, Murabaha Profit) shall be deemed to include any additional amounts payable under this Condition 14-2-16 (*Taxation*) or any undertaking given in addition to or in substitution for it under the Declaration of Agency.

Notwithstanding any other provision in these Conditions, the Issuer, the Sukukholders' Agent and the Payment Administrator shall be permitted to withhold or deduct any amounts imposed pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through

1474 of the Code (or any regulations thereunder or official interpretations thereof), or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, implementing legislation adopted by another jurisdiction in connection with these provisions, or any agreement with the U.S. Internal Revenue Service (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA withholding**). None of the Issuer or any Agent will have any obligation to pay additional amounts or otherwise indemnify a Sukukholder for any FATCA withholding deducted or withheld by the Issuer, the Payment Administrator or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

The Sukukholders shall be responsible for capital gains tax, value added tax, income tax or zakat, and any other taxes and governmental charges assessed on them as a result of their holding/disposal of Sukuk. The above summary does not take into account the extent to which Sukukholders may be liable to pay income tax or zakat as a result of disposing of the Sukuk after their initial distribution on the Issue Date.

14-2-17 Condition 16: Meetings of Sukukholders; Modification

(bbb) Meetings of Sukukholders

The Declaration of Agency contains provisions for convening meetings of Sukukholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of the Sukuk, these Conditions or any relevant provision of the Declaration of Agency or any other Sukuk Document, subject to also obtaining the Issuer's approval. Such a meeting may be convened by the Issuer or the Sukukholders' Agent and shall be convened by the Issuer upon the request in writing of Sukukholders holding not less than one-third of the Aggregate Nominal Amount of the Series as are current on such date. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing at least half of the aggregate nominal amount of the Series as are current on such date or, at any adjourned meeting, will be two or more Persons holding or representing at least one quarter of the Aggregate Nominal Amount of the Series as are current on such date.

An Extraordinary Resolution requires the affirmative vote of at least three quarters of those represented in the relevant meeting in order for it to be passed. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all Sukukholders of the relevant Series, whether present or not and whether voting on such Extraordinary Resolution or not. The Declaration of Agency provides that a written resolution signed by or on behalf of the holders of not less than (75%) seventy-five per cent. of the Aggregate Nominal Amount of the Series as are current on such date shall be as valid and effective as a duly passed Extraordinary Resolution.

(ccc) Modification

The Declaration of Agency provides that the Sukukholders' Agent may agree, without the consent of the Sukukholders, to any modification of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Agency or any other Sukuk Documents, or may determine that an Event of Default, shall not be treated as such which in any such case, in the opinion of the Sukukholders' Agent, is not materially prejudicial to the interests of the Sukukholders or to any modification of any of these Conditions or any of the provisions of the Declaration of Agency which is (in the opinion of the Sukukholders' Agent) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver, authorisation or determination shall be binding on the Sukukholders and, unless the Sukukholders' Agent agrees otherwise,

any such modification shall be notified to the Sukukholders as soon as practicable thereafter in accordance with Condition 14-2-18 (*Notices*) provided, however, that the Sukukholders' Agent shall not exercise any powers conferred upon it by clause 9.1 (*Waiver*) of the Declaration of Agency in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the Required Sukukholders (but no such direction or request shall affect any authorisation, waiver or determination previously given or made).

In connection with the exercise by it of any of its powers, authorities or discretions (including, but without limitation, any modification, waiver or authorisation), the Sukukholders' Agent shall have regard to the interests of the Sukukholders as a class but shall not have regard to any interests arising from circumstances particular to individual Sukukholders (whatever their number) and, in particular, but without limitation, need not have regard to the consequences of such exercise for individual Sukukholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Sukukholders' Agent shall not be entitled to require, nor shall any Sukukholder be entitled to claim, from the Issuer, the Sukukholders' Agent or any other Person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders.

14-2-18 Condition 17: Notices

All notices to the Sukukholders will be sent to them by registered mail to their respective addresses on the Register. Any such notice shall be deemed to have been given on the fifth (5) day of mailing. In addition, notices of any meetings of Sukukholders shall be sent at least twenty-five (25) days prior to the date set for the initial meeting and at least thirty (30) days prior to the date set for any adjourned meeting and shall be valid if sent to the Sukukholders by registered mail to their respective addresses in the Register. Any such notice shall be deemed to have been given on the fifth (5th) day after the date of mailing. Each notice or communication shall be made in the English and Arabic languages. In case of any conflict between the Arabic and English texts of any notice or other communication made in both languages, the Arabic text shall prevail over the English text.

14-2-19 Condition 18: Indemnification and Liability of The Sukukholders' Agent

The Declaration of Agency contains provisions for the indemnification of the Sukukholders' Agent in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction, in particular, in connection with the exercise of any of its rights in respect of the Sukuk Assets. The Sukukholders' Agent shall in no circumstances take any action unless directed to do so in accordance with Condition 14-2-14 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Sukukholders' Agent makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Issuer under any Sukuk Document to which the Issuer is a party and shall not under any circumstances have any liability or be obliged to account to the Sukukholders in respect of any payment which should have been made by the Issuer or on its behalf, but is not so made, and shall not in any circumstances have any liability arising from the Sukuk Assets other than as expressly provided in these Conditions or in the Declaration of Agency.

The Sukukholders' Agent is excepted from: (a) any liability in respect of any loss or theft of the Sukuk Assets or any cash; (b) any obligation to insure the Sukuk Assets or any cash; and (c) any claim arising from the fact

that the Sukuk Assets are or any cash is held by or on behalf of the Sukukholders' Agent or on deposit, unless such loss or theft arises as a result of the gross negligence or willful misconduct of the Sukukholders' Agent.

The Declaration of Agency also contains provisions pursuant to which the Sukukholders' Agent is entitled, *inter alia*: (i) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries (if any) and to act as agent or trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such agency ship or trusteeship without regard to the interests of, or consequences for, the Sukukholders; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

14-2-20 Condition 19: Governing Law and Jurisdiction

(ddd) Governing law

The Sukuk Documents and the Sukuk are governed by, and are to be construed in accordance with, the laws and regulations of the Kingdom.

(eee) Jurisdiction

The Committees shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Sukuk or the Sukuk Documents and, for such purposes, all relevant parties (including, the Issuer and the Sukukholders) irrevocably submit to the jurisdiction of the Committees. No suit, action or proceedings which may arise out of or in connection with the Sukuk or the Sukuk Documents may be filed or brought outside the Kingdom and no court or any judicial authority outside the Kingdom shall have jurisdiction to hear any such claim.

14-3 Form of Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Series issued under the Programme.

[Date]

Bidaya Finance Company

Saudi joint stock company incorporated under commercial registration no. 10101432564 dated 25/06/1436H (corresponding to 14/04/2015G), with paid-up capital of (SAR 900,000,00) nine hundred million Saudi Riyals divided over (90,000,000) ninety million shares)

Issue of [Aggregate Nominal Amount of the Series] [Title of Sukuk]

Under the (SAR 1,000,000,000) one billion Saudi Riyals Sukuk Issuance Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the offer of the Sukuk. This document constitutes the Final Terms of the Sukuk described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Sukuk are only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the specified office of the Issuer at Al Ebdaa Tower, King Fahad Road, PO Box 93898, Riyadh 11683, Kingdom of Saudi Arabia, and copies may be obtained from such office.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

1	Issuer:	Bidaya Finance Company
2	Series Number:	[●]
3	Specified Currency:	SAR
4	Aggregate Nominal Amount of the Series:	[●]
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount of the Series.
6	Specified Denominations:	(SAR 1,000) one thousand Saudi Riyals
7	Issue Date:	[●]
8	Expiry Date:	[●]

- 9 Profit Rate [[●] per cent. per annum]
[[SAIBOR] +/- [●] per cent. per annum]
- 10 Status: Unsubordinated and (subject to Condition 1.4(c)) unsecured
- 11 Offer Period [●]
- 12 Date of Issuer board approval for issuance of Sukuk Series [●]
- 13 Business Day: [A day on which commercial banks are open for general business in the Kingdom of Saudi Arabia/*specify other*]
- 14 [Business Day Convention: [Amended as of/Specify other/Not Applicable]]

Provisions Relating to Periodic Distributions

- 15 Fixed Periodic Distribution Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Profit Rate: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
- (b) Periodic Distribution Date(s): [●] [and [●]] in each year up to and including the Expiry Date [subject to adjustment in accordance with the Business Day Convention]
- 16 Floating Periodic Distribution Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Margin: [●] per cent. per annum
- (b) Periodic Distribution Date(s): [●] [and [●]] in each year up to and including the Expiry Date [subject to adjustment in accordance with the Business Day Convention]
- (c) Manner in which the rate is to be determined: Screen Rate Determination
- (d) Reference Rate: [●]
- (e) Periodic Distribution Determination Date: [Second Business Day before the first day of the relevant Periodic Distribution Period] /*[specify other]*

(f) Relevant Screen Page: [Reuters Screen SUAA/*specify other*]

(g) Relevant Time [•]

Provisions Relating to Redemption / Dissolution

17 Condition 14-2-12(gg) [Applicable – scheduled redemption in part in accordance with the table below]
(Scheduled Redemption in Part)

Periodic Distribution Dates Instalment Amounts

[•]

[•]

[•]

[•]

(To be completed as appropriate)

[Not Applicable]

18 Dissolution Distribution [Dissolution Distribution Amount /*specify other*]
Amount of each Sukuk

19 Optional Dissolution (Call) [Applicable]/ [Not Applicable]
pursuant to Condition 14-2-
12(hh) (*Redemption: Redemption of
Sukuk – Redemption at the Option of
the Issuer*):

(a) Optional Dissolution [Dissolution Distribution Amount /*specify other*]
(Call) Amount of each
Sukuk:

(b) Optional Dissolution Date: [Any Periodic Distribution Date/*specify other*]

20 Dissolution Distribution [Dissolution Distribution Amount /*specify other*]
Amount (Tax) of each Sukuk
pursuant to Condition 14-2-12(ii)
(*Redemption: Redemption of Sukuk
– Early Dissolution for Tax
Reasons*):

21	Dissolution Amount pursuant to Condition 14-2-12(jj) (Redemption: <i>Redemption of Sukuk – Dissolution following an Event of Default</i>):	Distribution [Dissolution Distribution Amount /specify other]
22	ZAKAT	[The treatment of the relevant Series of Sukuk for Zakat purposes]
Provisions in Respect of The Sukuk Assets		
23	Shares in Business Portfolio	(i) in the case of the Mudareb [●] per cent. ([●]%) of the Business Portfolio; and (ii) in the case of the Sukukholders [●] per cent. ([●]%) of the Business Portfolio.
24	Mudaraba Capital	51% of the Aggregate Nominal Amount
25	Murabaha Capital	49% of the Aggregate Nominal Amount
26	Details of Transaction Account:	Account No: [●] with [●] for Series No.: [●]
Other Final Terms		
27	Listing and admission to trading	[An application has been made to Capital Market Authority of the Kingdom for registration and offer of the Sukuk and to the Saudi Stock Exchange Company ("Tadawul") for the Sukuk to be listed on Tadawul.]
28	Estimate of total expenses related to the offer	The offer expenses are estimated at approximately SAR [●], including the fees of the Arrangers, Dealer(s), Receiving Entities, legal advisors, in addition to marketing, arrangement, printing, distribution and other expenses related to the offer. These expenses will be fully borne by the Issuer.
29	Subscription method	Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed form (an Investor Application Form) through the websites and platforms of the relevant Dealer(s) and the Receiving Entities that provide this electronic service to subscribers, or through any other means provided by the Dealer(s) and the Receiving Entities, before the end of the Offer Period and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application Form. Applications to purchase Sukuk for

less than the Specified Denomination will not be accepted. The Applicable Final Terms will specify whether Receiving Entities, if any, will be appointed in respect of the issuance of each Series of Sukuk. For further details, please see section number [●] "*Subscription Declarations*".

30	Receiving Entities	[insert Receiving Entities details]
31	Sukukholders' Agent	[●]
32	Payment Administrator	[●]
33	Registrar	Securities Depository Center Company (Edaa)
34	Allocation method	The allocation method of each Series of Sukuk will be specified in the Investor Application Form. The acceptance of any application form from a prospective investor, and the allocation of any Sukuk, will be at the discretion of the Issuer in consultation with the Arrangers in respect of the relevant Series of Sukuk.
35	Programme Rating	[The Programme has been assigned the rating of [●] by [●].]
36	Use of Proceeds	[See section [●] "Use of Proceeds" in the Base Prospectus/specify details]
37	Other Qualified Person	[●]
38	Other final terms:	[Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus)

Distribution

39	Arranger[s]	[●]
40	Dealer[s]:	[●]
41	[Dealer(s) authorised holding	[●]]
42	Additional selling restrictions:	[Not Applicable/give details]
43	Minimum number of Sukuk to be subscribed for	(5) five Sak

- 44 Minimum value of Sukuk to be (SAR 5,000) five thousand Saudi Riyals subscribed for:
- 45 Maximum number of Sukuk to [●] Sak be subscribed for:
- 46 Maximum value of Sukuk to be SAR [●] subscribed for:

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having made all reasonable enquires) the information contained in these Final Terms is in accordance with the facts and there are no other facts, the omission of which would make any statement herein misleading.

Signed for and on behalf of **Bidaya Finance Company**

By:

.....

Representative(s) of the Issuer



15 Subscription Declarations

I. Programme Agreement:

The Arrangers have entered into a programme agreement dated [●]G (as the same may be amended, supplemented or novated, the “**Programme Agreement**”) with the Issuer. Pursuant to the Programme Agreement, the Issuer has agreed with the Arrangers a basis upon which the Arrangers may from time to time agree to procure persons to purchase Sukuk issued under the Programme. The Arrangers shall have no obligation to purchase or underwrite the Sukuk. Any such agreement will extend to those matters stated under “*Terms and Conditions of the Sukuk*”.

The Issuer has also agreed in the Programme Agreement to indemnify the Arrangers for certain of their expenses in connection with the establishment of the Programme and the offering and sale of the Sukuk thereunder. In the Programme Agreement, the Issuer has agreed to reimburse the Arrangers for certain of their expenses in connection with the establishment of the Programme, offer and sale of Sukuk under the Programme.

Under the Programme Agreement, the Issuer has made a series of representations and warranties, including those relating to its capacity and authority, the required approvals, the financial information and the information contained in the Base Prospectus, together with its undertaking to update the Base Prospectus and to use the proceeds. The Issuer has also agreed to indemnify the Arrangers against certain liabilities in connection with the offer and sale of the Sukuk. The Programme Agreement entitles the Arrangers to terminate any agreement that they make to place Sukuk in certain circumstances prior to payment for such Sukuk being made to the Issuer including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Sukuk may not be completed. Investors will have no rights against the Issuer, Arrangers in respect of any expense incurred or loss suffered in these circumstances.

The Programme Agreement is governed by the laws of the Kingdom of Saudi Arabia, with the Committee for the Resolution of Securities Disputes and the Appeal Committee designated as the competent authorities to hear any dispute arising therefrom.

II. Application by Prospective Investors:

The investor presentation period for each Series will be notified to prospective investors and will be outlined in the Applicable Final Terms (in respect of each Series, the “**Offer Period**”). The Issue Date for each Series of Sukuk will be a date notified by the Issuer and the Arrangers after the end of the relevant Offer Period and shall be specified in the Applicable Final Terms.

Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed form (an “**Investor Application Form**”) through the websites and platforms of the relevant Dealer(s) and the receiving Entities (“**Receiving Entities**”) that provide this electronic service to subscribers, or through any other means provided by the Dealer(s) and the Receiving Entities, before the end of the Offer Period and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application Form. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted. The Applicable Final Terms will specify whether Receiving Entities, if any, will be appointed in respect of the issuance of each Series of Sukuk,

through which, an Eligible Person can subscribe to this Series during the Offer Period. As specified in Section (14) (Details on *Sukuk*, and the *Terms and Conditions of the Sukuk*) of this Base Prospectus, applications for Sukuk purchase

below the specified denomination will not be accepted. For further details, please refer to Section (15) (*Subscription Declarations*).

Persons wishing to purchase the Sukuk will be required to declare that they have read and understood this Base Prospectus (including sections entitled “Important Notice” on page (c) and (5) (*Risk Factors*) and the terms and conditions of the Investor Application Form and accept in full and agree to the basis on which the offer of Sukuk is made. They will also be required to declare that all the information provided in the Investor Application Form is true and correct.

The relevant offer periods, deadlines for the submission of the Investor Application Forms and the payment of subscription monies, the basis of the allocation and the final allocation process of each Series of Sukuk (the “**Offering Process**”) will be at the sole discretion of the Issuer in consultation with the relevant Arrangers and Lead Managers. Without prejudice to the aforementioned, the Issuer along with the Arrangers will endeavor to ensure that, during the Offering Process, the: (i) offering period will commence and remain open for a period of up to thirty (30) days; (ii) the allocation of the Sukuk of the relevant Series will be determined within a period of fifteen (15) days from the closing date of the subscription period; and (iii) the refund of excess subscription monies, if any, or subscription monies, as the case may be, will be made no later than fifteen (15) days from the date the allocation has been determined by the Issuer and the Arrangers.

Details of the Offering Process with respect to each Series of Sukuk will be outlined in the announcement made by the Issuer on Tadawul website and in the Investor Application Form. The registration of the Sukuk of each Series will be made upon satisfaction by the Issuer of all relevant regulatory requirements and as specified in the Registry Agreement.

III. Allocation method of each Series of Sukuk

Allocation of the Sukuk of each Series will be at the discretion of the Issuer in consultation with the relevant Arrangers; and will be made following the end of the Offer Period. Once the allocation of Sukuk of such Series has been completed, the Issuer and Arrangers will cause the Profit Rate or as applicable, the Margin and Reference Rate, and the Aggregate Nominal Amount, together with the anticipated aggregate net proceeds, of the Sukuk of such Series, to be communicated to investors.

All prospective investors must carefully read the Conditions prior to completing an application for the purchase of the Sukuk since the execution of the Investor Application Form constitutes acceptance of, and agreement to, the Conditions.

Registration

As soon as practicable following the Issue Date, the Issuer shall cause the Sukuk to be registered with the Registrar in the name of the purchasers of the Sukuk, whose names have been provided to the Registrar by the relevant Dealer.

IV: Treatment of Sukuk for Zakat Purposes

The Zakat Regulations were amended and supplemented by the Ministerial Resolution No. 58705 dated 21/09/1444H (corresponding to 12 April 2023G) (the “**Amended Zakat Regulations**”). Pursuant to the Amended Zakat Regulations, Zakat payers’ investment in sukuk, with no consideration of the classification of such sukuk in the financial statements, are eligible for deduction from Zakat base provided these sukuk are not for trading purposes.

Each investor must examine their own particular circumstances as to how the Zakat Regulations and the Amended Zakat Regulations may apply to their investment. The Applicable Final Terms will specify the treatment of the relevant Series of Sukuk for Zakat purposes.

V: General:

The Arrangers and the Dealer (whose details are stated in Section (2) (*Corporate Directory*) of this Base Prospectus) have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will only offer the Sukuk in the Kingdom in accordance with any laws or regulations applicable in the Kingdom governing the issue, offering and sale of securities.

The Arrangers and the Dealer (whose details are stated in Section (2) (*Corporate Directory*) of this Base Prospectus) have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers any Sukuk or possesses or distributes this Base Prospectus.

Offers and sales of the Sukuk in the secondary market may only take place in compliance with any applicable restrictions and requirements in the relevant jurisdiction and in all cases, the Sukuk shall not be offered or sold to retail clients outside of the Kingdom.

None of the Issuer, the Arrangers, the Dealer(s) and the Sukukholders' Agent represents that Sukuk may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Sukuk may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of Sukuk. All purchasers of Sukuk must abide by, and are responsible for ensuring compliance with, all legal and regulatory restrictions and obligations applicable to them in all relevant jurisdictions.

VI: Transfers and Payments:

The Registrar will maintain the Register in respect of the Sukukholders and any transfers of the Sukuk of any Series in accordance with the provisions of the Registry Agreement as effected in Condition 14-2-4 (*Register, Title and Transfers*).

In addition, pursuant to Condition 14-2-11 (*Payments*), all payments to be made by or on behalf of the Issuer to Sukukholders will be made to such Saudi Riyal-denominated accounts in the Kingdom as are notified from time to time to the Registrar and the Payment Administrator. Accordingly, investors will need to make appropriate arrangements to receive payments under any Sukuk in such an account. Investors are required to consult with their own advisers as to the requirements of setting up the accounts referred to above and must take any necessary action in respect of opening such accounts themselves. Neither the Issuer nor the Arrangers or the Dealer(s) are responsible for ensuring investors follow the correct procedures, regulations, and requirements for opening accounts to receive payments, and they accept no liability for any direct or indirect loss resulting from actions or inactions related to setting up these accounts.

VII: The Arrangers and the Dealer(s) transacting with the Issuer:

The Arrangers, the Dealer(s) and each of their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with and may perform services to the Issuer and its affiliates in the ordinary course of business for which they may receive fees.

In particular, in the ordinary course of its business activities, the Arrangers, the Dealer(s) and each of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates (including the Sukuk). The Dealer(s) and each of their respective affiliates that have a financing relationship with the Issuer and its affiliates routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, the Arrangers, and Dealer(s) and each of their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Sukuk. Any such short positions could adversely affect future trading prices of the Sukuk.

The Arrangers, the Dealer(s) and each of their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In connection with any offering of Sukuk, the Arrangers and Dealer(s) and each of their respective affiliates may act as an investor for its own account and may take up Sukuk in the offering and in that capacity may retain, purchase or sell for its own account such Sukuk and any securities of the Issuer or related investments and may offer to sell such securities or other investments otherwise than in connection with an offering. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

IX: Trading, Clearing and Settlement:

The Sukuk will be listed on or before [●]H (corresponding to [●]G) on Tadawul and as such will be traded, cleared and settled in accordance with the procedures applicable to debt instruments listed on Tadawul. The Issuer cannot predict the date on which trading in the Sukuk will commence and potential investors must refer to the subsection Registry Agreement under Section (5) (*Risk Factors*) of this Base Prospectus.

X: Exchange Overview and Trading Process:

In 1990G, full electronic trading of securities in the Kingdom was introduced. The Tadawul system was founded in 2001G as the successor to the Electronic Securities Information System. Trading in securities occurs through a fully integrated trading system covering the entire trading process, from the execution of the trade transaction through settlement thereof via the DSS which is managed by Edaa. Trading occurs each Business Day between 10:00 am and 3:00 pm (Sunday through Thursday of each week), during which time orders are executed. Outside such hours, orders can be entered, amended or cancelled from 9:30 am to 10:00 am. New entries and inquiries can be made from 1:00 am of the opening session. These times may be changed by the Exchange.

Transactions take place through the automatic matching of orders. Each order is accepted and its priority is determined according to the price. In general, market orders (orders placed at the best price) are executed first,

followed by limit orders. If several orders are generated at the same price, they are executed according to the time of entry. The Tadawul system distributes a comprehensive range of information through various channels, including in particular the Tadawul website on the internet and Tadawul information link, which supplies trading data in real time to information providers such as Reuters and Bloomberg.

Transactions are automatically settled during the day, i.e., the transfer of securities takes place once the transaction is executed. Issuers are required to disclose all material information and decisions that are important for investors via the Tadawul system. Tadawul is responsible for the surveillance and monitoring of the market participants in terms of their compliance with the Exchange Rules to ensure fair trading and an orderly market. The Company must disclose all decisions and important information to investors through the “**Tadawul**” System. The Tadawul System is responsible for monitoring the market, with the aim of ensuring fair trading and efficient market operations.

XI: Subscription Undertakings:

By completing the Investor Application Form, each investor:

- a. agrees to subscribe for the Issuer’s Sukuk in such number as specified in the Investor Application Form;
- b. declares that they have read the Base Prospectus and understood all its content;
- c. accepts all offering instructions, the terms and conditions of the Sukuk mentioned in the Base Prospectus, Investor Application Form, and the Applicable Final Terms;
- d. accepts the number of Sukuk allocated thereto (to the maximum of the amount subscribed for) according to the Investor Application Form and other subscription instructions and terms mentioned in the Investor Application Form and Base Prospectus;
- e. undertakes not to cancel or amend the Investor Application Form after submitting it to the Arrangers or Dealer(s); and
- f. undertakes that they will not assign their right to claim damages caused directly by incorrect or incomplete material information contained in the Base Prospectus, or by omitting any material information that should have been part of the Base Prospectus and could affect their decision to purchase the Sukuk.



16 Taxation and Zakat

The following is a general description of certain Zakat/tax considerations relating to the Sukuk issued under the Base Prospectus it is only summary and does not purport to be a comprehensive description of all the tax/Zakat considerations relating to this Base Prospectus and is not intended as tax/Zakat advice which may be relevant to a decision to subscribe for, purchase, own or dispose of the Sukuk and does not purport to deal with the tax/Zakat consequences applicable to all categories of investors, some of which (such as Dealer(s) in securities or commodities) may be subject to special rules. Prospective purchasers of the Sukuk should consult their tax advisers as to the consequences under the tax laws of the country in which they are resident for tax purposes of acquiring, holding and disposing of the relevant Sukuk and receiving payments under those Sukuk. This summary is based upon the laws in force in the Kingdom as in effect on the date of this Base Prospectus and is subject to any change in laws that may take effect after such date, on which changes could be made on a retroactive basis.

Income Tax

According to the Income Tax Law issued under Royal Decree No. M/1 dated 15/1/1425H in (corresponding to 06/03/2004G) and its executive regulations issued under Ministerial Resolution No. 1535 dated 11/6/1425H (corresponding to 11/08/2004G), as amended from time to time (the “**Income Tax Law**”), a resident company in the Kingdom with foreign (i.e., non-GCC) ownership (on its foreign partner’s (shareholder’s) share) and a non-resident who carries out business in the Kingdom through a Permanent Establishment (as defined below, other than a Permanent Establishment of GCC persons that meets the conditions set out under Article 2(4) of the Zakat Regulations) are subject to corporate income tax in the Kingdom at the rate of 20% (if not engaged in oil and hydrocarbon production activities). Resident companies wholly owned by GCC Persons (in addition to persons subject to Zakat listed below under the section entitled “Zakat”) are subject to Zakat instead of corporate income tax. Resident companies owned jointly by GCC and non - GCC Persons are subject to corporate income tax in respect of the share of their taxable profit attributable to the ownership (legal or beneficial) percentage held by non-GCC Persons and Zakat on the ownership (legal or beneficial) percentage held by GCC Persons.

Shares held directly by GCC Persons or via other GCC companies (where the shareholding structure does not fall outside of the GCC) in a resident company are subject to Zakat and not income tax. However, shares of the resident capital Company owned either directly or indirectly by non-GCC are subject to Corporate Income Tax. In determining the tax/Zakat profile of a Saudi tax/Zakat resident company, the Zakat, Tax and Customs Authority (“**ZATCA**”) applies a “look-through” approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC (i.e. look through the ownership structure until the ultimate owner).

Non-GCC natural persons resident in the Kingdom who are not performing commercial activities in the Kingdom (as defined in Chapter 1—Article 1 of the Income Tax Law, and Chapter 1—Article 1 of the Zakat Regulations, as defined below) are not currently subject to income tax or Zakat in the Kingdom according to existing practices of ZATCA (as compliance/ administration of Income Tax Law is not currently enforced by ZATCA on individuals).

Zakat

Zakat is a religious obligation imposed on Muslims under Shari’ah rules to pay a fixed percentage of their wealth for the relief of poverty. In the past, Zakat has been imposed based on various Fatwas issued by religious scholars based on Shari’ah principles and also based on the various circulars issued by the ZATCA from time to time. In 2017,

Zakat executive regulations of the Kingdom were issued by the Ministry of Finance under Ministerial Resolution No. 2082 dated 01/06/1438H (corresponding to 28 February 2017G) (the “**Previous Zakat Regulations**”).

The Previous Zakat Regulations were effective from the date of their issuance and superseded all prior directives, resolutions, instructions and circulars issued by the ZATCA. Subsequently, in 2019, the Ministry of Finance issued Zakat executive regulations under Ministerial Resolution No. 2216 dated 07/07/1440H (corresponding to 14 March 2019G) (the “**Zakat Regulations**”). The Zakat Regulations came into effect (and replaced the existing Zakat Regulations issued in 2017G) for financial years starting from 1 January 2019G. According to the New Zakat Regulations, Zakat is assessed on Saudi/GCC nationals or entities owned by Saudi/GCC nationals carrying out business activities in the Kingdom.

The rules governing the calculation of Zakat are complex. Separate rules are applicable for the calculation of Zakat by Zakat payers who are engaged in the Kingdom in financing activities (licensed by the Saudi Central Bank) and Zakat payers who are engaged in the Kingdom in non- financing activities. Section (16) (*Taxation and Zakat*) of this Base Prospectus broadly covers the Zakat consequences of investment in Sukuk by the investors who are engaged in non-financing activities in the Kingdom.

According to the Zakat Regulations, Zakat is assessed on and applicable to:

- GCC Persons resident in the Kingdom;
- resident companies wholly owned by GCC Persons that are resident in GCC and on the ownership (legal or beneficial) percentage held by GCC Persons with respect to a resident company jointly owned by GCC and non-GCC Persons;
- GCC Persons that are resident in GCC carrying out activities in the Kingdom through a Permanent Establishment for Zakat purposes (“PE – Zakat”) as defined under Chapter 1 – Article 2(4) of the Zakat Regulations (except for non-resident GCC Persons who do not meet certain conditions, as mentioned below, in which case they would be subject to Zakat (and not corporate income tax)); and
- resident companies listed on a financial market in the Kingdom on the shares held by GCC persons and non-GCC Persons (except for ownership by founder shareholders and those considered founder shareholders based on the Bylaws or other legal documents), and on the shares held by government entities.

Notwithstanding the above, Zakat is not assessed/applicable to:

- resident companies operating in the oil and hydrocarbon production sector; and
- any entity (or zakat payer) for which ZATCA issues a decision to exempt from Zakat.

For completeness, as per the Zakat Regulations, a Permanent Establishment of a GCC person in the Kingdom is subject to Zakat (and not corporate income tax) provided at least two of the following three conditions are met in respect of central management of such Permanent Establishment (as set out under Chapter 1 - Article 2(4)):

- a. board of directors’ ordinary meetings which are held regularly and where main policies and decisions relating to management and running of the Permanent Establishment’s business are held and made in the Kingdom;
- b. senior executive decisions relating to the Permanent Establishment’s functions such as executive directors and deputies’ decisions are made in the Kingdom; and

- c. the Permanent Establishment's business is mainly (i.e. 50% or more of its revenues) generated from the Kingdom.

There are certain rules that apply to the method of calculating the Zakat liability. In general, Zakat on zakat payers engaged in non-financing activities is currently levied on the higher of the adjusted Zakatable profits or the Zakat base (following a Hijri year) which, in general, comprises equity, loans and credit balances (subject to certain conditions) and provisions reduced by, among other items, certain deductible long-term investments, tangible and intangible assets. The Zakat rate on the Zakat base is 2.678% if a zakat payer is following the Gregorian financial year and 2.5% if a Zakat payer is following Hijri financial year. The Zakat rate on Zakatable profit is 2.5% regardless of the financial year (Gregorian or Hijri) followed by the zakat payer.

The Zakat Regulations were amended and supplemented by the Ministerial Resolution No. 58705 dated 21/09/1444H (corresponding to 12 April 2023G) (the "Amended Zakat Regulations"). Pursuant to the Amended Zakat Regulations, Zakat payers' investment in sukuk, with no considerations of the classification of such sukuk in the financial statements, are eligible for deduction from Zakat base provided these sukuk are not for trading purposes.

Each investor must examine their own particular circumstances as to how the Zakat Regulations and the Amended Zakat Regulations may apply to their investment. GCC individuals resident in the Kingdom for tax/Zakat purposes should in principle be subject to Zakat in the Kingdom if they carry out activities in the Kingdom.

Special Zakat Rules for Financing Activities

Special Zakat rules were issued pursuant to Ministerial Decision No. 2215 dated 07/07/1440H (corresponding to 14 March 2019G) as amended pursuant to Ministerial Decision No. 137 dated 06/02/1445H (corresponding to 22 August 2023G) (Zakat Calculation for Financing Companies) which are applicable to resident Zakat payers engaged in financing activities, such as banking and finance lease activities, and which are licensed by SAMA. These Zakat rules are based on the attributable method in computing Zakat, by calculating the Zakatable assets and sources of funds subject to Zakat which depend on the residual maturity profile of all assets and liabilities.

The rules provide for minimum and maximum cap amounts for the Zakat base depending on the net profit or net loss of the Zakat payer as per their financial statements:

Scope	If the Zakat payer has reported net profit (1)	If the Zakat payer has not reported net profit(2)
Minimum	4 times net profit	4 times of 10% of gross profit
Maximum cap	8 times net profit	8 times of 10% of gross profit

(1) Net profit means profit before provision for Zakat.

(2) If there is no gross profit, the minimum and maximum caps shall not apply.

Withholding Tax

Saudi Arabian resident persons and Permanent Establishments of non-resident entities in Saudi Arabia are required to withhold taxes on payments to non-residents, including GCC residents, if such payment is from a source in the Kingdom. Withholding tax rates vary from 5% to 20% depending on the nature of the underlying payment. Loan Charges (akin to interest) paid to non-residents attract a 5 percent. withholding tax.

Withholding tax is imposed on payments against services and not on goods. Services are defined to mean any work performed for compensation except for the purchase and sale of goods or any other properties.

Withholding tax is reduced or eliminated pursuant to the provisions of an applicable double tax treaty signed between a non-resident's country of tax residence and Saudi Arabia. The application of double tax treaties in Saudi Arabia may take place under one of two methods: (i) a refund mechanism that requires the payor to subject the relevant payment to withholding tax based on the Domestic tax regulations and then submit a refund request to the ZATCA based on the exemptions and benefits available based on provisions of the relevant Double Tax Avoidance Treaties; or (ii) the automatic application of Double Tax Avoidance Treaties which provides for the possibility of the payor to not subject the relevant payment to withholding tax in the first place. Both mechanisms require the beneficiary/recipient to provide certain documents and forms to the ZATCA (such as, among others, Form Q7/B issued by the ZATCA, i.e. a tax residency certificate).

Income earned by Sukukholders from their investment in the Sukuk in the nature of profit is akin to a financing activity and as such, should be considered as a Loan Charge as per Article 5(1) of the executive regulations of the Income Tax Law. Loan Charges (akin to interest) paid to a non-resident attracts 5% withholding tax.

Capital Gains Tax

According to Article 2 of the Income Tax Law, Persons Subject to Taxation (as defined below) include non- Residents in the KSA with taxable income generated from sources in the Kingdom and without a Permanent Establishment for tax purposes in the Kingdom (other than Permanent Establishment of a GCC person as defined under Article 2 of the new Zakat regulations, the treatment of which is discussed in “—Zakat” above).

Further, Article 1(2) of the executive regulations of the Income Tax Law defined the applicable tax on such a Person as being subject to the following:

- a. withholding tax, if the income generated is stipulated under Article 68 of the Income Tax Law; and
- b. capital gains tax, if the income is derived from disposal of fixed and traded assets, or from disposal of shares in a resident company under the general provisions of the Income Tax Law.

Based on the above, if the sale of the Sukuk by the Sukukholders is considered a source of income in the Kingdom, then the related income (or capital gain) will be subject to 20% corporate income tax in the Kingdom according to the rules for computation of capital gain tax provided in the Income Tax Law for non-Residents.

Capital gains realised from the disposal of securities (such as the Sukuk) traded inside or outside the Kingdom are exempt from tax in the KSA if the following conditions are met:

- a. The disposal is carried out in accordance with the regulations of the Tadawul or the disposal is carried out outside of the KSA, but such securities are also traded on Tadawul; and
- b. The investor did not hold the securities before the effective date of the Income Tax Law (i.e., 30 July 2004G).

Capital gains realised from disposal of the Sukuk by: (a) a resident Sukukholder; (b) a non-resident Sukukholder with a Permanent Establishment for tax purposes (if such gain is attributed to such Permanent Establishment's activities); and (c) a Permanent Establishment of a Sukukholder that is a GCC person as defined under Article 2 of the New Zakat regulations (if such gain is attributed to the Permanent Establishment's activities) will not be subject to capital gains tax. However, such gains will be included in the total income of such Sukukholders subject to corporate income tax or Zakat in the Kingdom.

For Zakat purposes, the Issuer undertakes to treat the Sukuk it issues as equity capital, regardless of their classification in the Issuer's financial statements. In such case, the Sukuk shall be deductible from the zakat base of the investors, provided they are held on a non-trading basis and the Issuer has declared, through any document accepted by the Authority, that such Sukuk are treated as equity capital in the Zakat declaration. The Issuer may not alter such treatment during the tenor of the Sukuk.

GCC Sukukholders resident in the Kingdom

Sukukholders who are GCC persons and tax residents in the Kingdom are not subject to Saudi Arabian income tax, whether by withholding or direct assessment, in respect of any payment or gain realised in respect of the Sukuk. However, such Sukukholders could be subject to Zakat if the ownership of the Sukuk is attributable to their business activities. This summary does not consider the extent to which such Sukukholders would be liable to Zakat as a consequence of acquiring, holding or disposing of its Sukuk. This summary does not consider the extent to which a potential Sukukholder would be liable to zakat as a consequence of acquiring, holding or disposing of its Sukuk. However, pursuant to the Amended Zakat Regulations, Zakat payers' investment in sukuk, with no considerations of the classification of such sukuk in the financial statements, and provided the Issuer adds such sukuk as part of its equity, are eligible for deduction from the Zakat base provided these sukuk are not for trading purposes.

A natural person with a permanent residence in the Kingdom

A natural person who is resident in the Kingdom will not be subject to Zakat and tax, whether by withholding or direct assessment, in respect of payments in the nature of profits or gains realised in respect of the Sukuk, provided the ownership of the Sukuk is not attributable to any business activities conducted by the natural person. If such income is connected to such Sukukholders' business activity in the Kingdom, such amounts generally will be subject to Zakat in the Kingdom.

A legal entity established under the law of a GCC country other than the Kingdom, with a Permanent Establishment in the Kingdom.

A legal entity of a GCC country having a Permanent Establishment in the Kingdom (i.e., a branch of a GCC legal entity) will be subject to Saudi Arabian corporate tax on the income of the Permanent Establishment, including any income from the Sukuk, which is attributable to a Permanent Establishment. All payments in the nature of profit

(except capital gains arising from a disposal of securities traded on the Tadawul) in respect of the Sukuk will be part of such Sukukholder's gross income, if the payment is attributable to the Permanent Establishment. The gross income, less deductible costs and certain other adjustments will be subject to income tax at the current rate of 20%

Furthermore, any transfer of the after-tax profit to the head office of the Permanent Establishment will be considered to be a distribution of profit and will be subject to a further 5% withholding tax.

Non-GCC Sukukholders Resident in the Kingdom

Sukukholders who are non-GCC persons (excluding natural persons) resident in KSA, as defined in Article 3 of the Income Tax Regulation, will be subject to corporate income tax.

All payments in the nature of profit (except capital gains arising from a disposal of securities traded on the Exchange) in respect of the Sukuk will be part of the Sukukholder's gross income. The gross income, less deductible costs and certain other adjustments will be subject to corporate tax at the current rate of 20%

Sukukholders who are non-GCC natural persons and resident in the Kingdom who are not performing commercial activities in the Kingdom (as defined in Chapter 1, Article 1 of the Income Tax Law) are not currently subject to Saudi Arabian income tax on any interest payment received or gain realised in respect of the Sukuk, according to existing practices of ZATCA (as compliance/administration of Income Tax Law is not currently enforced by ZATCA on individuals).

Sukukholders who are Non-resident in the Kingdom

Sukukholders, either natural persons or legal entities, who are not resident in the Kingdom (whether such Sukukholders are Saudi Arabian nationals or non-Saudi Arabian nationals, including Sukukholders resident in the GCC) should be subject to Saudi Arabian withholding tax on any payments received by them from the Issuer, in respect of the Sukuk, on the basis that such payments are received from, prima facie, a Saudi resident entity which is incorporated in the Kingdom.

Application of double tax treaties in the Kingdom may take place under one of two methods: (i) a refund mechanism that requires the payor to subject the relevant payment to withholding tax after which a refund request of the withholding tax may be submitted to ZATCA; or (ii) application of double tax treaties which provides for the possibility of the payor not subjecting the relevant payment to withholding tax. Both mechanisms require the beneficiary to provide certain documents and forms to ZATCA (such as a tax residency certificate).

For completeness, as the payment of profits (if any) on the Sukuk will be made through the Payment Administrator (as defined in the Conditions), some Sukukholders (subject to tax advice sought for specific cases and in relevant jurisdictions by the Sukukholders) may not be able to prove to their local tax authorities that withholding tax has been applied to interest payments, and therefore may not be able to obtain the benefit of any applicable double tax treaty relief or credit for tax withheld.

Notwithstanding the above, pursuant to the terms of the Sukuk, to the extent that any withholding tax is deducted, the Issuer will generally be obligated to pay such additional amounts as will result in receipt by the Sukukholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required. Sukukholders who are non-residents with a Permanent Establishment in the Kingdom (as defined in Article 4 of the executive regulations of the Income Tax Law) will be subject to Saudi

Arabian income tax on a Permanent Establishment's income, including income from the Sukuk which is attributable to a Permanent Establishment. Furthermore, pursuant to Article 63(6) of the executive regulations of the Income Tax Regulation, a Permanent Establishment will be subject to a withholding tax at the rate of 5% On remittance of after-tax profits / deemed profit to its head office.

VAT

Certain financial services, including those where the consideration payable in respect of the services is by way of an implicit margin or spread (including but not limited to interest, spread, margin or other implicit margin), are treated as exempt supplies from a Saudi Arabian VAT perspective. Further, the exemption also applies to the issue or transfer of a debt security, equity security, or any other transferable document recognising an obligation to pay a monetary amount to the bearer.

"Sukuk" is not a defined term for Saudi Arabian VAT purposes, but is akin in nature to a debt security. According to Article 29(3) of Saudi Arabian VAT executive regulations, Islamic finance products, being financial products under contract which are Shari'ah compliant, and which simulate the intention and achieve effectively the same result as a non-Shari'ah compliant financial product will be treated in the same manner as the equivalent non-Shari'ah financial product for the purpose of applying for exemption from VAT. Any additional fee in respect of a service by way of an explicit fee, such as an administration charge in relation to the issue of a security, would be treated as consideration for a taxable supply subject to VAT at standard rate where the supply is made in Saudi Arabia. Such an additional fee could be subject to VAT under a reverse charge mechanism if it is received by a VAT-registered taxpayer in the Kingdom from a supplier located outside Saudi Arabia.

Income generated by holding the Sukuk or trading gains from its sale should be treated as VAT-exempt or outside the scope of VAT (depending on the client-specific circumstances of the transaction) for Saudi Arabian VAT purposes. The VAT exemption does not apply to fees charged by intermediary parties for their services.

The precise reporting requirements related to the various payments and receipts associated with the aforementioned transactions will depend on the residence of the Sukukholders, their types of activity and whether they are registered for Saudi Arabian VAT purposes. However, with the exception of explicit fees or charges, any trading gains should not be subject to VAT as they should either be treated as outside the scope or exempt for the purposes of Saudi Arabian VAT.

General

Natural persons who are Sukukholders at the time of their death are generally not subject to inheritance or other taxes of a similar nature in the Kingdom, although distribution on inheritance is considered disposal of the asset for tax purposes. Sukukholders will not be deemed to be resident, domiciled or carrying on business in the Kingdom solely by reason of holding any Sukuk.

For the purpose of this Zakat and Tax summary, the following definitions should apply:

"Income Tax Law", means Income Tax Law issued under Royal Decree No. M/1 dated 15/1/1425H (corresponding to 06 March 2004G) and its executive regulations issued under Ministerial Resolution No. 1535 dated 11/06/1425H (corresponding to 11 August 2004G), as amended from time to time.

“Dividends” According to the assigned definition stipulated in Article 63 (6) of the executive regulations of the Income Tax Law, means any distribution by a resident company to a non-resident shareholder, and any profits transferred by a permanent establishment to related parties; the following should be considered:

- Dividends by companies engaged in natural gas investment, oil and hydrocarbons are not subject to withholding tax.
- Partial or full liquidation of a company is deemed to be dividends for payments in excess of paid- in capital; and
- Imposition of a distributing company to income tax shall not preclude imposition of withholding tax on its Dividends.

“GCC person” means:

- a. a citizen of any of the member countries of the Cooperation Council of the Arab States of the Gulf (namely, the Kingdom, the United Arab Emirates, the Kingdom of Bahrain, the Sultanate of Oman, the State of Qatar and the State of Kuwait); and
- b. any legal entity owned by GCC citizens and established under the laws of a GCC country with no non-GCC entity in the chain of ownership between GCC citizens and the legal entity;

“Persons Subject to Taxation” means as defined in Article 2 of the executive regulations of the Income Tax Law, are:

- a. a resident capital company with respect to the shares owned directly or indirectly by non-Saudi partners, as well as the shares owned directly or indirectly by persons working in the production of oil and hydrocarbonates. Excluding shares owned directly or indirectly by persons working in the production of oil and hydrocarbonates in resident capital companies listed in the Saudi capital markets and the shares owned directly or indirectly by these companies in capital companies;
- b. a resident non-Saudi natural person who carries on business activities in the Kingdom;
- c. a non-resident who carries on business activities in the Kingdom through a permanent establishment;
- d. a non-resident with other taxable income from sources within the Kingdom;
- e. a person engaged in the field of natural gas investment; and
- f. a person engaged in the production of oil and hydrocarbons.

“Residency” is defined pursuant to Article 3 of the executive regulations of the Income Tax Law as follows:

- a. A natural person is considered a resident in KSA for a taxable year if he meets either of the following conditions:
 - 1. he has a permanent place of residence in KSA and resides in KSA for a total of not less than thirty (30) days in the taxable year; or

2. he physically resides in KSA for a period of not less than one hundred and eighty-three (183) days in the taxable year.

For the purposes of this paragraph, residence in KSA for part of a day is considered residence for the whole day, except in the case of a person in transit between two points outside KSA.

- b. A company is considered resident in KSA during the taxable year if it meets either of the following conditions:
 1. It is formed in accordance with the Saudi Arabian companies law promulgated pursuant to Royal Decree M/6 dated 22/03/1388H (corresponding to 21/07/1965G), as amended from time to time; or
 2. Its central management is located in KSA.

“Permanent Establishment” means a permanent enterprise of a non-resident in the Kingdom which represents a permanent place for the non-resident’s activity where it conducts the activity either fully or partly; this also includes the activities conducted by the non-resident through a dependent agent (dependent agent having the meaning specified in the Income Tax Law). A non-resident carrying out an activity in the Kingdom through a licensed branch (as defined in Article 4(b)4 of the Income Tax Law) is considered to have a Permanent Establishment in the Kingdom.



17 Documents Available for Inspection

The following documents will be available for inspection at the Issuer's registered office on the 20th floor of Al-Ibdaa Tower, King Fahd Road, Kingdom of Saudi Arabia, on weekdays (excluding Fridays, Saturdays, and official holidays) between 9:00 a.m. and 5:00 p.m., from •/ •/ 1447H (corresponding to •/ •/ 2026G) to •/ •/ 1447H (corresponding to •/ •/ 2026G), provided this period is at least 3 days before the offering begins for each series issue.

- a. A copy of CMA's announcement approving the registration and offering of the Sukuk;
- b. A copy of Tadawul's approval on the listing of the Sukuk;
- c. SAMA's non-objection on the issuance of the Sukuk;
- d. The resolution by the Issuer's board of director approving the establishment of the Programme and the issuance of the Sukuk;
- e. The Bylaws of the Issuer;
- f. Other Constitutional Documents
- g. The Commercial Registration Certificate of the Issuer;
- h. The Financial Statements;
- i. The Sukuk Documents.; and
- j. Consent Letters:
 - 1) for Financial Advisors, Legal Advisor and Dealer(s), to include their names and logos in the Base Prospectus.
 - 2) For Auditors, to include their names, logos, and statements in the Base Prospectus.



18 Financial Statements and Chartered Accountant's Report

This section contains the Issuer's Unaudited Interim Financial Statements for the financial period ended 31 March 2025G together with the auditor's report on such financial period, and the Issuer's Audited Financial Statements as at and for the years ended 31 December 2022G, 31 December 2023G, 31 December 2024G, together with the Auditor's report on such financial years.

All have been submitted as part of the application for the registration and offer of the Sukuk to the Capital Market Authority of the Kingdom of Saudi Arabia.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)**

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To: The Shareholders of Bidaya Finance Company
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying interim statement of financial position of Bidaya Finance Company ("the Company") as of March 31, 2025, and the related interim statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the three-month period then ended, and other explanatory notes (collectively referred to as "the interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Deloitte and Touche & Co.
Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia



Mohammed Abdulrazzaq Morya
License No. 494
Dhul-Qi'dah 1, 1446H
April 29, 2025



BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (UNAUDITED)
(Expressed in '000 Saudi Riyals)

		31 March 2025	31 December 2024
	<i>Notes</i>	(Unaudited)	(Audited)
<u>ASSETS</u>			
Cash and cash equivalents		21,960	145,335
Investments held at fair value through other comprehensive income ("FVOCI")		893	893
Ijara receivables, net	4	2,134,310	2,046,902
Murabaha receivables, net	5	679,860	560,251
Deposits, prepayments and other receivables, net	6	178,291	151,050
Right-of-use assets, net		1,945	2,433
Intangible assets, net		11,222	9,608
Property and equipment, net		4,966	4,357
Total assets		3,033,447	2,920,829
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Financing facilities – secured	7	2,057,650	1,908,543
Accrued expenses and other liabilities	8	101,217	140,512
Zakat payable	9	1,472	880
Lease liabilities		1,884	1,840
Provision for employees' end of service benefits		6,107	6,211
Total liabilities		2,168,330	2,057,986
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	10	900,000	900,000
Statutory reserve		8,095	8,095
Other reserve		(317)	(317)
Accumulated losses		(42,661)	(44,935)
Total shareholders' equity		865,117	862,843
Total liabilities and shareholders' equity		3,033,447	2,920,829

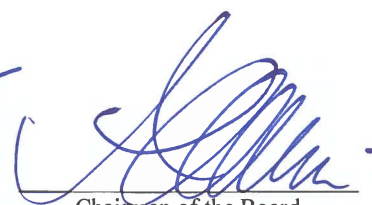
The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman of the Board

BIDAYA FINANCE COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

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

(Expressed in '000 Saudi Riyals)

		For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
	<i>Notes</i>		
REVENUE			
Ijara income		48,095	50,528
Murabaha income		15,152	3,077
Servicing income		3,412	3,058
Fee income		1,813	1,459
Gain on sale of portfolio		--	253
Total revenue		68,472	58,375
OPERATING EXPENSES			
General and administrative expenses	11	(24,670)	(20,911)
Selling and marketing expenses	12	(4,282)	(5,691)
Depreciation		(845)	(758)
Amortization		(455)	(710)
Finance charges		(33,152)	(36,948)
Total operating expenses		(63,404)	(65,018)
Net operating income / (loss) for the period		5,068	(6,643)
Charge for expected credit losses		(2,327)	(2,179)
Other income		125	--
Profit / (loss) before zakat for the period		2,866	(8,822)
Zakat charge for the period	9	(592)	(448)
Profit / (loss) for the period		2,274	(9,270)
Other comprehensive income		--	--
Total comprehensive income / (loss) for the period		2,274	(9,270)
Earnings / (loss) per share basic and diluted (in SAR)	14	0.03	(0.10)

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


 Chief Financial Officer


 Chief Executive Officer


 Chairman of the Board

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in '000 Saudi Riyals)

	Share capital	Statutory reserve	(Accumulated losses)	Other reserve	Total
Balance as at 1 January 2025	900,000	8,095	(44,935)	(317)	862,843
Profit for the period	--	--	2,274	--	2,274
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	2,274	--	2,274
Balance as at 31 March 2025	900,000	8,095	(42,661)	(317)	865,117
Balance as at 1 January 2024	900,000	8,008	(45,726)	--	862,282
Loss for the period	--	--	(9,270)	--	(9,270)
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive loss for the period	--	--	(9,270)	--	(9,270)
Balance as at 31 March 2024	900,000	8,008	(54,996)	--	853,012

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



Chief Financial Officer



Chief Executive Officer



Chairman of the Board

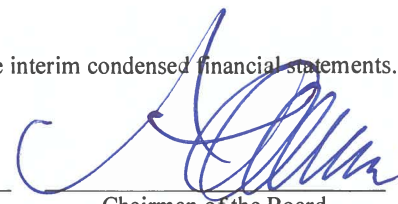
BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in '000 Saudi Riyals)

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Cash flows from operating activities:		
Profit / (loss) before zakat for the period	2,866	(8,822)
<i>Non-cash adjustments to reconcile (loss) / profit for the period before zakat to net cash used in operating activities:</i>		
Depreciation	845	758
Amortization	455	710
Finance charges	33,152	36,948
Provision for employees' end of service benefits	311	415
Charge for expected credit losses	2,327	2,179
Gain on sale of portfolio	--	(253)
Other income	(125)	--
	39,831	31,935
<i>(Increase) / decrease in operating assets:</i>		
Ijara receivables	(127,637)	(136,152)
Murabaha receivables	(120,187)	(75,912)
Deposits, prepayments and other receivables	11,241	22,509
<i>Decrease in operating liabilities:</i>		
Accrued expenses and other liabilities	(39,294)	(5,173)
	(236,046)	(162,793)
Employees' end of service benefits paid	(415)	(535)
Finance charges paid	(30,519)	(19,135)
Profits received from Murabaha deposits	125	--
Net cash used in operating activities	(266,855)	(182,463)
Cash flows from investing activities		
Purchase of property and equipment	(965)	(226)
Purchase of intangible assets	(2,069)	(1,896)
Net cash used in investing activities	(3,034)	(2,122)
Cash flows from financing activities		
Repayment of lease liabilities	--	(912)
Proceeds from financing facilities – secured	303,000	407,562
Repayment of financing facilities - secured	(156,486)	(188,308)
Net cash generated from financing activities	146,514	218,342
Net (decrease) / increase in cash and cash equivalents	(123,375)	33,757
Cash and cash equivalents at beginning of the period	145,335	24,193
Cash and cash equivalents at end of the period	21,960	57,950
Non-cash transactions:		
Derecognition of Ijara receivables through acquisition of property held for sale	38,626	--

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


Chief Financial Officer


Chief Executive Officer


Chairman of the Board

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in '000 Saudi Riyals)

1. GENERAL INFORMATION

Bidaya Finance Company (the "Company") is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration number 1010432564 issued in Riyadh on 25 Jumada II 1436H (corresponding to 14 April 2015) with national unified no. 7009175717. The Company was granted a full license by the Saudi Central Bank ("SAMA") to operate as a mortgage finance company vide license number 41/ش ع /201512 dated 3 Rabi I 1437H (corresponding to 14 December 2015).

The objectives of the Company are to provide financing to consumers, SMEs, and Corporations for the purpose of Real Estate finance and finance against the security of their own properties.

The registered office of the Company with its postal address is as follows:

Bidaya Finance Company
20th Floor of Al Ebdaa Tower
King Fahad Road
P.O. Box 93898
Riyadh 11683
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed financial statements of the Company as at and for the three-month period ended 31 March 2025 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2024.

The results for the interim period of three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2025.

2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, except for equity investments which are measured at fair value through other comprehensive income (FVOCI) and provision for end of service benefits liability which is carried at present value of the defined benefit obligation using the projected unit credit method.

2.3 Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Arabian Riyals (SAR), as it is the functional currency of the Company. Except as indicated, the interim condensed financial statements presented in SAR has been rounded off to the nearest thousand.

2.4 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024, except for the adoption of new standards, effective as of 1 January 2025.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on the interim condensed financial statements of the Company.

2. BASIS OF PREPARATION (CONTINUED)

2.4 New standards, interpretations and amendments adopted by the Company (Continued)

- Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. Effective date is January 1, 2025.

Accounting standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The effective date is 1 January 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Company.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The effective date is 1 January 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Company.

Accounting standards issued but not yet effective

- Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. Effective date is January 1, 2026.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. Effective date is January 1, 2027.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards. Effective date is January 1, 2027.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 as disclosed in note 2 above.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)
(Expressed in '000 Saudi Riyals)

4. IJARA RECEIVABLES, NET

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	<i>Notes</i>	
Gross Ijara receivables	3,586,980	3,431,054
Less: Unearned income	(1,425,826)	(1,357,305)
	2,161,154	2,073,749
Less: Allowance for expected credit losses (ECL)	(26,844)	(26,847)
Ijara receivables, net	2,134,310	2,046,902

4.1 The movement in the allowance for expected credit losses for the period / year is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	26,847	28,352
Reversal for the period / year, net	(3)	(1,073)
Write-off during the period / year	--	(432)
	(3)	(1,505)
Closing balance	26,844	26,847

The contractual maturity of the Ijara receivables as follows:

	31 March 2025 (Unaudited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total
Ijara receivables	255,580	746,577	2,584,823	3,586,980
Unearned income	(154,229)	(403,503)	(868,094)	(1,425,826)
	101,351	343,074	1,716,729	2,161,154
Less: Allowance for expected credit losses				(26,844)
				2,134,310

	31 December 2024 (Audited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total
Ijara receivables	237,503	697,604	2,495,947	3,431,054
Unearned income	(143,428)	(378,075)	(835,802)	(1,357,305)
	94,075	319,529	1,660,145	2,073,749
Less: Allowance for expected credit losses				(26,847)
				2,046,902

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)
(Expressed in '000 Saudi Riyals)

4. IJARA RECEIVABLES, NET (CONTINUED)

The following table shows reconciliations from the beginning to the closing balance of gross carrying amount and allowance for expected credit losses of Ijara receivables:

Gross carrying amount

	31 March 2025 (Unaudited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2025	1,910,618	65,784	97,347	2,073,749
Transfer to 12-month ECL	50,965	(32,878)	(18,087)	--
Transfer to lifetime ECL not credit impaired	(40,100)	54,124	(14,024)	--
Transfer to lifetime ECL-credit impaired	(6,653)	(6,335)	12,988	--
New financial assets originated during the period, net	93,852	265	(6,712)	87,405
Balance as at 31 March 2025	2,008,682	80,960	71,512	2,161,154

	31 December 2024 (Audited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2024	2,268,864	215,386	117,698	2,601,948
Transfer to 12-month ECL	130,683	(94,953)	(35,730)	--
Transfer to lifetime ECL not credit impaired	(32,653)	36,870	(4,217)	--
Transfer to lifetime ECL-credit impaired	(21,632)	(24,874)	46,506	--
Financial assets derecognized during the year other than write-offs	(936,946)	--	--	(936,946)
New financial assets originated during the year, net	502,302	(66,645)	(26,910)	408,747
Balance as at 31 December 2024	1,910,618	65,784	97,347	2,073,749

Allowance for expected credit losses

	31 March 2025 (Unaudited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	8,650	717	17,480	26,847
Transfer to 12-month ECL	2,045	(471)	(1,574)	--
Transfer to lifetime ECL not credit impaired	(365)	611	(246)	--
Transfer to lifetime ECL credit impaired	(14)	(1)	15	--
Net charge / (reversal) for the period	285	(135)	(153)	(3)
Balance as at 31 March 2025	10,601	721	15,522	26,844

	31 December 2024 (Audited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	7,507	7,028	13,817	28,352
Transfer to 12-month ECL	5,335	(2,976)	(2,359)	--
Transfer to lifetime ECL not credit impaired	(249)	1,053	(804)	--
Transfer to lifetime ECL credit impaired	(57)	(509)	566	--
Net charge / (reversal) for the year	(3,886)	(3,879)	6,260	(1,505)
Balance as at 31 December 2024	8,650	717	17,480	26,847

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)
(Expressed in '000 Saudi Riyals)

5. MURABAHA RECEIVABLES, NET

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	<i>Notes</i>	
Gross Murabaha receivables	862,878	711,098
Less: Unearned income	(180,980)	(149,387)
	681,898	561,711
Less: allowance for expected credit losses (ECL)	(2,038)	(1,460)
Murabaha receivables, net	679,860	560,251

5.1 The movement in the allowance for expected credit losses for the period / year is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	1,460	563
Charge for the period / year	578	897
Closing balance	2,038	1,460

The contractual maturity of the Murabaha receivables as follows:

	31 March 2025 (Unaudited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total
Murabaha receivables	148,187	680,443	34,248	862,878
Unearned income	(64,607)	(110,888)	(5,485)	(180,980)
	83,580	569,555	28,763	681,898
Less: allowance for expected credit losses				(2,038)
				679,860

	31 December 2024 (Audited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total
Murabaha receivables	121,863	575,451	13,784	711,098
Unearned income	(52,810)	(91,803)	(4,774)	(149,387)
	69,053	483,648	9,010	561,711
Less: allowance for expected credit losses				(1,460)
				560,251

Gross carrying amount

	31 March 2025 (Unaudited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2025	561,711	--	--	561,711
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	(31,285)	--	31,285	--
New financial assets originated during the period, net	120,187	--	--	120,187
Balance as at 31 March 2025	650,613	--	31,285	681,898

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)
(Expressed in '000 Saudi Riyals)

5. MURABAHA RECEIVABLES, NET (CONTINUED)

Gross carrying amount (continued)

	31 December 2024 (Audited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2024	106,668	--	--	106,668
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	--	--	--	--
Financial assets derecognized during the year other than write-offs	--	--	--	--
New financial assets originated during the year, net	455,043	--	--	455,043
Balance as at 31 December 2024	561,711	--	--	561,711

Allowance for expected credit losses

	31 March 2025 (Unaudited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	1,460	--	--	1,460
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL credit impaired	(150)	--	150	--
Net charge for the period	150	--	428	578
Balance as at 31 March 2025	1,460	--	578	2,038

	31 December 2024 (Audited)			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	563	--	--	563
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL credit impaired	--	--	--	--
Net charge for the year	897	--	--	897
Balance as at 31 December 2024	1,460	--	--	1,460

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES, NET

		31 March 2025 (Unaudited)	31 December 2024 (Audited)
Properties held for sale	6.1	98,444	70,074
VAT receivable from MOMRAH and ZATCA, net	6.2	36,336	36,336
Other receivables, net		13,931	20,910
Deposits and Prepayments		13,401	9,575
Deferred Sales Commission		11,922	10,603
Value Added Tax (VAT)		4,257	3,552
		178,291	151,050

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES, NET (CONTINUED)

- 6.1 This represents real estate repossessed by the Company, in the ordinary course of business, against settlement of Ijara receivable balances. The net charge for the expected credit loss includes SAR 1.00 million (31 December 2024: SAR 2.08 million) loss recognized upon the recognition of these assets.
- 6.2 This includes the receivable from Ministry of Municipalities and Housing amounting to SAR 9.80 million (31 December 2024: SAR 9.80 million) and ZATCA amounting to SAR 33.2 million (31 December 2024: SAR 33.2 million) against the VAT paid by the Company on the portion of Ijara financing originated subject to VAT relief for first home buyers. During the year 2023, the Company submitted all VAT claims to ZATCA including supporting documents, the claims are still under review by ZATCA

The movement of the impairment allowance for credit losses for the three months ended 31 March 2025 is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	6,664	5,512
Charge for the period, net	--	1,152
Closing balance	6,664	6,664

7. FINANCING FACILITIES – SECURED

These represents financing amounts obtained from local commercial banks based in the Kingdom of Saudi Arabia with accrued balance amounting to SAR 1,116.59 million (31 December 2024: SAR 1,046.33 million), Real Estate Development Fund ('REDF') amounting to SAR 202.62 million (31 December 2024: SAR 202.55 million), and Saudi Real Estate Refinance Company ("SRC") amounting to SAR 738.44 million (31 December 2024: SAR 659.67 million) under Islamic financing approved by Shari'ah Supervisory Committee. These financings are secured by the assignment of proceeds from Ijara receivables. These financing are revolving in nature and carry markup at commercial market rates.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	Notes	
Accounts payable	54,196	22,940
Accrued expenses	11,466	11,524
Deferred management fees	14,683	13,795
Downpayment against Ijara financing	8.1 6,310	5,811
Payable to Ministry of Housing (MOH)	8.2 6,227	78,179
Deferred commission income	5,491	5,633
Directors' remuneration and meeting expenses	13 2,844	2,630
	101,217	140,512

- 8.1 This pertains to down-payments received by the Company against Ijara financing not executed as at the reporting date.
- 8.2 This represents the balance payable to MOH against the financing of the purchase of real estate properties for Ijara customers.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)
(Expressed in '000 Saudi Riyals)

9. ZAKAT

During the three-month period ended 31 March 2025, the Company has realized a charge amounting to SAR 0.59 million (31 March 2024: SAR 0.45 million). The provision of zakat is estimated based on the respective interim condensed financial position of the Company as at 31 March 2025 and the results of its operations for the three-months then ended. There were no significant changes in the Company's Zakat assessments to those discussed in the Company's annual financial statements for the year ended 31 December 2024.

10. SHARE CAPITAL

As at 31 March 2025, the authorized, issued and fully paid-up share capital of the Company was SAR 900 million (31 December 2024: SAR 900 million) divided into 90 million shares (31 December 2024: 90 million shares) with a nominal value of SAR 10 each.

11. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 31 March 2025 (Unaudited)	For the three-month period ended 31 March 2024 (Unaudited)
Salaries and employee related expenses	16,041	13,416
Repairs and maintenance and other expenses	5,205	3,426
IT expenses	1,762	1,645
Professional fees	804	1,403
Directors' remuneration and meeting expenses (note 13)	444	647
Rent and premises related expenses	414	374
	24,670	20,911

12. SELLING AND MARKETING EXPENSES

	For the three-month period ended 31 March 2025 (Unaudited)	For the three-month period ended 31 March 2024 (Unaudited)
Financed property evaluation and Takaful insurance	2,205	2,537
Salaries and employee related expenses	1,619	1,926
Advertising and marketing expenses	458	1,228
	4,282	5,691

13. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the shareholders and their affiliated entities and certain key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include the Chief Executive Officer ("CEO") and the personnel directly reporting to the CEO.

The amount of transactions recorded in favor of or paid to the Board of Directors and the executive management personnel during the period is as follows:

Name of related parties	Nature of transactions	For the three-month period ended 31 March 2025 (Unaudited)	For the three-month period ended 31 March 2024 (Unaudited)
Key Management Personnel	Salaries and benefits	2,647	2,240
	Provision for end of service benefits	172	139
	Directors' remuneration and meeting expenses	444	647

13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The related parties of the Company include the shareholders and their affiliated entities and certain key management

Name of related parties	Nature of transactions	Balance as at 31 March 2025 (Unaudited)	Balance as at 31 December 2024 (Audited)
Key Management Personnel	Provision for end of service benefits	1,523	1,351
	Directors' remuneration and meeting expenses	2,844	2,630

14. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share for the three-month period ended 31 March 2025 and 2024 is calculated by dividing loss for the period attributable to equity holders by the weighted average number of shares (i.e., 90 million shares) in issue during the respective period then ended.

15. COMMITMENTS AND CONTINGENCIES

The Company has facilities approved but not utilized, indicative offers issued which are under consideration of the customers and due diligence in progress as of the reporting date which have the potential to convert into financing, amounting to SAR 7.41 million (31 December 2024: SAR 14.03 million).

At the end of the period, the Company has commitments of SAR 64.08 million against forward Ijara tranches payable to the developers of the properties (31 December 2024: SAR 70.87 million). The commitments fall due in tranches as the developers of each of the properties complete pre-agreed phases of the construction. The period over which the properties are constructed, and hence the period over which the committed tranches fall due, is approximately two years.

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Company.

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, investments held at FVOCI, Ijara receivables, and deposits and other receivables. Financial liabilities consist of financing facilities, sukuk, and other liabilities.

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The fair values of the financial assets and liabilities are as follows:

16. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

31 March 2025 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>					
Investments held at FVOCI	893	--	--	893	893
31 December 2024 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>					
Investments held at FVOCI	893	--	--	893	893
31 March 2025 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets not measured at fair value</u>					
Ijara receivables, net	2,161,154	--	--	1,631,314	1,631,314
Murabaha receivables, net	681,898	--	--	664,698	664,698
	2,843,052	--	--	2,296,012	2,296,012
31 December 2024 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets not measured at fair value</u>					
Ijara receivables, net	2,073,749	--	--	1,718,277	1,718,277
Murabaha receivables, net	561,711	--	--	535,712	535,712
	2,635,460	--	--	2,253,989	2,253,989
31 March 2025 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities not measured at fair value</u>					
Financing facilities – secured	2,057,650	--	--	2,057,650	2,057,650
	2,057,650	--	--	2,057,650	2,057,650
31 December 2024 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities not measured at fair value</u>					
Financing facilities – secured	1,908,543	--	--	1,908,543	1,908,543
	1,908,543	--	--	1,908,543	1,908,543

The fair value of Ijara receivables is based on actual cash flows discounted by the average period end internal rate of return and is not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, hence the fair value of Ijara receivables is classified under level 3. The carrying amounts of remaining financial assets and liabilities approximate the fair value as at 31 March 2025 and 31 December 2024. During the three-month period ended 31 March 2025, there were no transfers in to or out of Level 3.

17. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved for issue by the Board of Directors' on 28 April 2025 (corresponding to 30 Shawwal 1446H).

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2024

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

To the shareholders
Bidaya Finance Company
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bidaya Finance Company (“the Company”), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity and statement of cash flows for the year then ended, and notes to the financial statements, which includes material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRSs that are endorsed in the Kingdom of Saudi Arabia”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (“the Code”), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company’s Bylaws and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company’s financial reporting process.

Independent auditor's report to the shareholders of Bidaya Finance Company (Continued)**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants

P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia



Mohammed Abdulrazzaq Morya
License No. 494
Ramadan 2, 1446H
March 2, 2025

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

	<i>Notes</i>	31 December 2024	31 December 2023
<u>ASSETS</u>			
Cash and cash equivalents	4	145,335	24,193
Investments held at fair value through other comprehensive income ("FVOCI")		893	893
Ijara receivables, net	5	2,046,902	2,573,596
Murabaha receivables, net	6	560,251	106,105
Deposits, prepayments and other receivables, net	7	151,050	153,582
Right-of-use assets	8	2,433	3,036
Intangible assets, net	9	9,608	6,516
Property and equipment, net	10	4,357	2,948
Total assets		2,920,829	2,870,869
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Financing facilities – secured	11	1,908,543	1,833,084
Lease liabilities	8	1,840	2,486
Accrued expenses and other liabilities	12	140,512	165,696
Zakat payable	13	880	1,717
End of service benefits liability	17	6,211	5,604
Total liabilities		2,057,986	2,008,587
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	14	900,000	900,000
Statutory reserve		8,095	8,008
Other reserve	17	(317)	--
Accumulated losses		(44,935)	(45,726)
Total shareholders' equity		862,843	862,282
Total liabilities and shareholders' equity		2,920,829	2,870,869



Chief Financial Officer



Chief Executive Officer



Chairman of the Board

Classification : Confidential

The attached notes 1 to 27 form an integral part of these financial statements.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

	Notes	31 December 2024	31 December 2023
<u>REVENUE</u>			
Ijara income		199,313	181,838
Murabaha income		27,345	3,341
Fees income		12,544	9,320
Servicing income		12,931	11,945
Gain on sale of portfolios		15,781	5,762
Total revenue		267,914	212,206
<u>OPERATING EXPENSES</u>			
General and administrative expenses	15	(88,934)	(77,655)
Selling and marketing expenses	16	(22,185)	(27,699)
Depreciation	8, 10	(3,272)	(3,132)
Amortization	9	(2,148)	(2,565)
Finance charges		(148,610)	(132,338)
Total operating expenses		(265,149)	(243,389)
Net operating income / (loss) for the year		2,765	(31,183)
Charge for expected credit losses and write-offs, net	5, 6, 7	(2,623)	(14,040)
Other income		964	834
Profit / (loss) before zakat for the year		1,106	(44,389)
Zakat charge for the year	13	(228)	(1,092)
Profit / (loss) after zakat for the year		878	(45,481)
Other comprehensive income for the year			
<i>Item that cannot be reclassified to Statement of Profit or loss in subsequent periods</i>			
Actuarial losses on end of service benefits liability	17	(317)	--
Total comprehensive income / (loss) for the year		561	(45,481)
Earnings per share – basic and diluted (in SR)	18	0.00	(0.05)


Chief Financial Officer


Chief Executive Officer


Chairman of the Board

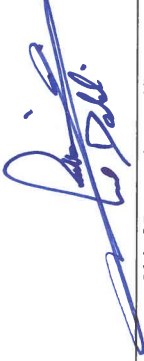
Classification : Confidential

The attached notes 1 to 27 form an integral part of these financial statements.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

	Share capital	Statutory reserve	(Accumulated losses)	Other reserve	Total
Balance as at 1 January 2024	900,000	8,008	(45,726)	--	862,282
Profit for the year	--	--	878	--	878
Actuarial losses on end of service benefits liability	--	--	--	(317)	(317)
Total comprehensive income	--	--	878	(317)	561
Transfer to statutory reserve	--	87	(87)	--	--
Balance as at 31 December 2024	900,000	8,095	(44,935)	(317)	862,843
Balance as at 1 January 2023	900,000	8,008	(245)	--	907,763
Loss for the year	--	--	(45,481)	--	(45,481)
Other comprehensive income	--	--	--	--	--
Total comprehensive loss	--	--	(45,481)	--	(45,481)
Transfer to statutory reserve	--	--	--	--	--
Balance as at 31 December 2023	900,000	8,008	(45,726)	--	862,282


 Chief Financial Officer


 Chief Executive Officer


 Chairman of the Board

Classification : Confidential

The attached notes 1 to 27 form an integral part of these financial statements.

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

	Notes	31 December 2024	31 December 2023
Cash flows from operating activities:			
Profit / (loss) for the year before Zakat		1,106	(44,389)
<i>Non-cash adjustments to reconcile profit / (loss) for the year before zakat to net cash used in operating activities:</i>			
Depreciation	8, 10	3,272	3,132
Amortization	9	2,148	2,565
Finance charges		148,610	132,338
Provision for end of service benefits liability		1,061	2,201
Charge for expected credit losses and write-offs		2,623	14,040
Other income		(964)	(834)
Gain on sale of portfolios		(15,781)	(5,762)
		142,075	103,291
<i>(Increase) / decrease in operating assets</i>			
Ijara receivables		(410,825)	(585,918)
Murabaha receivables		(455,043)	(106,387)
Deposits, prepayments and other receivables		1,379	(35,388)
<i>(Decrease) / increase in operating liabilities</i>			
Accrued expenses and other liabilities		(25,183)	18,779
		(747,597)	(605,623)
End of service benefits liability paid		(771)	(1,151)
Finance charges paid		(144,990)	(122,562)
Profit on Murabaha deposits received		964	834
Zakat paid	13	(1,065)	--
Net cash used in operating activities		(893,459)	(728,502)
Cash flows from investing activities			
Purchase of property and equipment		(2,776)	(571)
Purchase of intangible assets		(5,240)	(2,276)
Net cash used in investing activities		(8,016)	(2,847)
Cash flows from financing activities			
Proceeds from sale of Ijara receivables portfolio		952,727	588,077
Payment of lease liabilities	8	(2,151)	(1,813)
Proceeds from financing facilities – secured principal		1,157,255	2,991,406
Payment of financing facilities – secured principal		(1,085,214)	(2,420,531)
Payment of sukuk principal		--	(450,000)
Net cash generated from financing activities		1,022,617	707,139
Net increase / (decrease) in cash and cash equivalents		121,142	(24,210)
Cash and cash equivalents at beginning of the year		24,193	48,403
Cash and cash equivalents at end of the year		145,335	24,193
Non-cash transactions:			
Recognition of right of use asset and lease liability	8	1,302	--
Derecognition of Ijara receivables through acquisition of properties held for sale		70,074	38,769

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Classification : Confidential

The attached notes 1 to 27 form an integral part of these financial statements.

1. GENERAL INFORMATION

Bidaya Finance Company (the "Company") is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration number 1010432564 issued in Riyadh on 25 Jumada II 1436H (corresponding to 14 April 2015). The Company was granted a full license by the Saudi Central Bank ("SAMA") to operate as a mortgage finance company vide license number 41/ع ش /201512 dated 3 Rabi I 1437H (corresponding to 14 December 2015).

The objectives of the Company are to provide financing to consumers, SMEs, and corporations for the purpose of Real Estate finance and finance against the security of their own properties.

The registered office of the Company with its postal address is as follows:

Bidaya Finance Company
20th Floor of Al Ebdaa Tower
King Fahad Road
P.O. Box 93898
Riyadh 11683
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared:

- in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and
- in compliance with the Regulations for Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

b) Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention except for Investment held at fair value through other comprehensive income ("FVOCI") which is carried at fair value and provision for end of service benefits liability which is carried at present value of the defined benefit obligation using the projected unit credit method.

c) Going concern

In making the going concern assessment, the Company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc.

d) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Company's functional currency. Except as otherwise indicated, the financial information presented in SR has been rounded-off to the nearest thousand.

2. BASIS OF PREPARATION (CONTINUED)

e) Order of liquidity

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

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 21.

f) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

i. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit losses ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company uses internal roll rate methodology for the entire portfolio to assign the PDs
- LGD determination by applying haircut on the collaterals considering difference between forced sale value and fair market value, time of realization, cost of realization and current effective profit rate. This haircut is applied as practical expedient as per the best practices
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as GDP, unemployment rate, inflation, and government spending
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

ii. Fee income

The Company offers a range of services to individuals and third parties, including application packaging, agency origination and receivables collection and administration. Fee income and its associated expense is recognized in profit and loss immediately when the service which gives rise to such fees is provided.

Fee income where the fee is an integral part of the yield on the receivable in relation to which it is charged is deferred and amortized. These fees are amortized over the period during which such yield is expected to accrue.

2. BASIS OF PREPARATION (CONTINUED)

f) Critical accounting judgements, estimates and assumptions (continued)

iii. Valuation of other real estate assets

The Company, in the ordinary course of business, acquires / repossesses certain real estate against settlement of the Ijara receivables. Such real estate is considered as assets held for sale and are initially stated at the current fair value of the related properties, less any costs to sell (if material). No depreciation is charged on such real estate.

Subsequent to initial recognition, any subsequent write down to fair value less costs to sell, are charged to the statement of comprehensive income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down and is recognized in the statement of income. Gains or losses on disposal of these properties are recognized in the statement of comprehensive income.

iv. End of service benefits liability

The cost of the provision for end of service benefits liability under defined unfunded benefit plan is determined using an actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include determination of discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined unfunded benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies adopted in the preparation of these financial statements are set out below.

a) Change in accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the financial statements of the Company.

- Amendment to IFRS 16 – Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Effective date is deferred until accounting periods starting not earlier than January 1, 2024.
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective date is January 1, 2024.
- Amendment to IAS 1 – Non-current liabilities with covenants: These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date is January 1, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) Change in accounting policies (continued)

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. Effective date is January 1, 2024 subject to the endorsement by SOCPA.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Effective date is January 1, 2024 subject to the endorsement by SOCPA.

Accounting Standards issued but not yet effective

- Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. Effective date is January 1, 2025.
- Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. Effective date is January 1, 2026.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. Effective date is January 1, 2027.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. Effective date is January 1, 2027.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

Financial Asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial Asset at FVOCI

A financial instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial Assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For equity instruments that is not held for trading, on initial recognition, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument (i.e. share-by-share) basis.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other costs that are an integral part of the effective profit rate.

b) Derecognition of financial assets and financial liabilities

i. Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Classification : Confidential

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Derecognition of financial assets and financial liabilities (continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed); and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Company retains the obligation to service the transferred financial asset for a fee, the transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

ii. Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

c) Modifications of financial assets and financial liabilities

i. Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the customer, then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income.

ii. Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

d) Impairment

The Company recognizes loss allowances for ECL on the Ijara receivables financial instruments that are not measured at FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Impairment (continued)

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- financing investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of an Ijara receivable by the Company on terms that the Company would not consider otherwise.

An Ijara receivable that has been renegotiated due to deterioration in the customer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, an Ijara receivable that is overdue for 90 days or more is considered impaired.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) *Impairment (continued)*

Presentation of allowance for ECL in the statement of financial position

Impairment allowances for ECL of financial assets measured at amortized cost and Ijara receivables are presented in the statement of financial position as a deduction of gross carrying amount of the assets.

Write-off

Ijara receivables are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms including promissory notes and title ownership until the completion of the payments. Collateral, unless repossessed, is not recorded in the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at a minimum at inception.

Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held-for-sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Company's policy.

e) *Offsetting of financial instruments*

Financial assets and liabilities are offset and reported net in the statement of financial position when the entity has a legal currently enforceable right to set off the recognized amounts and when the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

f) *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprise bank balances and time deposit placement with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

g) *Ijara receivables*

Ijara receivables represent assets transferred under Finance Islamic lease agreements, and the present value of the lease payments is recognized as a receivable and disclosed under "Ijara receivables". The difference between the gross receivables and the present value of the receivables is recognized as unearned Ijara income. Ijara income is recognized over the term of the Ijara using the net investment method, which reflects a constant rate of return.

h) *Murabaha receivables*

Murabaha is an agreement whereby the Company sells to a customer an asset, which the Company has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin. The difference between the Murabaha sale contracts receivable and the cost of the sold asset, is recorded as unearned Murabaha profit and for presentation purposes, is deducted from the gross amounts due under the Murabaha receivable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. Expenditure for repair and maintenance are charged to the statement of comprehensive income. Improvements that increase the value or materially extend the life of the related assets are capitalized.

The estimated useful lives of the principal classes of assets are as follows:

	<u>Years</u>
Leasehold improvements	Shorter of 10 years or lease term
Office equipment	5
Furniture and fixtures	6
Computer equipment	5
Vehicles	5

j) Intangible assets

Intangible assets are initially recognized at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Amortization is charged to the statement of comprehensive income account by applying the straight-line basis whereby the carrying amount of an asset is amortized over its estimated useful life to the Company unless such life is indefinite. The estimated useful life of intangible assets (computer software) is 5 years.

Work in progress is stated at costs and is transferred to the appropriate asset category when it is brought into use and is amortized in accordance with the Company's accounting policy.

The Company accounts for impairment, where indications exist, by reducing the asset's carrying amount to the recoverable amount.

k) Leases

Right of Use Asset

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company applies cost model, and measure right of use asset at cost;

1. less any accumulated depreciation and any accumulated impairment losses; and
2. adjusted for any re-measurement of the lease liability for lease modifications

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

k) Leases (continued)

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental financing rate. Generally, the company uses its incremental financing rate as the discount rate.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect finance cost on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made and;
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

l) Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

m) Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

n) End of service benefits liability

The provision for end of service benefits liability is determined in accordance with the Saudi Arabian Labour Laws and using actuarial valuation method. Net obligations, with respect to end of service benefits, to the Company are calculated using the projected unit credit method. Actuarial gains and / or losses on remeasurements are recognized in full in the period in which they occur in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

Discounting adjustments are calculated by applying a discount rate on the basis of time value of money to the net defined liability. The Company recognizes the following changes in the net defined benefit obligation in 'Salaries and employee related benefits' under 'General and administrative' in the statement of profit or loss and other comprehensive income:

- Service costs comprising current services cost, past-service cost, gain and losses on curtailments and non-routine settlement, and
- Net adjustment for discounting of the obligation

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

n) End of service benefits liability (continued)

The Company is also required to contribute towards a state-owned benefit plan where the Company's obligation under the plan is to make specified monthly contribution based on specified percentage of payroll cost as stipulated under the regulation. These contributions are recognized as an expense when employees have rendered the service entitling them to the contributions. Any unpaid amounts are classified as accruals.

A liability is also recognized for benefits accruing to the employees in respect of wages and salaries, annual leaves, and other related benefits in the period the related services are rendered at the undiscounted amount of the benefits expected to be paid and are classified as accruals.

o) Statutory reserve

As per the requirements of the Regulations for Companies in the Kingdom of Saudi Arabia and the Company's By-laws, the Company has established a statutory reserve by the appropriation of at least 10% of the net income until the reserve equal to 30% of the share capital. This reserve is not available for distribution. The new Regulations for Companies which is effective from 19 January 2023 does not require to establish a mandatory statutory reserve and allows the Company to decide on the required reserves which must be specified in the relevant Company By-Laws.

p) Revenue recognition

Ijara income is recognized in profit or loss using the effective profit method. The 'effective profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortized cost of the financial instrument.

When calculating the effective profit rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective profit rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective profit rate includes transaction costs and fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Fee income and commission fees earned for Ijara receivables are recognised as an adjustment to the effective profit rate on these receivables. When it is unlikely that receivables will continue to be held by the Company, such fees are recognised in the statement of profit or loss in the year in which the receivables no longer continue to exist in the financial statements.

Servicing income is recognized as the related services are performed and performance obligations are achieved as point-in-time.

q) Expenses

Selling and marketing expenses are those that specifically relate to sales and marketing. All other expenses are classified as general and administrative expenses.

r) Foreign currencies

Transactions denominated in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position. All differences are taken to the statement of profit or loss. Gains or losses on foreign currency transactions are included in the statement of comprehensive income during the year.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

s) *Zakat*

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax, and as such no deferred tax is calculated relating to Zakat.

t) *Value added tax*

Revenue, expenses, assets and liabilities are recognized net of the amount of value added tax, except:

- when the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4. CASH AND CASH EQUIVALENTS

		2024	2023
Cash at banks – current accounts		55,335	24,193
Murabaha deposits	4.1	90,000	-
		<u>145,335</u>	<u>24,193</u>

- 4.1 Murabaha deposits are placed with a local financial institution with an original maturity of three months or less from date of acquisition and carry a profit at the prevailing market rates.

5. IJARA RECEIVABLES, NET

	Notes	2024	2023
Gross Ijara receivables		3,431,054	4,183,743
Less: Unearned income		<u>(1,357,305)</u>	<u>(1,581,795)</u>
	5.1	2,073,749	2,601,948
Less: allowance for expected credit losses (ECL)	5.3	<u>(26,847)</u>	<u>(28,352)</u>
Ijara receivables, net		<u>2,046,902</u>	<u>2,573,596</u>

- 5.1 The credit quality of Ijara receivables is as follows:

	2024	2023
Neither past due nor impaired	1,763,684	2,276,667
Past due but not impaired	212,718	217,609
Impaired	97,347	107,672
	<u>2,073,749</u>	<u>2,601,948</u>

Ageing of past due but not impaired instalments and the related balances of Ijara receivables are as follows:

	2024		2023
	Ijara receivables	Past due instalments	Ijara receivables
01 – 30 days	146,934	1,521	2,222
31 – 60 days	64,269	595	143,778
61 – 90 days	1,515	11	71,609
Total	<u>212,718</u>	<u>2,127</u>	<u>217,609</u>
			<u>3,079</u>

Ijara receivable, net include accrued markup receivable amounting to SR 26.49 million (31 December 2023: SR 28.24 million).

Classification : Confidential

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

5. IJARA RECEIVABLES, NET (CONTINUED)

5.2 The average fair values of collateral, based on the appraisal at the time of origination of the financial assets, held by the Company by each category are as follows:

	<u>2024</u>	<u>2023</u>
Current	2,388,746	3,056,539
01 – 30 days	186,405	2,540
31 – 60 days	78,047	185,781
61 – 90 days	1,775	86,508
More than 90 days	106,758	124,124
	<u>2,761,731</u>	<u>3,455,492</u>

The valuation techniques used to determine the fair value of collateral included a combination of the cost and market approach and were done by independent external evaluators on the approved panel of the Company.

Title deeds of real estate properties financed by the Company are registered in the name of the Company, except for those which are under the Ministry of Housing for which title deeds will be transferred upon payment by the Company.

5.3 The movement of the impairment allowance for credit losses for the year ended 31 December 2024 is as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	28,352	21,385
(Reversal) / charge for the year	(1,073)	9,332
Write-off during the year	(432)	(2,365)
	<u>(1,505)</u>	<u>6,967</u>
Closing balance	<u>26,847</u>	<u>28,352</u>

5.4 The table below stratifies credit exposures from Ijara receivables into ranges of receivables to value ratio. At the time of origination, Ijara receivables to value ratio is calculated by dividing the gross amount of the financing by the fair value of the underlying property. The gross amount of financing used in calculating this ratio excludes unearned income and any impairment allowance.

	<u>2024</u>	<u>2023</u>
Less than 50%	91,378	57,552
51 - 70%	181,528	226,001
71 - 85%	720,762	637,115
More than 85%	1,080,081	1,681,280
Total Exposure	<u>2,073,749</u>	<u>2,601,948</u>

BIDAYA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in '000 Saudi Riyals)

5. IJARA RECEIVABLES, NET (CONTINUED)

5.5 The credit exposure from Ijara receivable is classified as under:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
31 December 2024				
Ijara receivables	237,503	697,604	2,495,947	3,431,054
Unearned income	(143,428)	(378,075)	(835,802)	(1,357,305)
	<u>94,075</u>	<u>319,529</u>	<u>1,660,145</u>	<u>2,073,749</u>
Allowance for credit losses				(26,847)
				<u>2,046,902</u>
31 December 2023				
Ijara receivables	269,467	784,661	3,129,615	4,183,743
Unearned income	(172,968)	(440,235)	(968,592)	(1,581,795)
	<u>96,499</u>	<u>344,426</u>	<u>2,161,023</u>	<u>2,601,948</u>
Allowance for credit losses				(28,352)
				<u>2,573,596</u>

5.6 The Company's implicit rate of return on leases ranges from 3.97% to 23.18% (31 December 2023: 3.97% to 16.74%). Tenors of Ijara receivables range from five to thirty years.

During the year, the Company sold receivables amounting to SR 936.94 million (31 December 2023: SR 582.31 million) to Saudi Real Estate Refinance Company and are being serviced by the Company.

6. MURABAHA RECEIVABLES, NET

	Notes	2024	2023
Gross Murabaha receivables		711,098	141,531
Less: Unearned income		(149,387)	(34,863)
	6.1	<u>561,711</u>	<u>106,668</u>
Less: allowance for expected credit losses (ECL)	6.2	(1,460)	(563)
Murabaha receivables, net		<u>560,251</u>	<u>106,105</u>

6.1 The credit quality of Murabaha receivables is as follows:

	2024	2023
Neither past due nor impaired	530,608	106,668
Past due but not impaired	31,103	--
Impaired	--	--
	<u>561,711</u>	<u>106,668</u>

Murabaha receivables, net include accrued markup receivable amounting to SR 10.15 million (31 December 2023: SR 3.12 million).

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6. MURAHABA RECEIVABLES, NET (CONTINUED)

6.2 The movement of the impairment allowance for credit losses for the year ended 31 December 2024 is as follows:

	2024	2023
Beginning balance	563	--
Charge for the year	897	563
Write-off during the year	--	--
	897	563
Closing balance	1,460	563

6.3 The credit exposure from Murabaha receivables is classified as under:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
31 December 2024				
Murabaha receivables	121,863	575,451	13,784	711,098
Unearned income	(52,810)	(91,803)	(4,774)	(149,387)
	69,053	483,648	9,010	561,711
Allowance for credit losses				(1,460)
				560,251
31 December 2023				
Murabaha receivables	23,293	112,274	5,964	141,531
Unearned income	(14,152)	(19,327)	(1,384)	(34,863)
	9,141	92,947	4,580	106,668
Allowance for credit losses				(563)
				106,105

6.4 The Company's implicit rate of return on facilities ranges from 9.17% to 10.81% (31 December 2023 9.83% to 10.81%). Tenors of receivables ranges up to ten years.

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES, NET

	Notes	2024	2023
Properties held for sale	7.1	70,074	38,769
VAT receivable from MOMRAH and ZATCA, net	7.2	36,336	36,099
Other receivables, net		20,910	26,668
Deferred Sales Commission		10,603	11,046
Deposits and Prepayments		9,575	6,424
Value Added Tax (VAT)		3,552	4,039
Certified bank cheques	7.3	--	30,537
		151,050	153,582

7.1 This represents real estate repossessed by the Company, in the ordinary course of business, against settlement of Ijara receivable balances. The net charge for the expected credit loss includes SR 2.08 million (31 December 2023: SR 6.51 million) loss recognized upon the recognition of these assets.

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES, NET (CONTINUED)

7.2 This includes the receivable from Ministry of Municipalities and Housing amounting to SR 9.80 million (31 December 2023: SR 9.80 million) and ZATCA amounting to SR 33.2 million (31 December 2023: SR 33.2 million) against the VAT paid by the Company on the portion of Ijara financing originated subject to VAT relief for first home buyers. During the year 2023, the Company submitted all VAT claims to ZATCA including supporting documents, the claims are still under review by ZATCA

The movement of the impairment allowance for credit losses for the year ended 31 December 2024 is as follows:

	2024	2023
Beginning balance	5,512	5,706
Charge / (reversal) for the year, net	1,152	(194)
Closing balance	6,664	5,512

7.3 This amount represents certified bank cheques issued by the Company against approved Murabaha financing contracts and where the transfer of title deeds was in process as at 31 December 2024 (31 December 2023: SR 30.54 million).

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2024	2023
Right to Use Asset:		
As at 1 January	3,036	4,692
Additions during the year	1,302	--
Depreciation for the year	(1,905)	(1,656)
As at 31 December	2,433	3,036
Lease Liabilities:		
As at 1 January	2,486	4,172
Additions during the year	1,302	--
Lease payments for the year	(2,151)	(1,813)
Finance charge for the year	203	127
As at 31 December	1,840	2,486

9. INTANGIBLE ASSETS, NET

	2024	2023
	Computer Software	
Cost:		
As at 1 January	20,702	18,426
Additions during the year	5,240	2,276
As at 31 December	25,942	20,702
Amortization:		
As at 1 January	14,186	11,621
Charge for the year	2,148	2,565
As at 31 December	16,334	14,186
Net book value as at 31 December	9,608	6,516

Computer software include work-in-progress amounting to SAR 3.87 million as at 31 December 2024 (31 December 2023: 1.92 million).

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10. PROPERTY AND EQUIPMENT, NET

	31 December 2024				
	Leasehold improvements	Office equipment	Furniture and fixtures	Computer equipment	Vehicles
Cost:					
As at 1 January	4,165	469	916	9,646	385
Additions	1,828	109	285	554	--
As at 31 December	5,993	578	1,201	10,200	385
					Total
					15,581
					2,776
					18,357
Accumulated depreciation:					
As at 1 January	3,154	319	887	7,913	360
Charge for the year	485	52	39	766	25
As at 31 December	3,639	371	926	8,679	385
Net book value as at 31 December 2024	2,354	207	275	1,521	--
					12,633
					1,367
					14,000
					4,357

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10. PROPERTY AND EQUIPMENT, NET (CONTINUED)

	31 December 2023				
	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Computer equipment</u>	<u>Vehicles</u>
Cost:					<u>Total</u>
As at 1 January	4,144	353	912	9,216	15,010
Additions	21	116	4	430	571
As at 31 December	<u>4,165</u>	<u>469</u>	<u>916</u>	<u>9,646</u>	<u>15,581</u>
Accumulated depreciation:					
As at 1 January	2,725	276	863	7,016	11,157
Charge for the year	429	43	24	897	1,476
As at 31 December	<u>3,154</u>	<u>319</u>	<u>887</u>	<u>7,913</u>	<u>12,633</u>
Net book value as at 31 December 2023	<u>1,011</u>	<u>150</u>	<u>29</u>	<u>1,733</u>	<u>2,948</u>

11. FINANCING FACILITIES - SECURED

These represents financing amounts obtained from local commercial banks based in the Kingdom of Saudi Arabia with accrued balance amounting to SAR 1,046.33 million (31 December 2023: SAR 1,275.83 million), Real Estate Development Fund ('REDF') amounting to SAR 202.55 million (31 December 2023: SAR nil), and Saudi Real Estate Refinance Company ("SRC") amounting to SAR 659.67 million (31 December 2023: SAR 607.25 million) under Islamic financing approved by Shari'ah Supervisory Committee. These financings are secured by the assignment of proceeds from Ijara receivables. These financing are revolving in nature and carry markup at commercial market rates.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>Notes</i>	31 December 2024	31 December 2023
Payable to Ministry of Housing (MOH)	<i>12.1</i>	78,179	80,387
Accounts payable		22,940	44,217
Accrued expenses		11,524	13,071
Deferred management fees		13,795	10,203
Deferred commission income		5,633	8,943
Downpayment against Ijara financing	<i>12.2</i>	5,811	5,957
Directors' remuneration and meeting expenses	<i>19</i>	2,630	2,918
		140,512	165,696

12.1 This includes balances payable to MOH in relation to purchase of properties which are financed to Ijara receivables customers and are being serviced by the Company.

12.2 This pertains to down payment received by the Company against Ijara financing not executed as at the statement of financial position date.

13. ZAKAT

	2024	2023
Opening balance	1,717	625
Charge for the year	228	1,092
Zakat paid	(1,065)	--
Closing balance	880	1,717

During the year ended 31 December 2024, the Company filed its zakat declarations up until 31 December 2023, and acknowledgment certificates have been obtained. The Company is in the process of submitting its Zakat declaration with Zakat, Tax and Custom Authority (ZATCA) for the year ended 31 December 2024.

ZATCA conducted a review for the year 2019 and is still under assessment.

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14. SHARE CAPITAL

As at 31 December 2024, the authorized, issued and fully paid-up share capital of the Company was SR 900 million (31 December 2023: SR 900 million) divided into 90 million shares with a nominal value of SR 10 each, which is owned by the shareholders as follows:

<u>Name of shareholders</u>	<u>31 December 2024</u>			<u>31 December 2023</u>		
	<u>Number of shares '000</u>	<u>Holding %</u>	<u>Amount SAR'000</u>	<u>Number of shares '000</u>	<u>Holding %</u>	<u>Amount SAR'000</u>
Public Investment Fund	20,000	22.2	200,000	20,000	22.2	200,000
Rashed & his Partner's for Development (RECO)	15,300	17.0	153,000	15,300	17.0	153,000
Islamic Corporation for the Development of the Private Sector	10,000	11.1	100,000	10,000	11.1	100,000
Manafea International	10,000	11.1	100,000	10,000	11.1	100,000
The Arab Investment Company	10,000	11.1	100,000	10,000	11.1	100,000
Al Othaim Holding	10,000	11.1	100,000	10,000	11.1	100,000
Wasl Investment Company	2,507	2.9	25,070	2,473	2.8	24,730
El Khereji Investments Company	2,000	2.2	20,000	2,000	2.2	20,000
Mohammad Bin AbdulAziz						
Al Rajhi & Sons	2,000	2.2	20,000	2,000	2.2	20,000
Ladun Investment	--	--	--	2,458	2.8	24,580
Shumou Investment Company	1,748	1.9	17,480	1,748	1.9	17,480
Abdullah Hamad Al Hamad	1,458	1.7	14,580	--	--	--
Jawahir Investment Company	1,500	1.7	15,000	1,500	1.7	15,000
AbdulAziz Abdullah Al Kharji	1,200	1.3	12,000	1,200	1.3	12,000
Abdulrahman Salih Abdullah Alunayan	1,000	1.1	10,000	--	--	--
Omair Abdulaziz AlOmair	660	0.7	6,600	1,321	1.5	13,210
Mohammed Abdulaziz Alnamlah						
	627	0.7	6,270	--	--	--
	<u>90,000</u>	<u>100</u>	<u>900,000</u>	<u>90,000</u>	<u>100</u>	<u>900,000</u>

15. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2024</u>	<u>2023</u>
Salaries and employee related benefits	56,963	47,749
Professional fees	4,626	6,531
Directors' remuneration and meeting expenses (note 19)	2,609	3,976
IT expenses	5,542	3,345
Rent and premises related expenses	1,260	1,214
Other expenses	17,934	14,840
	<u>88,934</u>	<u>77,655</u>

16. SELLING AND MARKETING EXPENSES

	<u>2024</u>	<u>2023</u>
Lease property evaluation and takaful expenses	10,595	17,792
Salaries and employee related expenses	10,356	8,162
Advertising and marketing expenses	1,234	1,745
	<u>22,185</u>	<u>27,699</u>

Classification : Confidential

17. END OF SERVICE BENEFITS LIABILITY

The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2024	2023
Defined benefit obligation at the beginning of the year	5,604	4,554
Benefits expense	1,061	2,201
Unrecognized actuarial loss	317	--
Benefits paid	(771)	(1,151)
Defined benefit obligation at the end of the year	6,211	5,604

The amounts charged to the statements of profit or loss and comprehensive income for the year are as follows:

	2024	2023
Current service cost	920	1,929
Past service cost	(3)	--
Discounting cost	144	272
	1,061	2,201

Re-measurement recognised in Other comprehensive income

	2024	2023
Loss from change in experience assumptions	120	--
Loss from change in financial assumptions	197	--
	317	--

Principal actuarial assumptions (in respect of the employee benefit scheme)

	2024	2023
Discount rate	5.50%	4.90%
Expected rate of salary increase for 2 years	3%	3%
Expected rate of salary increase for thereafter	4%	4%

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region.

Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the Defined Benefit Obligation valuation as at 31 December 2024 and 2023 to the following actuarial assumptions:

	2024	2023
Discount rate, +1%	5,850	5,285
Discount rate, -1%	6,613	5,960
Expected rate of salary increase, +1%	6,647	5,988
Expected rate of salary increase, -1%	5,812	5,254

18. EARNINGS PER SHARE – BASIC & DILUTED

Earnings per share is calculated by dividing net profit for the year after zakat by the weighted average number of shares (90 million shares) in issue during the year. The diluted earnings per share is same as the basic earnings per share.

19. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the shareholders and their affiliated entities and certain key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include the Chief Executive Officer (“CEO”) and the personnel directly reporting to CEO.

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the year are as follows:

<u>Name of related parties</u>	<u>Nature of transactions</u>	<u>2024</u>	<u>2023</u>
Key Management Personnel	- Salaries and benefits	<u>9,381</u>	<u>7,674</u>
	- Provision for end of service employees' benefits	<u>53</u>	<u>(358)</u>
	- Directors' remuneration and meeting expenses	<u>2,609</u>	<u>3,345</u>
<u>Name of related parties</u>	<u>Balance at the end of the year</u>	<u>2024</u>	<u>2023</u>
Key Management Personnel	- Provision for end of service employees' benefits	<u>1,351</u>	<u>1,298</u>
	- Directors' remuneration and meeting expenses	<u>2,630</u>	<u>2,918</u>

20. CONTINGENCIES AND COMMITMENTS

Contingent liabilities and Commitments

The Company has facilities approved but not utilized, indicative offers issued which are under consideration of the customers and due diligence in progress as of the reporting date which have the potential to convert into financing, amounting to SR 14.03 million (31 December 2023: SR 10.07 million).

At the end of the year, the Company has commitments of SR 70.87 million against forward Ijara tranches payable to the developers of the properties (31 December 2023: SAR 107.68 million).

21. RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Credit and Risk Management Committee, which has the responsibility to monitor the overall risk process within the Company.

The Credit and Risk Management Committee is responsible for managing risk decisions, monitoring risk levels and reporting on a quarterly basis to the Board of Directors.

Credit risk

The Company manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in financing activities that lead to Ijara receivables and Murabaha receivables. The lessees may fail to discharge their contractual obligations for a variety of reasons including change in customer circumstances or a change in value of the underlying collateral. The Company has established procedures to identify and manage credit risk including evaluation of lessees' credit worthiness, formal credit approvals and obtaining collateral. Credit risk is identified and managed at inception of the lease contract as well as on an ongoing basis.

Management monitors the market value of collateral obtained during its review of the adequacy of the impairment allowance for credit losses. The Company regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The table below reflects the maximum exposure to credit risk on the financial assets at the reporting date:

	2024	2023
Cash and cash equivalents	145,335	24,193
Ijara receivables, net	2,073,749	2,601,948
Murabaha receivables, net	561,711	106,668
Deposits and other receivables	131,532	139,059
	<u>2,912,327</u>	<u>2,871,868</u>

The credit risks on gross amounts due in relation to the Ijara receivables which pertain to the customer is mitigated at inception of the financing by assessing the customers' credit worthiness as well as the ability of the customer to meet contractual obligations in the future. In addition to this the Company makes use of certain guarantees and takafuls available in the market should any customer in the future fail to meet their contractual obligations. The Company also obtains collateral against Ijara receivables

In assessing a customer's ability to meet their contractual obligations a number of factors are considered including the customers' monthly income, past credit behavior, monthly outgoings and financial commitment to other parties. The Company also recognizes that individual circumstances may change through the term of the lease and, as far as possible, avails itself of additional credit enhancements where these are available. This includes:

- Takaful cover on death or disability of the customer which will settle a portion of the outstanding obligation. The Company ensures all customers are covered by Takaful.
- Mortgage Guarantee Scheme (MGS) available on qualifying customers which will pay 80% of the unpaid principal balance following 90-day default by the customer.
- Subsidised Financing Programme (SFP) available on qualifying customers which subsidises a portion of their ongoing monthly commitments and drives continued good credit behavior by the customer.
- Down Payment Guarantee Scheme (DPG), which provides qualifying customers with a portion of the down payment required to qualify for financing. This enhances the customers' ability to pay contractual obligations in the future, as less of their own resources are absorbed by the down payment.

21. RISK MANAGEMENT

The portion of Ijara receivables covered by the above credit enhancement tools is as follows:

	2024	2023
Mortgage Guarantee Scheme	335,695	438,355
Down Payment Guarantee Scheme	101,106	188,519
Covered by one or more of above	492,795	574,335

In assessing the value of collateral which will be relied on to settle unpaid obligations following default by the customer, the Company obtains an independent view of the value of the collateral from a minimum of two suitably qualified, and unconnected, appraisers. The Company also considers the actual price paid by the customer and utilizes a combination of all three to derive a considered value for each property. The Company then advances financing up to a certain value of the considered value, taking into account its overall assessment of credit risk.

In monitoring ongoing credit risk, the Company follows a credit classification mechanism, as a tool to manage the quality of credit risk of the financed Ijara and Murabaha. The credit classification differentiates between performing and impaired portfolios and allocates provisions accordingly.

i. Credit quality analysis

The following table sets out information about the credit quality of Ijara and Murabaha receivables measured at amortized cost and accrued Ijara and Murabaha income as at 31 December 2024. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

31 December 2024			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	1,910,618	8,650	1,901,968
Total	1,910,618	8,650	1,901,968
31 December 2023			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	2,268,864	7,507	2,261,357
Total	2,268,864	7,507	2,261,357
31 December 2024			
Lifetime ECL (not credit impaired)			
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated			
Total	65,784	717	65,067

21. RISK MANAGEMENT (CONTINUED)

	31 December 2023		
	Lifetime ECL (not credit impaired)		
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated	215,386	7,028	208,358
Total	215,386	7,028	208,358
	31 December 2024		
	Lifetime ECL (credit impaired)		
	Stage 3 Gross carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net carrying amounts
Ijara receivables			
Unrated			
Total	97,347	17,480	79,867
	31 December 2023		
	Lifetime ECL (credit impaired)		
	Stage 3 Gross carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net carrying amounts
Ijara receivables			
Unrated	117,698	13,817	103,881
Total	117,698	13,817	103,881
	31 December 2024		
	12 month ECL		
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Murabaha receivables			
Unrated			
Total	561,711	1,460	560,251
	31 December 2023		
	12 month ECL		
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Murabaha receivables			
Unrated	141,531	563	140,698
Total	141,531	563	140,698

ii. Amount arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

21. RISK MANAGEMENT (CONTINUED)

iii. Generating the term structure of PD

The Company employs statistical models to analyze historical performance and default information to generate PD estimates, including how these estimates are expected to change with the passage of time. Statistical models are employed for the Company's Ijara receivables exposures, whereby the primary inputs are days past due (DPD). In addition, the Company incorporates forward-looking information into generating forward-looking PDs. Based on external actual and forecasted data, the Company's analysis takes into account the identification and calibration of relationships between default rates and country-specific macroeconomic information.

iv. Determining whether credit risk has increased significantly

The Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due, except in case of rebuttal. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the customer.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due.

iv. Determining whether credit risk has increased significantly

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below: -

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognizes an allowance based on the 12-month ECL and profit is calculated on the gross carrying amount of the asset (i.e. without deduction of credit allowances. All accounts at origination would be classified as Stage 1.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition, but they are not credit-impaired (i.e. there is no objective evidence of impairment), the Company recognises an allowance for the lifetime ECL.

With respect to the portfolio held by the Company, all the exposures are moved to stage 2 where the customer is Days Past Due (DPD) 30 days or more (Principal or profit payments) as of 31 December 2024.

Stage 3: for credit-impaired (i.e. there is objective evidence of impairment at reporting date) financial instruments, the Company recognises the lifetime ECL. Default identification process i.e. DPD of 90 days more (obligors already defaulted) is used as stage 3.

v. Modified financial assets

The contractual terms of Ijara receivables may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized, and the renegotiated financing recognized as a new financing at fair value, in accordance with the accounting policy.

21. RISK MANAGEMENT (CONTINUED)

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Company renegotiates Ijara receivables to customers in financial difficulties (referred to as 'forbearance activities' to maximize collection opportunities and minimize the risk of default. Under the Company's forbearance policy, forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity or changing the timing of profit payments.

vi. Definition of 'Default'

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security; or
- the customer is past due more than 90 days on any material credit obligation to the Company.

vii. Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Company Management Committee and economic experts, and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated.

Relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2024 included the following key economic data points:

- Unemployment rates
- Inflation
- GDP growth
- Government spending

21. RISK MANAGEMENT (CONTINUED)

Probability weightings

The Company considered the probability weightings to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Company's credit portfolios in determining them.

The Company has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

Economic Indicators	Forecast calendar years used in 2024 ECL model		Forecast calendar years used in 2023 ECL model	
	2025	2026	2024	2025
GDP	5.3	5.3	0.8	4
Unemployment rate	10.8	10.9	9.4	8.3
Inflation	2.2	2.2	1.6	1.7
Government Spending	5.0	5.1	1.28	1.25

The key inputs into the measurement of ECL are the term structure of the following variables:

- i. probability of default (PD);
- ii. loss given default (LGD);
- iii. exposure at default (EAD)

These parameters are generally derived from internally developed statistical models using historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical models (loss rate estimation method) and assessed to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between DPD buckets, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. Due to the size of the Company's portfolio, there is insufficient historical LGD data to derive statistically reliable LGD estimates. Therefore, the Company benchmarks LGD to regulator guidelines (i.e., 50% for its unsecured exposures). The Company applied a hair cut of 25% for Real Estate Collateral.

Going forward, subject to availability of adequate recovery data, the Company shall revise the LGD estimation methodology in line with IFRS 9 requirements.

Where the exposure is 100% or more collateralized (i.e., the value of the collateral after haircut is equal to or greater than the exposure), the Company imposes a LGD floor (recovery cap) of 5% for Real Estate. Floor is determined based on management judgment.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

Subject to using a minimum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any customers' extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require settlement of the financing.

21. RISK MANAGEMENT (CONTINUED)

Collateral

The Company in the ordinary course of financing activities holds collateral as security to mitigate credit risk in the Ijara receivables. These collaterals mostly include promissory notes and real estate titles. The collaterals are held mainly against Ijara receivables, and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting date, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

Gross carrying amount

The following table explains the changes in gross carrying amount of the Company's Ijara receivables and Murabaha receivables to help explain their significance to the changes in the loss allowance for the same portfolio.

31 December 2024				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Ijara receivables				
Balance at 1 January 2024	2,268,864	215,386	117,698	2,601,948
Transfer to 12-month ECL	130,683	(94,953)	(35,730)	--
Transfer to lifetime ECL not credit impaired	(32,653)	36,870	(4,217)	--
Transfer to lifetime ECL-credit impaired	(21,632)	(24,874)	46,506	--
Financial assets derecognized during the year other than write-offs	(936,946)	--	--	(936,946)
New financial assets originated during the year	502,302	(66,645)	(26,910)	408,747
Balance as at 31 December 2024	1,910,618	65,784	97,347	2,073,749

31 December 2023				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Ijara receivables				
Balance at 1 January 2023	2,309,902	186,873	106,654	2,603,429
Transfer to 12-month ECL	89,804	(67,866)	(21,938)	--
Transfer to lifetime ECL not credit impaired	(94,448)	103,555	(9,107)	--
Transfer to lifetime ECL-credit impaired	(32,207)	(30,999)	63,206	--
Financial assets derecognized during the year other than write-offs	(582,315)	--	--	(582,315)
New financial assets originated during the year	578,128	23,823	(21,117)	580,834
Balance as at 31 December 2023	2,268,864	215,386	117,698	2,601,948

21. RISK MANAGEMENT (CONTINUED)

31 December 2024				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Murabaha receivables				
Balance at 1 January 2024	106,668	--	--	106,668
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	--	--	--	--
Financial assets derecognized during the year other than write-offs	--	--	--	--
New financial assets originated during the year	455,043	--	--	455,043
Balance as at 31 December 2024	561,711	--	--	561,711

31 December 2023				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Murabaha receivables				
Balance at 1 January 2023	--	--	--	--
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	--	--	--	--
Financial assets derecognized during the year other than write-offs	--	--	--	--
New financial assets originated during the year	106,668	--	--	106,668
Balance as at 31 December 2023	106,668	--	--	106,668

Loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowance of Ijara receivables and Murabaha receivables:

31 December 2024				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Ijarah receivables				
Balance at 1 January 2024	7,507	7,028	13,817	28,352
Transfer to 12-month ECL	5,335	(2,976)	(2,359)	--
Transfer to lifetime ECL not credit impaired	(249)	1,053	(804)	--
Transfer to lifetime ECL-credit impaired	(57)	(509)	566	--
Net charge for the year	(3,886)	(3,879)	6,260	(1,505)
Balance as at 31 December 2024	8,650	717	17,480	26,847

21. RISK MANAGEMENT (CONTINUED)

	31 December 2023			
	12 month	Life time ECL	Lifetime	
Ijarah receivables	ECL	not credit	ECL credit	Total
		impaired	impaired	
Balance at 1 January 2023	6,385	5,626	9,374	21,385
Transfer to 12-month ECL	499	(445)	(54)	--
Transfer to lifetime ECL not credit impaired	(3,456)	3,560	(104)	--
Transfer to lifetime ECL-credit impaired	(2,017)	(1,873)	3,890	--
Write off during the year	6,096	160	711	6,967
Balance as at 31 December 2023	7,507	7,028	13,817	28,352

	31 December 2024			
	12 month	Life time ECL	Lifetime	
Murabaha receivables	ECL	not credit	ECL credit	Total
		impaired	impaired	
Balance at 1 January 2024	564	--	--	564
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	--	--	--	--
Net charge for the year	896	--	--	896
Balance as at 31 December 2024	1,460	--	--	1,460

	31 December 2023			
	12 month	Life time ECL	Lifetime	
Murabaha receivables	ECL	not credit	ECL credit	Total
		impaired	impaired	
Balance at 1 January 2023	--	--	--	--
Transfer to 12-month ECL	--	--	--	--
Transfer to lifetime ECL not credit impaired	--	--	--	--
Transfer to lifetime ECL-credit impaired	--	--	--	--
Write off during the year	564	--	--	564
Balance as at 31 December 2023	564	--	--	564

Liquidity risk

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

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21. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The tables below summarize the maturity profile of the Company's financial assets and liabilities on discounted cash flows, on the basis of the remaining contractual maturity as of the statement of financial position date to the contractual maturity date.

31 December 2024	Carrying value	Up to three months	More than three months	More than one and less	Over five years	No fixed maturit	Total
Financial Assets							
Cash and cash equivalents	145,335	--	--	--	--	145,335	145,335
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,073,749	14,992	79,083	319,529	1,660,145	--	2,073,749
Murabaha receivables	561,711	10,214	58,839	483,648	9,010	--	561,711
Deposits and other receivables	131,532	--	131,532	--	--	--	131,532
	2,913,220	25,206	269,454	803,177	1,669,155	146,228	2,913,220
Financial Liabilities							
Financing facilities - secured	1,908,543	524,340	878,053	506,150	--	--	1,908,543
Finance lease liability	1,840	1,059	781	--	--	--	1,840
Accrued expenses and other liabilities	121,083	--	121,083	--	--	--	121,083
	2,031,466	525,399	999,917	506,150	--	--	2,031,466
Gap	881,754	(500,193)	(730,463)	297,027	1,669,155	146,228	881,754

31 December 2023	Carrying value	Up to three months	More than three months and less than	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	24,193	--	--	--	--	24,193	24,193
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,601,948	14,725	158,244	440,235	1,988,744	-	2,601,948
Murabaha receivables	106,668	6,450	8,910	91,308	--	--	106,668
Deposits and other receivables	139,059	--	104,791	--	--	34,268	139,059
	2,872,761	21,175	271,945	531,543	1,988,744	59,354	2,872,761
Financial Liabilities							
Financing facilities - secured	1,833,084	320,155	1,209,504	303,425	--	--	1,833,084
Finance lease liability	2,486	--	907	1,579	--	--	2,486
Accrued expenses and other liabilities	146,550	--	--	146,550	--	--	146,550
	1,982,120	320,155	1,210,411	451,554	--	-	1,982,120
Gap	890,641	(298,980)	(938,466)	79,989	1,988,744	59,354	890,641

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21. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The following table discloses the maturity of financial liabilities on undiscounted cash flows:

	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2024						
Financing facilities -secured	1,908,543	524,340	878,053	506,150	--	1,908,543
Finance lease liability	1,840	1,059	781	--	--	1,840
Accrued expenses and other liabilities	121,083	--	121,083	--	--	121,083
Total	2,031,466	525,399	999,917	506,150	--	2,031,466

	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2023						
Financing facilities -secured	1,833,084	297,746	1,209,504	303,425	--	1,810,675
Finance lease liability	2,486	--	1,813	673	--	2,486
Accrued expenses and other liabilities	146,550	21,946	124,604	--	--	146,550
Total	1,982,120	319,692	1,335,921	304,098	-	1,959,711

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in market variables such as special commission rates and foreign exchange rates. Market risk can be categorized into profit rate risk, equity price risk and currency risk as follows:

Profit rate risk

Profit rate risk is the uncertainty of future earnings resulting from fluctuations in profit rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to profit rate adjustment within a specified year. The most important source of such rate risk at the date in the statement of financial position are the Company's Ijara receivables and Murabaha receivables, where fluctuations in profit rates, if any, are reflected in the results of operations.

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21. RISK MANAGEMENT (CONTINUED)

The following table depicts the sensitivity to a reasonably possible change in profit rates, with other variables held constant, on the Company's profit or loss. The sensitivity of income is the effect of the assumed changes in profit rates on the Ijara income for one year, based on the floating rate non-trading financial assets.

Currency (SR'000)	Increase in basis points	Sensitivity of profit or loss	Up to three months	More than three months and up to one year	More than one year and up to five years	Over five years
31 December 2024	+/- 25	3,394	122	237	945	2,090
31 December 2023	+/- 25	2,911	28	242	825	1,816

The Company is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-priced in a given year.

The table below summarises the Company's exposure to profit rate risks. Included in the table are the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

31 December 2024	Carrying value	Up to three months	More than three months and less than five years	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	145,335	--	--	--	--	145,335	145,335
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,073,749	612,768	1,460,981	--	--	--	2,073,749
Murabaha receivables	561,711	56,551	505,160	--	--	--	561,711
Deposits and other receivables	131,532	--	--	--	--	131,532	131,532
	2,913,220	669,319	1,966,141	--	--	277,760	2,913,220
Financial Liabilities							
Financing facilities - secured	1,908,543	524,341	1,384,202	--	--	--	1,908,543
Finance lease liability	1,840	--	--	--	--	1,840	1,840
Accrued expenses and other liabilities	121,083	--	--	--	--	121,083	121,083
	2,031,466	524,341	1,384,202	--	--	122,923	2,031,466
Gap	881,754	144,978	581,939	--	--	154,837	881,754

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21. RISK MANAGEMENT (CONTINUED)

31 December 2023	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	24,193	--	--	--	--	24,193	24,193
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,601,948	602,451	1,999,497	--	--	--	2,601,948
Murabaha receivables	106,668	--	106,668	--	--	--	106,668
Deposits and other receivables	139,059	--	--	--	--	139,059	139,059
	2,872,761	602,451	2,106,165	--	--	164,145	2,872,761
Financial Liabilities							
Financing facilities - secured	1,833,084	857,084	976,000	--	--	--	1,833,084
Finance lease liability	2,486	--	--	--	--	2,486	2,486
Accrued expenses and other liabilities	146,550	--	--	--	--	146,550	146,550
	1,982,120	857,084	976,000	--	--	149,036	1,982,0120
Gap	890,641	(254,633)	1,130,165	--	--	15,109	890,641

Equity Price Risk

Equity risk refers to the risk of a decrease in fair values of equities in the Company's non-trading investment portfolio as a result of reasonably possible changes in levels of equity indices and the value of individual stocks.

The Company is not exposed to significant equity price risk as it does not hold material investments in equity securities other than shares in SIJIL.

Currency risk

Currency risk is the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company is not exposed to significant currency risk as most of its transactions are in the local currency.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash at banks, Ijarah receivables, Murabaha receivables, investments held at FVOCI, deposits and other receivables. Financial liabilities consist of financing facilities-secured, lease liabilities and accrued expenses and other liabilities payable.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy:

		31 December 2024			
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>					
Investments at FVOCI	893	--	--	893	893
		31 December 2023			
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>					
Investments at FVOCI	893	--	--	893	893

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22. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2024				
<u>Financial assets not measured at fair value</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	145,335	--	--	145,335	145,335
Ijara receivables, net	2,073,749	--	--	1,718,277	1,718,277
Murabaha receivables	561,711	--	--	535,712	535,712
Deposits and other receivables	131,532	--	--	131,532	131,532
	2,912,327	--	--	2,530,856	2,530,856

	31 December 2023				
<u>Financial assets not measured at fair value</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	24,193	24,193	--	--	24,193
Ijara receivables, net	2,601,948	--	--	2,591,607	2,591,607
Murabaha receivables	106,668	--	--	100,156	100,156
Deposits and other receivables	139,059	--	--	139,059	139,059
	2,871,868	24,193	--	2,830,822	2,855,015

	31 December 2024				
<u>Financial liabilities not measured at fair value</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financing facilities - secured	1,908,543	--	--	1,908,543	1,908,543
Finance lease liability	1,840	--	--	1,840	1,840
Accrued expenses and other liabilities	121,083	--	--	121,083	121,083
	2,031,466	--	--	2,031,466	2,031,466

	31 December 2023				
<u>Financial liabilities not measured at fair value</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financing facilities - secured	1,833,084	--	--	1,833,084	1,833,084
Finance lease liability	2,486	--	--	2,486	2,486
Accrued expenses and other liabilities	146,550	--	--	146,550	146,550
	1,982,120	--	--	1,982,120	1,982,120

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy.

	<u>Opening</u>	<u>Purchase</u>	<u>Sale</u>	<u>Closing</u>
2024	893	--	--	893
2023	893	--	--	893

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity Analysis

For the fair value of level 3 investments, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	2024	2023
Investments held at fair value through income statement		
Impact on unrealized gain for the year ended:		
<i>If increased by 1%</i>	9	9
<i>If decreased by 1%</i>	9	9

The fair value of Ijara receivables is based on actual cash flows discounted by the average year end internal rate of return and is not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, hence the fair value of Ijara receivables is classified under level 3.

During the year ended 31 December 2024, there were no transfers into or out of Level 3.

23. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with the advantages afforded by a sound capital position.

24. SEGMENT INFORMATION

The Company's objective is to provide financing for real estate leases in the Kingdom of Saudi Arabia. All assets, liabilities and operations as reflected in the statement of financial position and statement of profit or loss belongs to the real estate financing segment.

25. SUBSEQUENT EVENTS

No material events occurred after the reporting date that require adjustment or need to be disclosed in the financial statements.

26. COMPARATIVE INFORMATION

Certain prior period figures have been reclassified to conform to current period presentation, which are not material in nature to the financial statements.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved for issue by the Board of Directors on 26 February 2025 (corresponding to 27 Shaban 1446).

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2023

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2023

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

To the shareholders
Bidaya Finance Company
(formerly known as Bidaya Home Finance Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bidaya Finance Company (formerly known as Bidaya Home Finance Company) ("the Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, which includes material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia ("the Code"), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the shareholders of Bidaya Finance Company (Continued)**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia



Mohammed Abdulrazzaq Morya
License No. 494
Sha'ban 22, 1445H
March 3, 2024

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

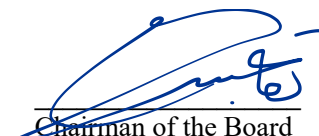
		31 December 2022 (Restated – note 25)	1 January 2022 (Restated – note 25)
	<u>Notes</u>	<u>31 December 2023</u>	
<u>ASSETS</u>			
Cash and cash equivalents		24,193	48,403
Investments held at fair value through other comprehensive income ("FVOCI")		893	893
Ijara receivables, net	4	2,573,596	2,582,044
Murabaha receivables, net	5	106,105	--
Deposits, prepayments and other receivables, net	6	153,582	119,901
Right-of-use assets	7	3,036	4,692
Intangible assets, net	8	6,516	6,805
Property and equipment, net	9	2,948	3,853
Total assets		<u>2,870,869</u>	<u>2,766,591</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Financing facilities – secured	10	1,833,084	1,250,659
Sukuk	11	--	451,901
Lease liabilities	7	2,486	4,172
Accrued expenses and other liabilities	12	165,696	146,917
Zakat payable	13	1,717	625
Provision for employees' end of service benefits		5,604	4,554
Total liabilities		<u>2,008,587</u>	<u>1,858,828</u>
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	14	900,000	900,000
Statutory reserve		8,008	8,008
Accumulated losses		(45,726)	(245)
Total shareholders' equity		<u>862,282</u>	<u>907,763</u>
Total liabilities and shareholders' equity		<u>2,870,869</u>	<u>2,635,052</u>



Chief Financial Officer



Chief Executive Officer



Chairman of the Board

The attached notes 1 to 26 form an integral part of these financial statements.

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

		For the year ended 31 December 2022 (Restated – note 25)
	For the year ended 31 December 2023	
<i>Notes</i>		
<u>REVENUE</u>		
Ijara income	181,838	155,932
Murabaha income	3,341	--
Fees income	9,320	8,843
Servicing income	11,945	11,447
Gain on sale of portfolios	5,762	4,387
Total revenue	212,206	180,609
<u>OPERATING EXPENSES</u>		
General and administrative expenses	15 (77,655)	(74,098)
Selling and marketing expenses	16 (27,699)	(18,582)
Depreciation	7, 9 (3,132)	(3,336)
Amortization	8 (2,565)	(2,272)
Finance charges	(132,338)	(61,845)
Total operating expenses	(243,389)	(160,133)
Net operating (loss) / income for the year	(31,183)	20,476
Charge for expected credit losses and write-offs, net	4, 5, 6 (14,040)	(4,287)
Other income	834	1,182
(Loss) / profit before Zakat for the year	(44,389)	17,371
Zakat charge for the year	13 (1,092)	(3,150)
(Loss) / profit after Zakat for the year	(45,481)	14,221
Other comprehensive income for the year	--	--
Total comprehensive (loss) / income for the year	(45,481)	14,221
Earnings per share – basic and diluted (in SR)	17 (0.05)	0.02



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BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

	Share capital	Statutory reserve	(Accumulated losses)	Total
Balance as at 1 January 2023	900,000	8,008	(245)	907,763
Loss for the year	--	--	(45,481)	(45,481)
Other comprehensive income	--	--	--	--
Total comprehensive income	--	--	--	--
Balance as at 31 December 2023	900,000	8,008	(45,726)	862,282

Balance as at 1 January 2022 (amounts as previously stated)	900,000	6,586	(5,372)	901,214
Prior year adjustment (note 25)	--	--	(7,672)	(7,672)
Balance as at 1 January 2022 (amounts restated)	900,000	6,586	(13,044)	893,542
Profit for the year (restated – note 25)	--	--	14,221	14,221
Other comprehensive income	--	--	--	--
Total comprehensive income	900,000	--	14,221	14,221
Transfer to statutory reserve	--	1,422	(1,422)	--
Balance as at 31 December 2022	900,000	8,008	(245)	907,763



Chief Financial Officer



Chief Executive Officer



Chairman of the Board

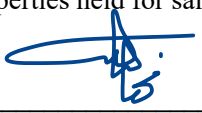
The attached notes 1 to 26 form an integral part of these financial statements.

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

		For the year ended 31 December 2023	For the year ended 31 December 2022 (Restated – note 25)
	<i>Notes</i>		
Cash flows from operating activities:			
(Loss) / profit for the year before Zakat		(44,389)	17,371
<i>Non-cash adjustments to reconcile (loss) / profit for the year before zakat to net cash used in operating activities:</i>			
Depreciation	7, 9	3,132	3,336
Amortization	8	2,565	2,272
Finance charges		132,338	61,845
Provision for employees' end of service benefits		2,201	1,306
Charge for expected credit losses and write-offs		14,040	4,287
Other income		(834)	(1,182)
Gain on sale of portfolios		(5,762)	(4,387)
		103,291	84,848
<i>Increase in operating assets</i>			
Ijara receivables		(585,918)	(587,412)
Murabaha receivables		(106,387)	--
Deposits, prepayments and other receivables		(35,388)	(39,154)
<i>Increase in operating liabilities</i>			
Accrued expenses and other liabilities		18,779	9,538
		(605,623)	(532,180)
Employees' end of service benefits paid		(1,151)	(1,152)
Finance charges paid		(122,562)	(55,883)
Profit on Murabaha deposits received		834	1,182
Zakat paid	13	--	(3,473)
Net cash used in operating activities		(728,502)	(591,506)
Cash flows from investing activities			
Purchase of property and equipment		(571)	(659)
Purchase of intangible assets		(2,276)	(301)
Net cash used in investing activities		(2,847)	(960)
Cash flows from financing activities			
Proceeds from sale of Ijara receivables portfolio		588,077	488,798
Payment of lease liabilities	7	(1,813)	(1,813)
Proceeds from financing facilities – secured principal		2,991,406	958,250
Payment of financing facilities – secured principal		(2,420,531)	(754,450)
Payment of sukuk principal	11	(450,000)	(100,000)
Net cash generated from financing activities		707,139	590,785
Net decrease in cash and cash equivalents		(24,210)	(1,681)
Cash and cash equivalents at beginning of the year		48,403	50,084
Cash and cash equivalents at end of the year		24,193	48,403

Non-cash transactions:

Derecognition of Ijara receivables through acquisition of properties held for sale


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Chief Executive Officer


Chairman of the Board

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

1. GENERAL INFORMATION

Bidaya Finance Company (formerly known as Bidaya Home Finance Company) (the "Company") is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration number 1010432564 issued in Riyadh on 25 Jumada II 1436H (corresponding to 14 April 2015). The Company was granted a full license by the Saudi Central Bank ("SAMA") to operate as a mortgage finance company vide license number 41/ع ش/201512 dated 3 Rabi I 1437H (corresponding to 14 December 2015).

On 13 March 2023, the extraordinary general assembly have resolved to change the Company's name from "Bidaya Home Finance Company" to "Bidaya Finance Company". The regulatory procedures to update the Commercial Registration and By-laws were completed during the year.

The objectives of the Company are to provide financing to consumers, SMEs, and corporations for the purpose of Real Estate finance and finance against the security of their own properties.

The registered office of the Company with its postal address is as follows:

Bidaya Finance Company
20th Floor of Al Ebdaa Tower
King Fahad Road
P.O. Box 93898
Riyadh 11683
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

a) *Statement of compliance*

The financial statements of the Company have been prepared:

- in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and
- in compliance with the Regulations for Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

b) *Basis of measurement*

These financial statements have been prepared on a going concern basis under the historical cost convention except for Investment held at fair value through other comprehensive income ("FVOCI") which is carried at fair value.

c) *Going concern*

In making the going concern assessment, the Company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc.

d) *Functional and presentation currency*

These financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Company's functional currency. Except as otherwise indicated, the financial information presented in SR has been rounded-off to the nearest thousand.

e) *Order of liquidity*

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

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 20.

2. BASIS OF PREPARATION (CONTINUED)

f) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

i. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit losses ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company uses internal roll rate methodology for the entire portfolio to assign the PDs
- LGD determination by applying haircut on the collaterals considering difference between forced sale value and fair market value, time of realization, cost of realization and current effective profit rate. This haircut is applied as practical expedient as per the best practices
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as oil prices
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

ii. Fee income

The Company offers a range of services to individuals and third parties, including application packaging, agency origination and receivables collection and administration. Fee income and its associated expense is recognized in profit and loss immediately when the service which gives rise to such fees is provided.

Fee income where the fee is an integral part of the yield on the receivable in relation to which it is charged is deferred and amortized. These fees are amortized over the period during which such yield is expected to accrue.

iii. Valuation of other real estate assets

The Company, in the ordinary course of business, acquires / repossesses certain real estate against settlement of the Ijara receivables. Such real estate is considered as assets held for sale and are initially stated at the current fair value of the related properties, less any costs to sell (if material). No depreciation is charged on such real estate.

Subsequent to initial recognition, any subsequent write down to fair value less costs to sell, are charged to the statement of comprehensive income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognized in the statement of income. Gains or losses on disposal of these properties are recognized in the statement of comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies adopted in the preparation of these financial statements are set out below.

a) *Change in accounting policies*

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the financial statements of the Company.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8: The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. Effective for annual periods beginning on or after 1 January 2023.
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction: These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. Effective annual periods beginning on or after 1 January 2023.
- Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- IFRS 17, 'Insurance contracts', as amended in December 2021: This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Effective for annual periods beginning on or after 1 January 2023.

Accounting Standards issued but not yet effective

- Amendment to IFRS 16 – Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Effective date is deferred until accounting periods starting not earlier than 1 January 2024.
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective date is 1 January 2024.
- Amendment to IAS 1 – Non-current liabilities with covenants: These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date is 1 January 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) *Change in accounting policies (continued)*

Accounting Standards issued but not yet effective (continued)

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. Effective date is 1 January 2024 subject to the endorsement by SOCPA.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Effective date is 1 January 2024 subject to the endorsement by SOCPA.

b) *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprise bank balances and time deposit placement with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

c) *Ijara receivables*

Ijara receivables represent assets transferred under Finance Islamic lease agreements, and the present value of the lease payments is recognized as a receivable and disclosed under "Ijara receivables". The difference between the gross receivables and the present value of the receivables is recognized as unearned Ijara income. Ijara income is recognized over the term of the Ijara using the net investment method, which reflects a constant rate of return.

d) *Murabaha receivables*

Murabaha is an agreement whereby the Company sells to a customer an asset, which the Company has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin. The difference between the Murabaha sale contracts receivable and the cost of the sold asset, is recorded as unearned Murabaha profit and for presentation purposes, is deducted from the gross amounts due under the Murabaha sale receivable.

e) *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. Expenditure for repair and maintenance are charged to the statement of profit or loss. Improvements that increase the value or materially extend the life of the related assets are capitalized.

The estimated useful lives of the principal classes of assets are as follows:

	<u>Years</u>
Leasehold improvements	Shorter of 10 years or lease term
Office equipment	5
Furniture and fixtures	6
Computer equipment	5
Vehicles	5

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

f) Intangible assets

Intangible assets are initially recognized at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Amortization is charged to the statement of profit and loss account by applying the straight-line basis whereby the carrying amount of an asset is amortized over its estimated useful life to the Company unless such life is indefinite. The estimated useful life of intangible assets (computer software) is 5 years.

The Company accounts for impairment, where indications exist, by reducing the asset's carrying amount to the recoverable amount.

g) Leases

Right of Use Asset

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company applies cost model, and measure right of use asset at cost;

1. less any accumulated depreciation and any accumulated impairment losses; and
2. adjusted for any re-measurement of the lease liability for lease modifications

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental financing rate. Generally, the company uses its incremental financing rate as the discount rate.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect finance cost on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made and;
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Leases (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

h) Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

i) Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

j) Offsetting of financial instruments

Financial assets and liabilities are offset and reported net in the statement of financial position when the entity has a legal currently enforceable right to set off the recognized amounts and when the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

k) Employees end of service benefits

Provision is made for amounts payable under the Saudi Arabian Labor Law applicable to employees' accumulated service at the statement of financial position date. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the statement of financial position date.

l) Expenses

Selling and marketing expenses are those that specifically relate to sales and marketing. All other expenses are classified as general and administrative expenses.

m) Foreign currencies

Transactions denominated in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position. All differences are taken to the statement of profit or loss. Gains or losses on foreign currency transactions are included in the statement of profit or loss during the year.

n) Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax, and as such no deferred tax is calculated relating to Zakat.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Value added tax

Revenue, expenses, assets and liabilities are recognized net of the amount of value added tax, except:

- when the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

p) Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

Financial Asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial Asset at FVOCI

A financial instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial Assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For equity instruments that is not held for trading, on initial recognition, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument (i.e. share-by-share) basis.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

q) *Classification of financial liabilities*

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other costs that are an integral part of the effective profit rate.

r) *Derecognition of financial assets and financial liabilities*

i. Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed); and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Company retains the obligation to service the transferred financial asset for a fee, the transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

ii. Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

s) *Modifications of financial assets and financial liabilities*

i. Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the customer, then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

s) *Modifications of financial assets and financial liabilities (continued)*

ii. Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

t) *Impairment*

The Company recognizes loss allowances for ECL on the Ijara receivables financial instruments that are not measured at FVTPL.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- financing investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

t) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of an Ijara receivable by the Company on terms that the Company would not consider otherwise.

An Ijara receivable that has been renegotiated due to deterioration in the customer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, an Ijara receivable that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Impairment allowances for ECL of financial assets measured at amortized cost and Ijara receivables are presented in the statement of financial position as a deduction of gross carrying amount of the assets.

Write-off

Ijara receivables are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms including promissory notes and title ownership until the completion of the payments. Collateral, unless repossessed, is not recorded in the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at a minimum at inception.

Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held-for-sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Company's policy.

u) Revenue recognition

Ijara income is recognized in profit or loss using the effective profit method. The 'effective profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortized cost of the financial instrument.

When calculating the effective profit rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective profit rate is calculated using estimated future cash flows including expected credit losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

u) Revenue recognition (continued)

The calculation of the effective profit rate includes transaction costs and fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Fee income and commission fees earned for Ijara receivables are recognised as an adjustment to the effective profit rate on these receivables. When it is unlikely that receivables will continue to be held by the Company, such fees are recognised in the statement of profit or loss in the year in which the receivables no longer continue to exist in the financial statements.

Servicing income is recognized as the related services are performed and performance obligations are achieved as point-in-time.

v) Statutory reserve

As required by Saudi Arabian Regulations for Companies and the Company's By-laws, 10% of the income for the year (after zakat) should be transferred to the statutory reserve. This reserve is not available for distribution. As per the By-laws, the Company may resolve to discontinue such transfers when the reserve equals 30% of the capital.

4. IJARA RECEIVABLES, NET

	<i>Notes</i>	2023	2022
Gross Ijara receivables		4,183,743	4,124,764
Less: Unearned income		(1,581,795)	(1,521,335)
	4.1	2,601,948	2,603,429
Less: allowance for expected credit losses (ECL)	4.3	(28,352)	(21,385)
Ijara receivables, net		2,573,596	2,582,044

4.1 The credit quality of Ijara receivables is as follows:

	2023	2022
Neither past due nor impaired	2,276,667	2,326,772
Past due but not impaired	217,609	200,557
Impaired	107,672	76,100
	2,601,948	2,603,429

Ageing of past due but not impaired instalments and the related balances of Ijara receivables are as follows:

	2023		2022	
	Ijara receivables	Past due instalments	Ijara receivables	Past due instalments
01 – 30 days	2,222	19	140,427	2,687
31 – 60 days	143,778	1,711	48,863	745
61 – 90 days	71,609	1,349	11,267	243
Total	217,609	3,079	200,557	3,675

Ijara receivable, net include accrued markup receivable amounting to SR 28.24 million (2022: SR 34.65 million).

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4. IJARA RECEIVABLES, NET (CONTINUED)

- 4.2** The average fair values of collateral, based on the appraisal at the time of origination of the financial assets, held by the Company by each category are as follows:

	2023	2022
Current	3,056,539	3,031,484
01 – 30 days	2,540	174,180
31 – 60 days	185,781	62,965
61 – 90 days	86,508	15,097
More than 90 days	124,124	85,830
	3,455,492	3,369,556

The valuation techniques used to determine the fair value of collateral included a combination of the cost and market approach and were done by independent external evaluators on the approved panel of the Company.

Title deeds of real estate properties financed by the Company are registered in the name of the Company, except for those which are under the Ministry of Housing for which title deeds will be transferred upon payment by the Company.

- 4.3** The movement of the impairment allowance for credit losses for the year ended 31 December 2023 is as follows:

	2023	2022
Beginning balance	21,385	22,396
Charge for the year	9,332	3,081
Write-off during the year	(2,365)	(4,092)
	6,967	(1,011)
Closing balance	28,352	21,385

- 4.4** The table below stratifies credit exposures from Ijara receivables into ranges of receivables to value ratio. At the time of origination, Ijara receivables to value ratio is calculated by dividing the gross amount of the financing by the fair value of the underlying property. The gross amount of financing used in calculating this ratio excludes unearned income and any impairment allowance.

	2023	2022
Less than 50%	57,552	41,899
51 - 70%	226,001	133,807
71 - 85%	637,115	561,557
More than 85%	1,681,280	1,866,166
Total Exposure	2,601,948	2,603,429

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4. IJARA RECEIVABLES, NET (CONTINUED)

4.5 The credit exposure from Ijara receivable is classified as under:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
<u>31 December 2023</u>				
Ijara receivables	269,467	784,661	3,129,615	4,183,743
Unearned income	(172,968)	(440,235)	(968,592)	(1,581,795)
	<u>96,499</u>	<u>344,426</u>	<u>2,161,023</u>	<u>2,601,948</u>
Allowance for credit losses				(28,352)
				<u>2,573,596</u>
<u>31 December 2022</u>				
Ijara receivables	207,925	663,265	3,253,574	4,124,764
Unearned income	(123,863)	(364,396)	(1,033,076)	(1,521,335)
	<u>84,062</u>	<u>298,869</u>	<u>2,220,498</u>	<u>2,603,429</u>
Allowance for credit losses				(21,385)
				<u>2,582,044</u>

4.6 The Company's implicit rate of return on leases ranges from 3.97% to 16.74% (31 December 2022: 3.97% to 13.42%). Tenors of Ijara receivables range from five to thirty years.

During the year, the Company sold receivables amounting to SR 582.31 million (31 December 2022: SR 484.41 million) to Saudi Real Estate Refinance Company and are being serviced by the Company.

5. MURABAHA RECEIVABLES, NET

	Notes	2023	2022
Gross Murabaha receivables		141,531	--
Less: Unearned income		(34,863)	--
	5.1	106,668	--
Less: allowance for expected credit losses (ECL)	5.2	(563)	--
Murabaha receivables, net		106,105	--

5.1 The credit quality of Murabaha receivables is as follows:

	2023	2022
Neither past due nor impaired	106,668	--
Past due but not impaired	--	--
Impaired	--	--
	<u>106,668</u>	<u>--</u>

Murabaha receivables, net include accrued markup receivable amounting to SR 3.12 million (2022: SR Nil).

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5. MURAHABA RECEIVABLES, NET (CONTINUED)

5.2 The credit exposure from Murabaha receivables is classified as under:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
<u>31 December 2023</u>				
Murabaha receivables	23,293	112,274	5,964	141,531
Unearned income	(14,152)	(19,327)	(1,384)	(34,863)
	9,141	92,947	4,580	106,668
Allowance for credit losses				(563)
				106,105

5.3 The Company's implicit rate of return on facilities ranges from 9.83% to 10.81%. Tenors of receivables ranges up to ten years.

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES, NET

	<i>Notes</i>	2023	2022
Properties held for sale	6.1	38,769	43,147
Value Added Tax (VAT), net		37,199	2,999
Certified bank cheques	6.2	30,537	--
Other receivables, net	6.3	25,896	14,874
Deferred Sales Commission		11,046	10,133
Prepayments		6,059	5,867
VAT rebate and servicing fees receivable from Ministry of Housing, net	6.4	3,711	42,516
Deposits		365	365
		153,582	119,901

6.1 This represents real estate repossessed by the Company, in the ordinary course of business, against settlement of Ijara receivable balances. The charge for the expected credit loss includes SR 6.510 million (2022 : SR 4.09 million) loss recognized upon the recognition of these assets.

6.2 This amount represents certified bank cheques issued by the Company against approved Murabaha financing contracts and where the transfer of title deeds was in process as at 31 December 2023.

6.3 Other receivables are net of allowance for expected credit losses amounting to SAR 3.99 million (31 December 2022: SAR 3.99 million) against costs recoverable from Real Estate Development Fund (REDF).

6.4 This includes the receivable from Ministry of Housing (MoH) against the VAT paid by the Company on the portion of Ijara financing originated subject to VAT relief for first home buyers amounting to SR 9.8 million (2022: SR 13.3 million). The movement of the impairment allowance for credit losses for the year ended 31 December 2023 is as follows:

	2023	2022
Beginning balance	5,706	4,500
(Reversal) / charge for the year, net	(194)	1,206
Closing balance	5,512	5,706

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7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2023	2022
Right to Use Asset:		
As at 1 January	4,692	6,349
Depreciation for the year	(1,656)	(1,657)
As at 31 December	3,036	4,692
Lease Liabilities:		
As at 1 January	4,172	5,904
Lease payments for the year	(1,813)	(1,813)
Finance charge for the year	127	81
Net book value as at 31 December	2,486	4,172

8. INTANGIBLE ASSETS, NET

	2023	2022
	Computer Software	
Cost:		
As at 1 January	18,426	18,125
Additions during the year	2,276	301
As at 31 December	20,702	18,426
Amortization:		
As at 1 January	11,621	9,349
Charge for the year	2,565	2,272
As at 31 December	14,186	11,621
Net book value as at 31 December	6,516	6,805

Computer software include work-in-progress amounting to SAR 1.92 million as at 31 December 2023 (2022: 1.29 million).

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9. PROPERTY AND EQUIPMENT, NET

	31 December 2023					
	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Computer equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:						
As at 1 January	4,144	353	912	9,216	385	15,010
Additions	21	116	4	430	--	571
As at 31 December	<u>4,165</u>	<u>469</u>	<u>916</u>	<u>9,646</u>	<u>385</u>	<u>15,581</u>
Accumulated depreciation:						
As at 1 January	2,725	276	863	7,016	277	11,157
Charge for the year	429	43	24	897	83	1,476
As at 31 December	<u>3,154</u>	<u>319</u>	<u>887</u>	<u>7,913</u>	<u>360</u>	<u>12,633</u>
Net book value as at 31 December 2023	<u>1,011</u>	<u>150</u>	<u>29</u>	<u>1,733</u>	<u>25</u>	<u>2,948</u>

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9. PROPERTY AND EQUIPMENT, NET (CONTINUED)

	31 December 2022					
	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Computer equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:						
As at 1 January	4,141	330	912	8,583	385	14,351
Additions	3	23	--	633	--	659
As at 31 December	<u>4,144</u>	<u>353</u>	<u>912</u>	<u>9,216</u>	<u>385</u>	<u>15,010</u>
Accumulated depreciation:						
As at 1 January	2,310	241	804	5,923	200	9,478
Charge for the year	415	35	59	1,093	77	1,679
As at 31 December	<u>2,725</u>	<u>276</u>	<u>863</u>	<u>7,016</u>	<u>277</u>	<u>11,157</u>
Net book value as at 31 December 2022	<u>1,419</u>	<u>77</u>	<u>49</u>	<u>2,200</u>	<u>108</u>	<u>3,853</u>

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10. FINANCING FACILITIES - SECURED

These represents financing amounts obtained from local commercial banks based in the Kingdom of Saudi Arabia with accrued balance amounting to SAR 1,275.83 million (2022: SAR 687.5 million) and Saudi Real Estate Refinance Company ("SRC") amounting to SAR 607.25 million (2022: SAR 563.16 million) under Islamic financing approved by Shari'ah Supervisory Committee. These financings are secured by the assignment of proceeds from Ijara receivables and pledge of title deeds of underlying real estate assets. These financing are revolving in nature and carry markup at commercial market rates.

11. SUKUK

As at 31 December 2022, the Company has unsecured non-convertible unlisted sukuk with an outstanding principal amounting to SAR 450 million carrying a profit at agreed fixed rates, payable on a quarterly basis. During the year ended 31 December 2023, the outstanding amount of SAR 450 million has matured and been fully settled during the year.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

		31 December	31 December	1 January
	<i>Notes</i>	2023	2022 (Restated - note 25)	2022 (Restated – note 25)
Payable to Ministry of Housing (MOH)	12.1	80,387	80,123	83,960
Accounts payable		44,217	23,071	5,980
Accrued expenses		13,071	17,420	23,200
Deferred management fees		10,203	8,827	7,672
Deferred commission income		8,943	9,336	10,118
Downpayment against Ijara financing	12.2	5,957	5,140	4,449
Directors' remuneration and meeting expenses	18	2,918	3,000	2,000
		165,696	146,917	137,379

12.1 This includes balances payable to MOH in relation to purchase of properties which are financed to Ijara receivables customers and are being serviced by the Company.

12.2 This pertains to down payment received by the Company against Ijara financing not executed as at the statement of financial position date.

13. ZAKAT

During the year ended 31 December 2023, the Company filed its zakat declarations up until 31 December 2022, and acknowledgment certificates have been obtained. The Company is in the process of submitting its Zakat declaration with Zakat, Tax and Custom Authority (ZATCA) for the year ended 31 December 2023 .

	2023	2022
Opening balance	625	948
Charge for the year	1,092	3,150
Zakat paid	–	(3,473)
Closing balance	1,717	625

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14. SHARE CAPITAL

As at 31 December 2023 , the authorized, issued and fully paid-up share capital of the Company was SR 900 million (31 December 2022: SR 900 million) divided into 90 million shares with a nominal value of SR 10 each, which is owned by the shareholders as follows:

Name of shareholders	31 December 2023			31 December 2022		
	Number of shares '000	Holding %	Amount SAR'000	Number of shares '000	Holding %	Amount SAR'000
Public Investment Fund	20,000	22.2	200,000	20,000	22.2	200,000
Rashed & his Partner's for Development (RECO)	15,300	17.0	153,000	15,300	17.0	153,000
Islamic Corporation for the Development of the Private Sector	10,000	11.1	100,000	10,000	11.1	100,000
Manafea International	10,000	11.1	100,000	10,000	11.1	100,000
The Arab Investment Company	10,000	11.1	100,000	10,000	11.1	100,000
Al Othaim Holding	10,000	11.1	100,000	10,000	11.1	100,000
Wasl Investment Company	2,473	2.8	24,730	2,473	2.8	24,730
Ladun Investment	--	--	--	2,458	2.8	24,580
Abdullah Hamad Al Hamad	1,458	1.7	14,580	--	--	--
El Khereji Investments Company	2,000	2.2	20,000	2,000	2.2	20,000
Mohammad Bin AbdulAziz Al Rajhi & Sons	2,000	2.2	20,000	2,000	2.2	20,000
Shumou Investment Company	1,748	1.9	17,480	1,748	1.9	17,480
Jawahir Investment Company	1,500	1.7	15,000	1,500	1.7	15,000
Omair Abdulaziz AlOmair	1,321	1.5	13,210	1,321	1.5	13,210
AbdulAziz Abdullah Al Kharji	1,200	1.3	12,000	1,200	1.3	12,000
Abdulrahman Salih Abdullah Alunayan	1,000	1.1	10,000	--	--	--
	90,000	100	900,000	90,000	100	900,000

15. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Salaries and employee related benefits	47,749	45,643
Professional fees	6,531	4,890
Directors' remuneration and meeting expenses (note 18)	3,976	3,938
IT expenses	3,345	4,560
Rent and premises related expenses	1,214	1,115
Other expenses	14,840	13,952
	77,655	74,098

16. SELLING AND MARKETING EXPENSES

	2023	2022
Lease property evaluation and takaful expenses	17,792	8,082
Salaries and employee related expenses	8,162	8,138
Advertising and marketing expenses	1,745	2,362
	27,699	18,582

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17. EARNINGS PER SHARE – BASIC & DILUTED

Earnings per share is calculated by dividing net profit for the year after zakat by the weighted average number of shares (90 million shares) in issue during the year. The diluted earnings per share is same as the basic earnings per share.

18. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the shareholders and their affiliated entities and certain key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include the Chief Executive Officer (“CEO”) and the personnel directly reporting to CEO.

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the year are as follows:

<u>Name of related parties</u>	<u>Nature of transactions</u>	<u>2023</u>	<u>2022</u>
Key Management Personnel	- Salaries and benefits	<u>7,674</u>	<u>7,916</u>
	- Provision for end of service employees’ benefits	<u>(358)</u>	<u>(529)</u>
	-Directors’ remuneration and meeting expenses	<u>3,345</u>	<u>3,938</u>
<u>Name of related parties</u>	<u>Balance at the end of the year</u>	<u>2023</u>	<u>2022</u>
Key Management Personnel	- Provision for end of service employees’ benefits	<u>1,298</u>	<u>1,127</u>
	- Directors’ remuneration and meeting expenses	<u>2,918</u>	<u>3,000</u>

19. CONTINGENCIES AND COMMITMENTS

Contingent liabilities and Commitments

The Company has facilities approved but not utilized, indicative offers issued which are under consideration of the customers and due diligence in progress as of the reporting date which have the potential to convert into financing, amounting to SR 10.07 million (2022: SR 69.78 million).

At the end of the year, the Company has commitments of SR 107.68 million against forward Ijara tranches payable to the developers of the properties (2022: SAR 165.66 million).

20. RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Credit and Risk Management Committee, which has the responsibility to monitor the overall risk process within the Company.

The Credit and Risk Management Committee is responsible for managing risk decisions, monitoring risk levels and reporting on a quarterly basis to the Board of Directors.

20. RISK MANAGEMENT (CONTINUED)

Credit risk

The Company manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in financing activities that lead to Ijara receivables. The lessees may fail to discharge their contractual obligations for a variety of reasons including change in customer circumstances or a change in value of the underlying collateral. The Company has established procedures to identify and manage credit risk including evaluation of lessees' credit worthiness, formal credit approvals and obtaining collateral. Credit risk is identified and managed at inception of the lease contract as well as on an ongoing basis.

Management monitors the market value of collateral obtained during its review of the adequacy of the impairment allowance for credit losses. The Company regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The table below reflects the maximum exposure to credit risk on the financial assets at the reporting date:

	2023	2022
Cash at banks	24,193	48,403
Ijara receivables, net	2,601,948	2,603,429
Murabaha receivables, net	106,668	--
Deposits and other receivables	139,059	102,108
	2,871,868	2,753,940

The credit risks on gross amounts due in relation to the Ijara receivables which pertain to the customer is mitigated at inception of the financing by assessing the customers' credit worthiness as well as the ability of the customer to meet contractual obligations in the future. In addition to this the Company makes use of certain guarantees and takafuls available in the market should any customer in the future fail to meet their contractual obligations. The Company also obtains collateral against Ijara receivables

In assessing a customer's ability to meet their contractual obligations a number of factors are considered including the customers' monthly income, past credit behavior, monthly outgoings and financial commitment to other parties. The Company also recognizes that individual circumstances may change through the term of the lease and, as far as possible, avails itself of additional credit enhancements where these are available. This includes:

- Takaful cover on death or disability of the customer which will settle a portion of the outstanding obligation. The Company ensures all customers are covered by Takaful.
- Mortgage Guarantee Scheme (MGS) available on qualifying customers which will pay 80% of the unpaid principal balance following 90-day default by the customer.
- Subsidised Financing Programme (SFP) available on qualifying customers which subsidises a portion of their ongoing monthly commitments and drives continued good credit behavior by the customer.
- Down Payment Guarantee Scheme (DPG), which provides qualifying customers with a portion of the down payment required to qualify for financing. This enhances the customers' ability to pay contractual obligations in the future, as less of their own resources are absorbed by the down payment.

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20. RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The portion of Ijara receivables covered by the above credit enhancement tools is as follows:

	2023	2022
Mortgage Guarantee Scheme	438,355	228,624
Down Payment Guarantee Scheme	188,519	630,208
Covered by one or more of above	574,335	803,591

In assessing the value of collateral which will be relied on to settle unpaid obligations following default by the customer, the Company obtains an independent view of the value of the collateral from a minimum of two suitably qualified, and unconnected, appraisers. The Company also considers the actual price paid by the customer and utilizes a combination of all three to derive a considered value for each property. The Company then advances financing up to a certain value of the considered value, taking into account its overall assessment of credit risk.

In monitoring ongoing credit risk, the Company follows a credit classification mechanism, as a tool to manage the quality of credit risk of the financed Ijara. The credit classification differentiates between performing and impaired portfolios and allocates provisions accordingly.

i. Credit quality analysis

The following table sets out information about the credit quality of Ijara receivables measured at amortized cost and accrued Ijara income as at 31 December 2023 . Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

31 December 2023			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	2,268,864	7,507	2,261,357
Total	2,268,864	7,507	2,261,357

31 December 2022			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	2,309,902	6,385	2,303,517
Total	2,309,902	6,385	2,303,517

20. RISK MANAGEMENT (CONTINUED)

i. Credit quality analysis (continued)

31 December 2023			
Lifetime ECL (not credit impaired)			
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated	215,386	7,028	208,358
Total	215,386	7,028	208,358

31 December 2022			
Lifetime ECL (not credit impaired)			
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated	186,873	5,626	181,247
Total	186,873	5,626	181,247

31 December 2023			
Lifetime ECL (credit impaired)			
	Stage 3 Gross carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net carrying amounts
Ijara receivables			
Unrated	117,698	13,817	103,881
Total	117,698	13,817	103,881

31 December 2022			
Lifetime ECL (credit impaired)			
	Stage 3 Gross carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net carrying amounts
Ijara receivables			
Unrated	106,654	9,374	97,280
Total	106,654	9,374	97,280

i. Amount arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

20. RISK MANAGEMENT (CONTINUED)

ii. Generating the term structure of PD

The Company employs statistical models to analyze historical performance and default information to generate PD estimates, including how these estimates are expected to change with the passage of time. Statistical models are employed for the Company's Ijara receivables exposures, whereby the primary inputs are days past due (DPD). In addition, the Company incorporates forward-looking information into generating forward-looking PDs. Based on external actual and forecasted data, the Company's analysis takes into account the identification and calibration of relationships between default rates and country-specific macroeconomic information.

iii. Determining whether credit risk has increased significantly

The Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due, except in case of rebuttal. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the customer.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due.

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below: -

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognizes an allowance based on the 12-month ECL and profit is calculated on the gross carrying amount of the asset (i.e. without deduction of credit allowances. All accounts at origination would be classified as Stage 1.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition, but they are not credit-impaired (i.e. there is no objective evidence of impairment), the Company recognises an allowance for the lifetime ECL.

With respect to the portfolio held by the Company, all the exposures are moved to stage 2 where the customer is Days Past Due (DPD) 30 days or more (Principal or profit payments) as of 31 December 2023.

Stage 3: for credit-impaired (i.e. there is objective evidence of impairment at reporting date) financial instruments, the Company recognises the lifetime ECL. Default identification process i.e. DPD of 90 days more (obligors already defaulted) is used as stage 3.

iv. Modified financial assets

The contractual terms of Ijara receivables may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized, and the renegotiated financing recognized as a new financing at fair value, in accordance with the accounting policy.

20. RISK MANAGEMENT (CONTINUED)

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Company renegotiates Ijara receivables to customers in financial difficulties (referred to as 'forbearance activities' to maximize collection opportunities and minimize the risk of default. Under the Company's forbearance policy, forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity or changing the timing of profit payments.

v. Definition of 'Default'

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security; or
- the customer is past due more than 90 days on any material credit obligation to the Company.

vi. Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Company Management Committee and economic experts, and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated.

Relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2023 included the following key economic data points:

- Unemployment rates
- Inflation
- GDP growth
- Oil prices

20. RISK MANAGEMENT (CONTINUED)

vii. Measurement of ECL (continued)

Probability weightings

The Company considered the probability weightings to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Company's credit portfolios in determining them.

The Company has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

Economic Indicators	Forecast calendar years used in 2023 ECL model		Forecast calendar years used in 2022 ECL model	
	2024	2025	2023	2024
GDP	0.8	4	2.818	2.825
Unemployment rate	9.4	8.3	5.804	5.765
Inflation	1.6	1.7	1.961	2.021
Government Spending	1.28	1.25	30.860	30.288

The key inputs into the measurement of ECL are the term structure of the following variables:

- i. probability of default (PD);
- ii. loss given default (LGD);
- iii. exposure at default (EAD)

These parameters are generally derived from internally developed statistical models using historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical models (loss rate estimation method) and assessed to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between DPD buckets, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. Due to the size of the Company's portfolio, there is insufficient historical LGD data to derive statistically reliable LGD estimates. Therefore, the Company benchmarks LGD to regulator guidelines (i.e., 50% for its unsecured exposures). The Company applied a haircut of 25% for Real Estate Collateral.

Going forward, subject to availability of adequate recovery data, the Company shall revise the LGD estimation methodology in line with IFRS 9 requirements.

Where the exposure is 100% or more collateralized (i.e., the value of the collateral after haircut is equal to or greater than the exposure), the Company imposes a LGD floor (recovery cap) of 5% for Real Estate. Floor is determined based on management judgment.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

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20. RISK MANAGEMENT (CONTINUED)

viii. Measurement of ECL (continued)

Subject to using a minimum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any customers' extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require settlement of the financing.

Collateral

The Company in the ordinary course of financing activities holds collateral as security to mitigate credit risk in the Ijara receivables. These collaterals mostly include promissory notes and real estate titles. The collaterals are held mainly against Ijara receivables, and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting date, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

Gross carrying amount

The following table explains the changes in gross carrying amount of the Company's Ijara receivables to help explain their significance to the changes in the loss allowance for the same portfolio.

31 December 2023				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	2,309,902	186,873	106,654	2,603,429
Transfer to 12-month ECL	89,804	(67,866)	(21,938)	--
Transfer to lifetime ECL not credit impaired	(94,448)	103,555	(9,107)	--
Transfer to lifetime ECL-credit impaired	(32,207)	(30,999)	63,206	--
Financial assets derecognized during the year other than write-offs	(582,315)	--	--	(582,315)
New financial assets originated during the year	578,128	23,823	(21,117)	580,834
Balance as at 31 December 2023	2,268,864	215,386	117,698	2,601,948

31 December 2022				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2022	2,246,580	83,647	174,293	2,504,520
Transfer to 12-month ECL	57,285	(28,928)	(28,357)	--
Transfer to lifetime ECL not credit impaired	(97,608)	120,222	(22,614)	--
Transfer to lifetime ECL-credit impaired	(36,402)	(13,569)	49,971	--
Financial assets derecognized during the year other than write-offs	(468,734)	(13,508)	(78,587)	(560,829)
New financial assets originated during the year	608,781	39,009	11,948	659,738
Balance as at 31 December 2022	2,309,902	186,873	106,654	2,603,429

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20. RISK MANAGEMENT (CONTINUED)

Gross carrying amount (continued)

Loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowance of Ijara receivables and accrued Ijara income:

31 December 2023				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	6,385	5,626	9,374	21,385
Transfer to 12-month ECL	499	(445)	(54)	--
Transfer to lifetime ECL not credit impaired	(3,456)	3,560	(104)	--
Transfer to lifetime ECL-credit impaired	(2,017)	(1,873)	3,890	--
Net charge for the year	6,096	160	711	6,967
Balance as at 31 December 2023	7,507	7,028	13,817	28,352

31 December 2022				
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2022	1,080	1,905	19,411	22,396
Transfer to 12-month ECL	409	(74)	(335)	--
Transfer to lifetime ECL not credit impaired	(2,902)	3,523	(621)	--
Transfer to lifetime ECL-credit impaired	(2,246)	(821)	3,067	--
Write off during the year	10,044	1,093	(12,148)	(1,011)
Balance as at 31 December 2022	6,385	5,626	9,374	21,385

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20. RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

The tables below summarize the maturity profile of the Company's financial assets and liabilities on discounted cash flows, on the basis of the remaining contractual maturity as of the statement of financial position date to the contractual maturity date.

31 December 2023	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	24,193	--	--	--	--	24,193	24,193
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,601,948	14,725	158,244	440,235	1,988,744	-	2,601,948
Murabaha receivables	106,668	6,450	8,910	91,308	--	--	106,668
Deposits and other receivables	139,059	--	104,791	--	--	34,268	139,059
	2,872,761	21,175	271,945	531,543	1,988,744	59,354	2,872,761
Financial Liabilities							
Financing facilities - secured	1,833,084	320,155	1,209,504	303,425	--	--	1,833,084
Finance lease liability	2,486	--	907	1,579	--	--	2,486
Accrued expenses and other liabilities	146,550	--	--	146,550	--	--	146,550
	1,982,120	320,155	1,210,411	451,554	--	--	1,982,120
Gap	890,641	(298,980)	(938,466)	79,989	1,988,744	59,354	890,641

31 December 2022	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	48,403	--	--	--	--	48,403	48,403
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,603,429	27,147	56,915	298,869	2,220,498	--	2,603,429
Deposits and other receivables	102,108	--	101,743	--	--	365	102,108
	2,754,833	27,147	158,658	298,869	2,220,498	49,661	2,754,833
Financial Liabilities							
Financing facilities - secured	1,250,659	270,686	755,923	224,050	--	--	1,250,659
Sukuk	451,901	151,901	300,000	-	--	--	451,901
Finance lease liability	4,172	--	907	3,265	--	--	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	--	--	--	111,279
	1,818,011	430,727	1,159,968	227,316	--	--	1,818,011
Gap	936,822	(403,580)	(1,001,310)	71,553	2,220,498	49,661	936,822

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20. RISK MANAGEMENT (CONTINUED)

The following table discloses the maturity of financial liabilities on undiscounted cash flows:

	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2023						
Financing facilities -secured	1,833,084	297,746	1,209,504	303,425	--	1,810,675
Finance lease liability	2,486	--	1,813	673	--	2,486
Accrued expenses and other liabilities	146,550	21,946	124,604	--	--	146,550
Total	1,982,120	319,692	1,335,921	304,098	--	1,959,711
	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2022						
Financing facilities -secured	1,250,659	277,375	778,671	231,946	--	1,287,992
Sukuk	451,901	154,485	305,883	--	--	460,368
Finance lease liability	4,172	--	906	3,266	--	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	--	--	111,279
Total	1,818,011	440,000	1,188,599	235,212	--	1,863,811

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in market variables such as special commission rates and foreign exchange rates. Market risk can be categorized into profit rate risk, equity price risk and currency risk as follows:

Profit rate risk

Profit rate risk is the uncertainty of future earnings resulting from fluctuations in profit rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to profit rate adjustment within a specified year. The most important source of such rate risk at the date in the statement of financial position are the Company's Ijara receivables, where fluctuations in profit rates, if any, are reflected in the results of operations.

The following table depicts the sensitivity to a reasonably possible change in profit rates, with other variables held constant, on the Company's profit or loss. The sensitivity of income is the effect of the assumed changes in profit rates on the Ijara income for one year, based on the floating rate non-trading financial assets.

Currency (SR'000)	Increase in basis points	Sensitivity of profit or loss	Up to three months	More than three months and up to one year	More than one year and up to five years	Over five years
31 December 2023	+/- 25	2,911	28	242	825	1,816
31 December 2022	+/- 25	3,803	102	207	910	2,582

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20. RISK MANAGEMENT (CONTINUED)

The Company is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given year.

The table below summarises the Company's exposure to profit rate risks. Included in the table are the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

31 December 2023	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	24,193	--	--	--	--	24,193	24,193
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,601,948	602,451	1,999,497	--	--	--	2,601,948
Murabaha receivables	106,668	--	106,668	--	--	--	106,668
Deposits and other receivables	139,059	--	--	--	--	139,059	139,059
	2,872,761	602,451	2,106,165	--	--	164,145	2,872,761
Financial Liabilities							
Financing facilities - secured	1,833,084	857,084	976,000	--	--	--	1,833,084
Finance lease liability	2,486	--	--	--	--	2,486	2,486
Accrued expenses and other liabilities	146,550	--	--	--	--	146,550	146,550
	1,982,120	857,084	976,000	--	--	149,036	1,982,0120
Gap	890,641	(254,633)	1,130,165	--	--	15,109	890,641

31 December 2022	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	48,403	--	--	--	--	48,403	48,403
Investments at FVOCI	893	--	--	--	--	893	893
Ijara receivables	2,603,429	501,942	1,735,375	--	--	366,112	2,603,429
Deposits and other receivables	102,108	--	101,743	--	--	365	102,108
	2,754,833	501,942	1,837,118	--	--	415,773	2,754,833
Financial Liabilities							
Financing facilities – secured	1,250,659	270,686	755,923	224,050	--	--	1,250,659
Sukuk	451,901	151,901	300,000	--	--	--	451,901
Finance lease liability	4,172	--	906	3,266	--	--	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	--	--	--	111,279
	1,818,011	430,727	1,159,968	227,316	--	--	1,818,011
Gap	936,822	71,215	677,150	(227,316)	--	415,773	936,822

20. RISK MANAGEMENT (CONTINUED)

Equity Price Risk

Equity risk refers to the risk of a decrease in fair values of equities in the Company's non-trading investment portfolio as a result of reasonably possible changes in levels of equity indices and the value of individual stocks.

The Company is not exposed to significant equity price risk as it does not hold material investments in equity securities other than shares in SIJIL.

Currency risk

Currency risk is the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company is not exposed to significant currency risk as most of its transactions are in the local currency.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash at banks, Ijarah receivables, investments held at FVOCI, deposits and other receivables. Financial liabilities consist of financing facilities-secured, sukuk, lease liabilities and accrued expenses and other liabilities payable.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy:

31 December 2023				
Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investments at FVOCI	893	--	893	893

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2022					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>					
Investments at FVOCI	893	--	--	893	893
31 December 2023					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets not measured at fair value</u>					
Bank balances	24,193	24,193	-	-	24,193
Ijara receivables, net	2,601,948	-	-	2,591,607	2,591,607
Murabaha receivables	106,668	-	-	100,156	100,156
Deposits and other receivables	139,059	-	-	139,059	139,059
	2,871,868	24,193	-	2,830,822	2,855,015
31 December 2022					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets not measured at fair value</u>					
Bank balances	48,403	48,403	-	-	48,403
Ijara receivables, net	2,603,429	-	-	2,043,877	2,043,877
Deposits and other receivables	102,108	-	-	102,108	102,108
	2,753,940	48,403	-	2,145,985	2,194,388
31 December 2023					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities not measured at fair value</u>					
Financing facilities - secured	1,833,084	--	--	1,833,084	1,833,084
Finance lease liability	2,486	--	--	2,486	2,486
Accrued expenses and other liabilities	146,550	--	-	146,550	146,550
	1,982,120	--	--	1,982,120	1,982,120
31 December 2022					
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities not measured at fair value</u>					
Financing facilities - secured	1,250,659	--	--	1,250,659	1,250,659
Sukuk	451,901	--	--	451,901	451,901
Finance lease liability	4,172	--	--	4,172	4,172
Accrued expenses and other liabilities	111,279	--	-	111,279	111,279
	1,818,011	--	--	1,818,011	1,818,011

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy.

	Opening	Purchase	Sale	Closing
2023	893	-	-	893
2022	893	-	-	893

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity Analysis

For the fair value of level 3 investments, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	<u>2023</u>	<u>2022</u>
Investments held at fair value through income statement		
Impact on unrealized gain for the year ended:		
<i>If increased by 1%</i>	<u>9</u>	<u>9</u>
<i>If decreased by 1%</i>	<u>9</u>	<u>9</u>

The fair value of Ijara receivables is based on actual cash flows discounted by the average year end internal rate of return and is not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, hence the fair value of Ijara receivables is classified under level 3.

During the year ended 31 December 2023, there were no transfers into or out of Level 3.

22. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with the advantages afforded by a sound capital position.

23. SEGMENT INFORMATION

The Company's objective is to provide financing for real estate leases in the Kingdom of Saudi Arabia. All assets, liabilities and operations as reflected in the statement of financial position and statement of profit or loss belongs to the real estate financing segment.

24. SUBSEQUENT EVENTS

No material events occurred after the reporting date that require adjustment or need to be disclosed the in the financial statements.

BIDAYA FINANCE COMPANY
(FORMERLY KNOWN AS BIDAYA HOME FINANCE COMPANY)
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in '000 Saudi Riyals)

25. PRIOR YEARS ADJUSTMENT

As required by IAS 1 "Presentation of financial statement" and IAS 8 "Accounting Policies, Change in Accounting Estimates and Errors", the correction of the below resulted in a retrospective change of the comparative amounts for the year ended 31 December 2022 and 1 January 2022. The details of the error are as follows:

During the current year and prior years, the Company had incorrectly recognized management fees directly in the statement of profit or loss and other comprehensive income at the beginning of the related Ijara contract, which is not consistent with the Company's accounting policy to recognize such fees under effective interest rate method under IFRS 9. The impact of correcting this error was a decrease in opening retained earnings and increase in accrued expenses and other liabilities as at 1 January 2022 by SR 7.67 million and decrease in fees income and total comprehensive loss for the year ended 31 December 2022 by SR 1.16 million.

The effect of adjustments on 1 January 2022 figures is as follows:

	Amounts as previously reported	Adjustments	Amounts restated
Statement of financial position as at 1 January 2022			
Accrued expenses and other liabilities	129,707	7,672	137,379
Accumulated losses	(5,372)	(7,672)	(13,044)
Total liabilities	1,733,838	7,672	1,741,510
Total shareholders' equity	901,214	(7,672)	893,542

The effect of adjustments on 31 December 2022 figures is as follows:

	Amounts as previously reported	Adjustments	Amounts restated	Impact on profit or (loss)
Statement of financial position as at 31 December 2022				
Accrued expenses and other liabilities	138,090	8,827	146,917	-
Statutory reserve	8,124	(116)	8,008	-
Retained earnings / (accumulated losses)	8,466	(8,711)	(245)	-
Total liabilities	1,850,001	8,827	1,858,828	-
Total shareholders' equity	916,590	(8,827)	907,763	-
Statement of profit or loss and other comprehensive income for the year ended 31 December 2022				
Fees income	9,998	(1,155)	8,843	(1,155)
Total comprehensive income for the year	15,376	(1,155)	14,221	(1,155)

The above restatement did not have any impact on the reported amounts of cash flows used in operating, investing and financing activities for the year ended 31 December 2022.

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved for issue by the Board of Directors on 28 February 2024 (corresponding to 18 Sha'ban 1445H).

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the shareholders
Bidaya Home Finance Company
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bidaya Home Finance Company ("the Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code") as endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on March 6, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the shareholders of Bidaya Home Finance Company (Continued)**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia



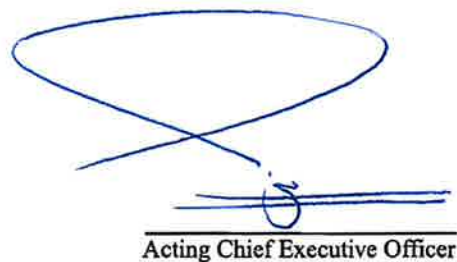
Mohammed Abdulrazzaq Morya
License No. 494
Sha'ban 9, 1444H
March 1, 2023

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in '000 Saudi Riyals)

	Notes	2022	2021
ASSETS			
Cash at banks		48,403	50,084
Investments held at fair value through other comprehensive income ("FVOCI")		893	893
Ijara receivables, net	4	2,582,044	2,482,124
Deposits, prepayments and other receivables, net	5	119,901	81,953
Right-of-use assets		4,692	6,349
Intangible assets, net	6	6,805	8,776
Property and equipment, net	7	3,853	4,873
Total assets		2,766,591	2,635,052
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Financing facilities - secured	8	1,250,659	1,040,528
Sukuk	9	451,901	552,351
Lease liabilities		4,172	5,904
Accrued expenses and other liabilities	10	138,090	129,707
Zakat payable	11	625	948
Provision for employees' end of service benefits		4,554	4,400
Total liabilities		1,850,001	1,733,838
SHAREHOLDERS' EQUITY			
Share capital	12	900,000	900,000
Statutory reserve		8,124	6,586
Retained earnings / (accumulated losses)		8,466	(5,372)
Total Shareholders' equity		916,590	901,214
Total liabilities and shareholders' equity		2,766,591	2,635,052



Chief Financial Officer



Acting Chief Executive Officer

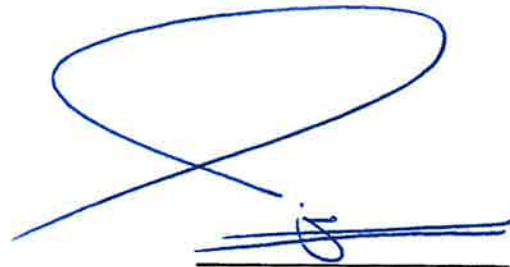
The attached notes 1 to 25 form an integral part of these financial statements.

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in '000 Saudi Riyals)

	Notes	2022	2021
REVENUE			
Ijara income		155,932	150,765
Fees income		9,998	7,546
Servicing income		11,447	11,674
Gain on sale of portfolios		4,387	11,173
Total revenue		181,764	181,158
OPERATING EXPENSES			
General and administrative expenses	13	(74,098)	(69,662)
Selling and marketing expenses	14	(18,582)	(14,382)
Depreciation		(3,336)	(3,249)
Amortization	6	(2,272)	(2,309)
Finance charges		(61,845)	(48,118)
Total operating expenses		(160,133)	(137,720)
Net operating income for the year		21,631	43,438
Charge for expected credit losses and write-offs	4,5	(4,287)	(10,804)
Profit on Murabaha deposits		1,182	7
Gain arising on modification of terms of financing facilities		-	1,052
Profit before Zakat for the year		18,526	33,693
Zakat charge for the year	11	(3,150)	(3,711)
Profit after Zakat for the year		15,376	29,982
Other comprehensive income for the year		-	-
Total comprehensive income for the year		15,376	29,982
Earnings per share – basic and diluted (in SR)	15	0.17	0.33


Chief Financial Officer


Acting Chief Executive Officer

The attached notes 1 to 25 form an integral part of these financial statements.

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in '000 Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings / (accumulated losses)	Total
Balance at 1 January 2022	900,000	6,586	(5,372)	901,214
Profit after Zakat for the year	-	-	15,376	15,376
Other comprehensive income	-	-	-	-
Total comprehensive income	900,000	-	15,376	15,376
Transfer to statutory reserve	-	1,538	(1,538)	-
Balance at 31 December 2022	900,000	8,124	8,466	916,590
Balance at 1 January 2021	900,000	3,588	(32,356)	871,232
Profit after Zakat for the year	-	-	29,982	29,982
Other comprehensive income	-	-	-	-
Total comprehensive	-	-	29,982	29,982
Transfer to statutory reserve	-	2,998	(2,998)	-
Balance at 31 December 2021	900,000	6,586	(5,372)	901,214



Chief Financial Officer



Acting Chief Executive Officer

The attached notes 1 to 25 form an integral part of these financial statements.

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in '000 Saudi Riyals)

	Notes	2022	2021
Cash flows from operating activities:			
Profit for the year before Zakat		18,526	33,693
<i>Non-cash adjustments to reconcile profit for the year before zakat to net cash used in operating activities:</i>			
Depreciation		3,336	3,249
Amortization	6	2,272	2,309
Finance charges		61,845	48,118
Provision for employees' end of service benefits		1,306	1,782
Charge for expected credit losses		4,287	10,804
Profit on murabaha deposits		(1,182)	(7)
Gain on sale of portfolios		(4,387)	(11,173)
Gain on modification of terms of financial facilities		—	(1,052)
		86,003	87,723
<i>(Increase) / decrease in operating assets</i>			
Ijara receivables		(587,412)	(486,988)
Deposits, prepayments and other receivables		(39,154)	26,632
<i>Increase / (decrease) in operating liabilities</i>			
Accrued expenses and other liabilities		8,383	(195,290)
		(532,180)	(567,923)
Employees' end of service benefits paid		(1,152)	(300)
Finance charges paid		(55,964)	(47,066)
Profit on Murabaha deposits received		1,182	7
Zakat paid	11	(3,473)	(3,679)
Net cash used in operating activities		(591,587)	(618,961)
Cash flows from investing activities			
Purchase of property and equipment		(659)	(910)
Purchase of intangible assets		(301)	(3,867)
Net cash used in investing activities		(960)	(4,777)
Cash flows from financing activities			
Proceeds from sale of Ijara receivables portfolio		488,798	387,808
Payment of lease liabilities		(1,732)	(1,532)
Proceeds from financing facilities – secured principal	9	958,250	1,484,528
Payment of financing facilities – secured principal		(754,450)	(1,475,000)
Proceeds from issuance of sukuk		—	252,351
Payment of sukuk principal		(100,000)	—
Net cash generated from financing activities		590,866	648,155
Net (decrease) / increase in cash and cash equivalents		(1,681)	24,417
Cash and cash equivalents at beginning of the year		50,084	25,667
Cash and cash equivalents at end of the year		48,403	50,084
Non-cash transactions:			
Derecognition of Ijara receivables through acquisition of properties held for sale		43,147	—


Chief Financial Officer


Acting Chief Executive Officer

The attached notes 1 to 25 form an integral part of these financial statements.

BIDAYA HOME FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in '000 Saudi Riyals)

1. GENERAL INFORMATION

Bidaya Home Finance Company (the "Company") is a Saudi closed joint stock company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 7009175717 issued in Riyadh on 25 Jumada II 1436H (corresponding to 14 April 2015). The Company was granted a full license by the Saudi Central Bank ("SAMA") to operate as a mortgage finance company vide license number 41/ع ش /201512 dated 3 Rabi I 1437H (corresponding to 14 December 2015).

The objectives of the Company are to provide home financing to consumers for the purchase of homes (new homes, ready homes and off plan construction homes) and providing finance to homeowners against security of their homes.

The registered office of the Company with its postal address is as follows:

Bidaya Home Finance Company
20th Floor of Al Ebdaa Tower
King Fahad Road
P.O. Box 93898
Riyadh 11683
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared:

- in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and
- In compliance with the Regulations for Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

b) Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention except for Investment held at fair value through other comprehensive income ("FVOCI") which is carried at fair value.

c) Going concern

In making the going concern assessment, the Company has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc.

d) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Company's functional currency. Except as otherwise indicated, the financial information presented in SR has been rounded-off to the nearest thousand.

e) Order of liquidity

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

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 18.

2. BASIS OF PREPARATION (CONTINUED)

f) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

i. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit losses ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company uses internal roll rate methodology for the entire portfolio to assign the PDs
- LGD determination by applying haircut on the collaterals considering difference between forced sale value and fair market value, time of realization, cost of realization and current effective profit rate. This haircut is applied as practical expedient as per the best practices
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as oil prices
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

i. Fee income

The Company offers a range of services to individuals and third parties, including application packaging, agency origination and receivables collection and administration. Fee income and its associated expense is recognized in profit and loss immediately when the service which gives rise to such fees is provided.

Fee income where the fee is an integral part of the yield on the receivable in relation to which it is charged is deferred and amortized. These fees are amortized over the period during which such yield is expected to accrue.

ii. Valuation of other real estate assets

The Company, in the ordinary course of business, acquires / repossesses certain real estate against settlement of the Ijara receivables. Such real estate is considered as assets held for sale and are initially stated at the current fair value of the related properties, less any costs to sell (if material). No depreciation is charged on such real estate.

Subsequent to initial recognition, any subsequent write down to fair value less costs to sell, are charged to the statement of comprehensive income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognized in the statement of income. Gains or losses on disposal of these properties are recognized in the statement of comprehensive income.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

a) Change in accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective January 1, 2023, replacing, amending, or adding to the corresponding accounting policies set out in 2021 annual financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the financial statements of the Company.

New IFRS standards, interpretations and amendments adopted by the Company

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient: As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37, and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16:

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'. Effective annual periods beginning on or after 1 January 2022.

Accounting Standards issued but not yet effective

- Amendments to IAS 1, Presentation of financial statements', on classification of liabilities: These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment. Effective date is deferred until accounting periods starting not earlier than 1 January 2024.
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8: The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. Effective annual periods beginning on or after 1 January 2023.
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction: These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. Effective annual periods beginning on or after 1 January 2023.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) *Change in accounting policies (continued)*

- IFRS 17, 'Insurance contracts', as amended in June 2020: This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Effective annual periods beginning on or after 1 January 2023.
- A narrow-scope amendment to the transition requirements in IFRS 17 Insurance Contracts: The amendment relates to insurers' transition to the new Standard only—it does not affect any other requirements in IFRS 17. IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time. The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. It does this by providing insurers with an option for the presentation of comparative information about financial assets. Effective annual periods beginning on or after January 1, 2023.

b) *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprise bank balances and time deposit placement with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

c) *Ijara receivables*

Ijara receivables represent assets transferred under Finance Islamic lease agreements, and the present value of the lease payments is recognized as a receivable and disclosed under "Ijara receivables". The difference between the gross receivables and the present value of the receivables is recognized as unearned Ijara income. Ijara income is recognized over the term of the Ijara using the net investment method, which reflects a constant rate of return.

d) *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. Expenditure for repair and maintenance are charged to the statement of profit or loss. Improvements that increase the value or materially extend the life of the related assets are capitalized.

The estimated useful lives of the principal classes of assets are as follows:

	Years
Leasehold improvements	Shorter of 10 years or lease term
Office equipment	5
Furniture and fixtures	6
Computer equipment	5
Vehicles	5

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Intangible assets

Intangible assets are initially recognized at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Amortization is charged to the statement of profit and loss account by applying the straight-line basis whereby the carrying amount of an asset is amortized over its estimated useful life to the Company unless such life is indefinite. The estimated useful life of intangible assets (computer software) is 5 years.

The Company accounts for impairment, where indications exist, by reducing the asset's carrying amount to the recoverable amount.

f) Leases

Right of Use Asset

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company applies cost model, and measure right of use asset at cost;

1. less any accumulated depreciation and any accumulated impairment losses; and
2. adjusted for any re-measurement of the lease liability for lease modifications

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental financing rate. Generally, the company uses its incremental financing rate as the discount rate.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect finance cost on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made and;
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

g) *Accounts payable and accruals*

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

h) *Provisions*

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

i) *Offsetting of financial instruments*

Financial assets and liabilities are offset and reported net in the statement of financial position when the entity has a legal currently enforceable right to set off the recognized amounts and when the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

j) *Employees end of service benefits*

Provision is made for amounts payable under the Saudi Arabian Labor Law applicable to employees' accumulated service at the statement of financial position date. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the statement of financial position date.

k) *Expenses*

Selling and marketing expenses are those that specifically relate to sales and marketing. All other expenses are classified as general and administrative expenses.

l) *Foreign currencies*

Transactions denominated in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position. All differences are taken to the statement of profit or loss. Gains or losses on foreign currency transactions are included in the statement of profit or loss during the year.

m) *Zakat*

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax, and as such no deferred tax is calculated relating to Zakat.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

Financial Asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial Asset at FVOCI

A financial instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

During 2018, the Company acquired equity instruments of Saudi Finance Lease Registry Company (SJIL) and classified its investment in equity instruments as fair value through OCI.

Financial Assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For equity instruments that is not held for trading, on initial recognition, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument (i.e. share-by-share) basis.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

o) Classification of financial liabilities

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other costs that are an integral part of the effective profit rate.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Derecognition of financial assets and financial liabilities

i. Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed); and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Company retains the obligation to service the transferred financial asset for a fee, the transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

ii. Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

q) Modifications of financial assets and financial liabilities

i. Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the customer, then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income.

ii. Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Impairment

The Company recognizes loss allowances for ECL on the Ijara receivables financial instruments that are not measured at FVTPL.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- financing investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of an Ijara receivable by the Company on terms that the Company would not consider otherwise;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An Ijara receivable that has been renegotiated due to deterioration in the customer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, an Ijara receivable that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Impairment allowances for ECL of financial assets measured at amortized cost and Ijara receivables are presented in the statement of financial position as a deduction of gross carrying amount of the assets.

Write-off

Ijara receivables are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms including promissory notes and title ownership until the completion of the payments. Collateral, unless repossessed, is not recorded in the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at a minimum at inception.

Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held-for-sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Company's policy.

s) Revenue recognition

Ijara income is recognized in profit or loss using the effective profit method. The 'effective profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortized cost of the financial instrument.

When calculating the effective profit rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective profit rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective profit rate includes transaction costs and fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Fee income and commission fees earned for Ijara receivables are recognised as an adjustment to the effective profit rate on these receivables. When it is unlikely that receivables will continue to be held by the Company, such fees are recognised in the statement of profit or loss in the year in which the receivables no longer continue to exist in the financial statements.

Servicing income is recognized as the related services are performed and performance obligations are achieved as point-in-time.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Benchmark reform of interbank offered rates ("IBOR")

A fundamental review and reform of major profit rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") has published, in two phases, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in order to address issues that might affect financial reporting after the reform of a profit rate benchmark, including its replacement with alternative benchmark rates. The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021, and do not have a material impact on the Company.

u) Statutory reserve

As required by Saudi Arabian Regulations for Companies and the Company's By-laws, 10% of the income for the year (after zakat) should be transferred to the statutory reserve. This reserve is not available for distribution. As per the By-laws, the Company may resolve to discontinue such transfers when the reserve equals 30% of the capital.

4. IJARA RECEIVABLES, NET

	Notes	2022	2021
Gross Ijara receivables		4,124,764	4,073,228
Less: Unearned income		(1,521,335)	(1,568,708)
	4.1	2,603,429	2,504,520
Less: allowance for expected credit losses (ECL)	4.3	(21,385)	(22,396)
Ijara receivables, net		2,582,044	2,482,124

4.1 The credit quality of Ijara receivables is as follows:

	2022	2021
Neither past due nor impaired	2,326,772	2,194,778
Past due but not impaired	200,557	202,101
Impaired	76,100	107,641
	2,603,429	2,504,520

Ageing of past due but not impaired installments and the related balances of Ijara receivables are as follows:

	2022		2021	
	Ijara receivables	Past due instalments	Ijara receivables	Past due instalments
01 – 30 days	140,427	2,687	113,671	2,059
31 – 60 days	48,863	745	59,421	1,223
61 – 90 days	11,267	243	29,009	1,091
Total	200,557	3,675	202,101	4,373

Ijara receivable, net include accrued markup receivable amounting to SR 34.65 million (2021: SR 32.47 million).

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4. IJARA RECEIVABLES, NET (CONTINUED)

- 4.2** The average fair values of collateral, based on the appraisal at the time of origination of the financial assets, held by the Company by each category are as follows:

	2022	2021
Current	3,031,484	2,835,213
01 – 30 days	174,180	146,232
31 – 60 days	62,965	72,195
61 – 90 days	15,097	36,386
More than 90 days	85,830	118,941
	<u>3,369,556</u>	<u>3,208,967</u>

The valuation techniques used to determine the fair value of collateral included a combination of the cost and market approach and were done by independent external evaluators on the approved panel of the Company.

Title deeds of real estate properties financed by the Company are registered in the name of the Company, except for those which are under the Ministry of Housing for which title deeds will be transferred upon payment by the Company.

- 4.3** The movement of the impairment allowance for credit losses for the year ended 31 December 2022 is as follows:

	2022	2021
Beginning balance	22,396	26,997
Charge for the year	3,081	2,256
Write-off during the year	(4,092)	(6,857)
	<u>(1,011)</u>	<u>4,601</u>
Closing balance	<u>21,385</u>	<u>22,396</u>

- 4.4** The table below stratifies credit exposures from Ijara receivables into ranges of receivables to value ratio. At the time of origination, Ijara receivables to value ratio is calculated by dividing the gross amount of the financing by the fair value of the underlying property. The gross amount of financing used in calculating this ratio excludes unearned income and any impairment allowance.

	2022	2021
Less than 50%	41,899	31,020
51 - 70%	133,807	55,292
71 - 85%	561,557	286,775
More than 85%	1,866,166	2,131,433
Total Exposure	<u>2,603,429</u>	<u>2,504,520</u>

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4. IJARA RECEIVABLES, NET (CONTINUED)

4.5 The credit exposure from Ijara receivable is classified as under:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
31 December 2022				
Ijara receivables	207,925	663,265	3,253,574	4,124,764
Unearned income	(123,863)	(364,396)	(1,033,076)	(1,521,335)
	84,062	298,869	2,220,498	2,603,429
Impairment allowance for credit losses				(21,385)
				<u>2,582,044</u>
31 December 2021				
Ijara receivables	227,608	612,422	3,233,198	4,073,228
Unearned income	(113,706)	(349,326)	(1,105,676)	(1,568,708)
	113,902	263,096	2,127,522	2,504,520
Impairment allowance for credit losses				(22,396)
				<u>2,482,124</u>

4.6 The Company's implicit rate of return on leases ranges from 3.97% to 13.42% (31 December 2021: 4.16% to 12.01 %). Tenors of Ijara receivables range from five to thirty years.

During the year, the Company sold receivables amounting to SR 484.41 million (31 December 2021: SR 376.63 million) to Saudi Real Estate Refinance Company and are being serviced by the Company.

5. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	2022	2021
VAT rebate and servicing fees receivable from Ministry of Housing, net	5.1	42,516	49,899
Properties held for sale	5.2	43,147	-
Other receivables, net	5.3	17,873	14,664
Deferred Sales Commission		10,133	9,257
Prepayments		5,867	7,788
Deposits		365	345
		<u>119,901</u>	<u>81,953</u>

5.1 This includes the receivable from Ministry of Housing (MoH) against the VAT paid by the Company on the portion of Ijara financing originated subject to VAT relief for first home buyers. The movement of the impairment allowance for credit losses for the year ended 31 December 2021 is as follows:

	2022	2021
Beginning balance	4,500	4,500
Charge for the year	1,206	-
Closing balance	<u>5,706</u>	<u>4,500</u>

5.2 This represents real estate repossessed by the Company, in the ordinary course of business, against settlement of Ijara receivable balances.

5.3 Other receivables are net of allowance for expected credit losses amounting to SAR 3.99 million (31 December 2021: SAR 3.99 million) against costs recoverable from Real Estate Development Fund (REDF).

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6. INTANGIBLE ASSETS, NET

	2022	2021
	Computer Software	
Cost:		
As at 1 January	18,125	14,258
Additions during the year	301	3,867
Adjustments during the year	--	--
As at 31 December	18,426	18,125
Amortization:		
As at 1 January	9,349	7,040
Charge for the year	2,272	2,309
As at 31 December	11,621	9,349
Net book value as at 31 December	6,805	8,776

Computer software include work-in-progress amounting to SAR 1.29 million as at 31 December 2022 (2021: 3.812 million).

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7. PROPERTY AND EQUIPMENT, NET

	For the year ended 31 December 2022				
	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Computer equipment</u>	<u>Vehicles</u> <u>Total</u>
Cost:					
As at 1 January 2022	4,141	330	912	8,583	14,351
Additions	3	23	-	633	659
As at 31 December 2022	4,144	353	912	9,216	15,010
Accumulated depreciation:					
As at 1 January 2022	2,310	241	804	5,923	9,478
Charge for the year	415	35	59	1,093	1,679
As at 31 December 2022	2,725	276	863	7,016	11,157
Net book value as at 31 December 2022	1,419	77	49	2,200	3,853

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7. PROPERTY AND EQUIPMENT, NET (CONTINUED)

	For the year ended 31 December 2021				
	Leasehold improvements	Office equipment	Furniture and fixtures	Computer equipment	Vehicles
Cost:					
As at 1 January 2021	4,141	281	906	7,728	385
Additions	--	49	6	855	--
As at 31 December 2021	4,141	330	912	8,583	385
					Total
					13,441
					910
					14,351
Accumulated depreciation:					
As at 1 January 2021	1,897	192	638	4,921	122
Charge for the year	413	49	166	1,002	78
As at 31 December 2021	2,310	241	804	5,923	200
Net book value as at 31 December 2021	1,831	89	108	2,660	185
					4,873

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8. FINANCING FACILITIES - SECURED

These represents financing amounts obtained from local commercial banks based in the Kingdom of Saudi Arabia with accrued balance amounting to SAR 687.5 million (2021: SAR 639.613 million) and Saudi Real Estate Refinance Company ("SRC") amounting to SAR 563.159 million (2021: SAR 400.915 million) under Islamic financing approved by Shari'ah Supervisory Committee. These financings are secured by the assignment of proceeds from certain Ijara receivables and pledge of title deeds of underlying real estate assets. These financing are revolving in nature and carry markup at commercial market rates.

9. SUKUK

As at 31 December 2022, the Company has unsecured non-convertible unlisted sukuk outstanding principal amounting to SAR 450 million (2021: SAR 552 million) carrying a profit at agreed fixed rates and are payable on a quarterly basis. Out of the total principal amount of sukuk issued of SAR 550 million, SAR 100 million has matured and settled during the period, while the remaining amount of SAR 450 million will mature in 2023.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Notes	2022	2021
Payable to Ministry of Housing (MOH)	10.1	80,123	83,960
Accounts payable		23,071	5,980
Accrued expenses		17,420	23,200
Deferred commission income		9,336	10,118
Downpayment against Ijara financing	10.2	5,140	4,449
Directors' remuneration and meeting expenses	16	3,000	2,000
		<u>138,090</u>	<u>129,707</u>

10.1 This includes balances payable to MOH in relation to purchase of properties which are financed to Ijara receivables customers and are being serviced by the Company.

10.2 This pertains to down payment received by the Company against Ijara financing not executed as at the statement of financial position date.

11. ZAKAT

During the year ended 31 December 2022, the Company filed its zakat declarations up until 31 December 2021, and acknowledgment certificates have been obtained. The Company is in the process of submitting its Zakat declaration with Zakat, Tax and Custom Authority (ZATCA) for the year ended 31 December 2022.

	2022	2021
Opening balance	948	916
Charge for the year	3,150	3,711
Zakat paid	(3,473)	(3,679)
Closing balance payable	<u>625</u>	<u>948</u>

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12. SHARE CAPITAL

As at 31 December 2022, the authorized, issued and fully paid-up share capital of the Company was SR 900 million (31 December 2021: SR 900 million) divided into 90 million shares with a nominal value of SR 10 each, which is owned by the shareholders as follows:

Name of shareholders	31 December 2022			31 December 2021		
	Number of shares '000	Holding %	Amount SAR'000	Number of shares '000	Holding %	Amount SAR'000
Public Investment Fund	20,000	22.2	200,000	20,000	22.2	
Rashed & his Partner's for Development	15,300	17.0	153,000	15,300	17.0	153,000
Islamic Corporation for the Development of the Private Sector	10,000	11.1	100,000	18,000	20.0	180,000
Manafea International	10,000	11.1	100,000	10,000	11.1	
The Arab Investment Company	10,000	11.1	100,000	10,000	11.1	100,000
Al Othaim Holding	10,000	11.1	100,000	10,000	11.1	
Wasl Investment Company	2,473	2.8	24,730	-	-	-
Ladun Investment	2,458	2.8	24,580	-	-	-
El Khareji Investments Company	2,000	2.2	20,000	3,200	3.6	32,000
Mohammad Bin AbdulAziz Al Rahji & Sons	2,000	2.2	20,000	2,000	2.2	20,000
Shumou Investment Company	1,748	1.9	17,480	-	-	-
Jawahir Investment Company	1,500	1.7	15,000	1,500	1.7	15,000
Omair Abdulaziz AlOmair	1,321	1.5	13,210	-	-	-
AbdulAziz Abdullah Al Kharji	1,200	1.3	12,000	-	-	-
	<u>90,000</u>	<u>100</u>	<u>900,000</u>	<u>90,000</u>	<u>100</u>	<u>900,000</u>

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries and employee related benefits	45,643	39,440
Professional fees	4,890	6,161
Directors' remuneration and meeting expenses (note 16)	3,938	2,143
IT expenses	4,560	4,654
Rent and premises related expenses	1,115	1,061
Other expenses	13,952	16,203
	<u>74,098</u>	<u>69,662</u>

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14. SELLING AND MARKETING EXPENSES

	2022	2021
Salaries and employee related expenses	8,138	6,429
Lease property evaluation and takaful expenses	8,082	6,186
Advertising and marketing expenses	2,362	1,767
	18,582	14,382

15. EARNINGS PER SHARE – BASIC & DILUTED

Earnings per share is calculated by dividing net profit for the year after Zakat by the weighted average number of shares (90 million shares) in issue during the year. The diluted earnings per share is same as the basic earnings per share.

16. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the shareholders and their affiliated entities and certain key management personnel. In the ordinary course of its activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include the Chief Executive Officer ("CEO") and the personnel directly reporting to CEO. The entity with common key management referred to below is chaired by the CEO of the Company.

The significant transactions with related parties during the year and the related balances are as follows:

Name of related party	Nature of relationship	Nature of transaction	2022	2021
Saudi Finance Lease Registry Company	Common key Management	Refund against contract services	--	728
		Payments for contract services	387	75

Name of related party	Nature of relationship	Nature of transaction	Balance at 31 December 2022	Balance at 31 December 2021
Saudi Finance Lease Registry Company (SJIL)	Common Management	Investment held at FVOCI	893	893
		Payments for contract services	-	925

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the year are as follows:

Name of related parties	Nature of transactions	2022	2021
Key Management Personnel	- Salaries and benefits	7,916	6,933
	- Provision for end of service employees' benefits	(529)	305
	- Directors' remuneration and meeting expenses	3,938	2,143
Name of related parties	Balance at the end of the year	2022	2021
Key Management Personnel	- Provision for end of service employees' benefits	1,127	1,656
	- Directors' remuneration and meeting expenses	3,000	2,000

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17. CONTINGENCIES AND COMMITMENTS

Contingent liabilities and Commitments

The Company has facilities approved but not utilized, indicative offers issued which are under consideration of the customers and due diligence in progress as of the reporting date which have the potential to convert into financing, amounting to SR 69.78 million (2021: SR 33.34 million).

At the end of the year, the Company has commitments of SR 165.66 million against forward Ijara tranches payable to the developers of the properties (31 December 2021: SAR 274.57 million).

18. RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Credit and Risk Management Committee, which has the responsibility to monitor the overall risk process within the Company.

The Credit and Risk Management Committee is responsible for managing risk decisions, monitoring risk levels and reporting on a quarterly basis to the Board of Directors.

Credit risk

The Company manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in financing activities that lead to Ijara receivables. The lessees may fail to discharge their contractual obligations for a variety of reasons including change in customer circumstances or a change in value of the underlying collateral. The Company has established procedures to identify and manage credit risk including evaluation of lessees' credit worthiness, formal credit approvals and obtaining collateral. Credit risk is identified and managed at inception of the lease contract as well as on an ongoing basis.

Management monitors the market value of collateral obtained during its review of the adequacy of the impairment allowance for credit losses. The Company regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The table below reflects the maximum exposure to credit risk on the financial assets at the reporting date:

	2022	2021
Bank balances	48,403	50,084
Ijara receivables	2,603,429	2,504,520
Deposits and other receivables	102,108	62,373
	<u>2,753,940</u>	<u>2,616,977</u>

The credit risks on gross amounts due in relation to the Ijara receivables which pertain to the customer is mitigated at inception of the financing by assessing the customers' credit worthiness as well as the ability of the customer to meet contractual obligations in the future. In addition to this the Company makes use of certain guarantees and takafuls available in the market should any customer in the future fail to meet their contractual obligations. The Company also obtains collateral against Ijara receivables

In assessing a customer's ability to meet their contractual obligations a number of factors are considered including the customers' monthly income, past credit behavior, monthly outgoings and financial commitment to other parties. The Company also recognizes that individual circumstances may change through the term of the lease and, as far as possible, avails itself of additional credit enhancements where these are available. This includes:

- Takaful cover on death or disability of the customer which will settle a portion of the outstanding obligation. The Company ensures all customers are covered by Takaful.
- Mortgage Guarantee Scheme (MGS) available on qualifying customers which will pay 80% of the unpaid principal balance following 90-day default by the customer.

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19. RISK MANAGEMENT (CONTINUED)

- Subsidised Financing Programme (SFP) available on qualifying customers which subsidises a portion of their ongoing monthly commitments and drives continued good credit behavior by the customer.
- Down Payment Guarantee Scheme (DPG), which provides qualifying customers with a portion of the down payment required to qualify for financing. This enhances the customers' ability to pay contractual obligations in the future, as less of their own resources are absorbed by the down payment.

The portion of Ijara receivables covered by the above credit enhancement tools is as follows:

	2022	2021
Mortgage Guarantee Scheme	228,624	518,189
Subsidised Financing Programme	—	70,443
Down Payment Guarantee Scheme	630,208	147,168
Covered by one or more of above	803,591	429,927

In assessing the value of collateral which will be relied on to settle unpaid obligations following default by the customer, the Company obtains an independent view of the value of the collateral from a minimum of two suitably qualified, and unconnected, appraisers. The Company also considers the actual price paid by the customer and utilizes a combination of all three to derive a considered value for each property. The Company then advances financing up to a certain value of the considered value, taking into account its overall assessment of credit risk.

In monitoring ongoing credit risk, the Company follows a credit classification mechanism, as a tool to manage the quality of credit risk of the financed Ijara. The credit classification differentiates between performing and impaired portfolios and allocates provisions accordingly.

i. Credit quality analysis

The following table sets out information about the credit quality of Ijara receivables measured at amortized cost and accrued Ijara income as at 31 December 2022. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

31 December 2022			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	2,309,902	6,385	2,303,517
Total	2,309,902	6,385	2,303,517
31 December 2021			
12 month ECL			
	Stage 1 Gross carrying amounts	12 Month ECL	Stage 1 Net carrying amounts
Ijara receivables			
Unrated	2,246,580	1,080	2,245,500
Total	2,246,580	1,080	2,245,500

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19. RISK MANAGEMENT (CONTINUED)

	31 December 2022		
	Lifetime ECL (not credit impaired)		
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated	186,873	5,626	181,247
Total	186,873	5,626	181,247

i. Credit quality analysis (continued)

	31 December 2021		
	Lifetime ECL (not credit impaired)		
	Stage 2 Gross carrying amounts	Lifetime ECL (not credit impaired)	Stage 2 Net carrying amounts
Ijara receivables			
Unrated	83,647	1,905	81,742
Total	83,647	1,905	81,742

	31 December 2022		
	Lifetime ECL (credit impaired)		
	Stage 3 Gross Carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net Carrying amounts
Ijara receivables			
Unrated	106,654	9,374	97,280
Total	106,654	9,374	97,280

	31 December 2021		
	Lifetime ECL (credit impaired)		
	Stage 3 Gross Carrying amounts	Lifetime ECL (credit impaired)	Stage 3 Net Carrying amounts
Ijara receivables			
Unrated	174,293	19,411	154,882
Total	174,293	19,411	154,882

ii. Amount arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

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19. RISK MANAGEMENT (CONTINUED)

iii. Generating the term structure of PD

The Company employs statistical models to analyze historical performance and default information to generate PD estimates, including how these estimates are expected to change with the passage of time. Statistical models are employed for the Company's Ijara receivables exposures, whereby the primary inputs are days past due (DPD). In addition, the Company incorporates forward-looking information into generating forward-looking PDs. Based on external actual and forecasted data, the Company's analysis takes into account the identification and calibration of relationships between default rates and country-specific macroeconomic information.

iv. Determining whether credit risk has increased significantly

The Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due, except in case of rebuttal. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the customer.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due.

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below: -

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognizes an allowance based on the 12-month ECL and profit is calculated on the gross carrying amount of the asset (i.e. without deduction of credit allowances. All accounts at origination would be classified as Stage 1.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition, but they are not credit-impaired (i.e. there is no objective evidence of impairment), the Company recognises an allowance for the lifetime ECL.

With respect to the portfolio held by the Company, all the exposures are moved to stage 2 where the customer is Days Past Due (DPD) 30 days or more (Principal or profit payments) as of 31 December 2021.

Stage 3: for credit-impaired (i.e. there is objective evidence of impairment at reporting date) financial instruments, the Company recognises the lifetime ECL. Default identification process i.e. DPD of 90 days more (obligors already defaulted) is used as stage 3.

v. Modified financial assets

The contractual terms of Ijara receivables may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized, and the renegotiated financing recognized as a new financing at fair value, in accordance with the accounting policy.

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19. RISK MANAGEMENT (CONTINUED)

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Company renegotiates Ijara receivables to customers in financial difficulties (referred to as 'forbearance activities' to maximize collection opportunities and minimize the risk of default. Under the Company's forbearance policy, forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity or changing the timing of profit payments.

vi. Definition of 'Default'

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security; or
- the customer is past due more than 90 days on any material credit obligation to the Company.

vii. Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Company Management Committee and economic experts, and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated.

relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2022 included the following key economic data points:

- Unemployment rates
- Inflation
- GDP growth
- Oil prices

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19. RISK MANAGEMENT (CONTINUED)

viii. Measurement of ECL (continued)

Probability weightings

The Company considered the probability weightings to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Company's credit portfolios in determining them.

The Company has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

Economic Indicators	Forecast calendar years used in 2022 ECL model		Forecast calendar years used in 2021 ECL model	
	2023	2024	2022	2023
GDP	2.818	2.825	4.83	2.778
Unemployment rate	5.804	5.765	7.4	7.4
Inflation	1.961	2.021	2.223	1.976
Government Spending	30.860	30.288	--	--

viii. Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- i. probability of default (PD);
- ii. loss given default (LGD);
- iii. exposure at default (EAD)

These parameters are generally derived from internally developed statistical models using historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical models (loss rate estimation method) and assessed to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between DPD buckets, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. Due to the size of the Company's portfolio, there is insufficient historical LGD data to derive statistically reliable LGD estimates. Therefore, the Company benchmarks LGD to regulator guidelines (i.e., 50% for its unsecured exposures). The Company applied a hair cut of 25% for Real Estate Collateral.

Going forward, subject to availability of adequate recovery data, the Company shall revise the LGD estimation methodology in line with IFRS 9 requirements.

Where the exposure is 100% or more collateralized (i.e., the value of the collateral after haircut is equal to or greater than the exposure), the Company imposes a LGD floor (recovery cap) of 5% for Real Estate. Floor is determined based on management judgment.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

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19. RISK MANAGEMENT (CONTINUED)

viii. Measurement of ECL (continued)

Subject to using a minimum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any customers' extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require settlement of the financing.

Collateral

The Company in the ordinary course of financing activities holds collateral as security to mitigate credit risk in the Ijara receivables. These collaterals mostly include promissory notes and real estate titles. The collaterals are held mainly against Ijara receivables, and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting date, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

Gross carrying amount

The following table explains the changes in gross carrying amount of the Company's Ijara receivables to help explain their significance to the changes in the loss allowance for the same portfolio.

	31 December 2022			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2022	2,246,580	83,647	174,293	2,504,520
Transfer to 12-month ECL	57,285	(28,928)	(28,357)	-
Transfer to lifetime ECL not credit impaired	(97,608)	120,222	(22,614)	-
Transfer to lifetime ECL-credit impaired	(36,402)	(13,569)	49,971	-
Financial assets derecognized during the year other than write- offs	(468,73)	(13,508)	(78,587)	(560,829)
New financial assets originated during the year	608,781	39,009	11,948	659,738
Balance as at 31 December 2022	2,309,902	186,873	106,654	2,603,427

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19. RISK MANAGEMENT (CONTINUED)

Gross carrying amount (continued)

	31 December 2021			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2021	2,195,931	38,269	171,872	2,406,072
Transfer to 12-month ECL	33,873	(6,342)	(27,531)	-
Transfer to lifetime ECL not credit impaired	(51,463)	59,320	(7,857)	-
Transfer to lifetime ECL-credit impaired	(42,116)	(14,801)	56,917	-
Financial assets derecognized during the year other than write- offs	(376,308)	-	(17,930)	(394,238)
New financial assets originated during the year	486,663	7,201	5,679	499,543
Write off during the year	-	-	(6,857)	(6,857)
Balance as at 31 December 2021	2,246,580	83,647	174,293	2504,520

Loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowance of Ijara receivables and accrued Ijara income:

	31 December 2022			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2022	1,080	1,905	19,411	22,396
Transfer to 12-month ECL	409	(74)	(335)	-
Transfer to lifetime ECL not credit impaired	(2,902)	3,523	(621)	-
Transfer to lifetime ECL-credit impaired	(2,246)	(821)	3,067	-
Net charge for the year	10,044	1,093	(12,148)	(1,011)
Balance as at 31 December 2022	6,385	5,626	9,374	21,385

	31 December 2021			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2021	849	687	25,461	26,997
Transfer to 12-month ECL	75	(3)	(72)	-
Transfer to lifetime ECL not credit impaired	(1,151)	1,362	(211)	-
Transfer to lifetime ECL-credit impaired	(2,068)	(534)	2,602	-
Write off during the year	-	-	(6,857)	(6,857)
Net charge for the period	3,375	393	(1,512)	2,256
Balance as at 31 December 2021	1,080	1,905	19,411	22,396

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19. RISK MANAGEMENT (CONTINUED)

Gross carrying amount (continued)

The Company has recognized overlays of SR 1.805 million (2021: 3.093 million) as at 31 December 2022. The Company will continue to reassess as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

Liquidity risk

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

The tables below summarize the maturity profile of the Company's financial assets and liabilities on discounted cash flows, on the basis of the remaining contractual maturity as of the statement of financial position date to the contractual maturity date.

31 December 2022	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	48,403	-	-	-	-	48,403	48,403
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,603,429	27,147	56,915	298,869	2,220,498	-	2,603,429
Deposits and other receivables	102,108	-	101,743	-	-	365	102,108
	2,754,833	27,147	158,658	298,869	2,220,498	49,661	2,754,833
Financial Liabilities							
Financing facilities - secured	1,250,659	270,686	755,923	224,050	-	-	1,250,659
Sukuk	451,901	151,901	300,000	-	-	-	451,901
Finance lease liability	4,172	-	906	3,266	-	-	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	-	-	-	111,279
	1,818,011	430,727	1,159,968	227,316	-	-	1,818,011
Gap	936,822	(403,580)	(1,001,310)	71,553	2,220,498	49,661	936,822

31 December 2021	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	50,084	-	-	-	-	50,084	50,084
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,504,520	27,208	86,695	263,096	2,127,521	-	2,504,520
Deposits and other receivables	62,373	-	62,028	-	-	345	62,373
	2,617,870	27,208	148,723	263,096	2,127,521	51,322	2,617,870
Financial Liabilities							
Financing facilities - secured	1,040,528	211,028	725,000	104,500	-	-	1,040,528
Sukuk	552,351	2,351	100,000	450,000	-	-	552,351
Finance lease liability	5,904	-	5,904	-	-	-	5,904
Accrued expenses and other liabilities	96,389	6,449	89,940	-	-	-	96,389
	1,695,172	219,828	920,844	554,500	-	-	1,695,172
Gap	922,698	(192,620)	(772,121)	(291,404)	2,127,521	51,322	922,698

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19. RISK MANAGEMENT (CONTINUED)

The following table discloses the maturity of financial liabilities on undiscounted cash flows:

	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2022						
Financing facilities -secured	1,250,659	277,375	778,671	231,946	-	1,287,992
Sukuk	451,901	154,485	305,883	-	-	460,368
Finance lease liability	4,172	-	906	3,266	-	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	-	-	111,279
		440,000	1,188,599	235,212	-	1,863,811
31 December 2022	1,818,011					

	Carrying value	Up to three months	More than three months and up to one year	More than one year and up to five years	No fixed maturity	Total
31 December 2021						
Financing facilities -secured	1,040,528	211,028	729,528	104,500	-	1,045,056
Sukuk	552,351	3,884	115,069	460,368	-	579,321
Finance lease liability	5,904	-	1,813	4,534	-	6,347
Accrued expenses and other liabilities	96,389	6,449	89,940	-	-	96,389
		221,361	936,350	569,402	-	1,727,113
31 December 2021	1,695,172					

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in market variables such as special commission rates and foreign exchange rates. Market risk can be categorized into profit rate risk, equity price risk and currency risk as follows:

Profit rate risk

Profit rate risk is the uncertainty of future earnings resulting from fluctuations in profit rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to profit rate adjustment within a specified year. The most important source of such rate risk at the date in the statement of financial position are the Company's Ijara receivables, where fluctuations in profit rates, if any, are reflected in the results of operations.

The following table depicts the sensitivity to a reasonably possible change in profit rates, with other variables held constant, on the Company's profit or loss. The sensitivity of income is the effect of the assumed changes in profit rates on the Ijara income for one year, based on the floating rate non-trading financial assets.

Currency (SR'000)	Increase in basis points	Sensitivity of profit or loss	Up to three months	More than three months and up to one year	More than one year and up to five years	Over five years
31 December 2022	+/- 25	3,803	102	207	910	2,582
31 December 2021	+/- 25	3,922	94	189	873	2,764

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19. RISK MANAGEMENT (CONTINUED)

The Company is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given year.

The table below summarises the Company's exposure to profit rate risks. Included in the table are the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

31 December 2022	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	48,403	-	-	-	-	48,403	48,403
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,603,429	501,942	1,735,375	-	-	366,112	2,603,429
Deposits and other receivables	102,108	-	101,743	-	-	365	102,108
	2,754,833	501,942	1,837,118	-	-	415,773	2,754,833
Financial Liabilities							
Financing facilities - secured	1,250,659	270,686	755,923	224,050	-	-	1,250,659
Sukuk	451,901	151,901	300,000	-	-	-	451,901
Finance lease liability	4,172	-	906	3,266	-	-	4,172
Accrued expenses and other liabilities	111,279	8,140	103,139	-	-	-	111,279
	1,818,011	430,727	1,159,968	227,316	-	-	1,818,011
Gap	936,822	71,215	677,150	(227,316)	-	415,773	936,822

31 December 2021	Carrying value	Up to three months	More than three months and less than one year	More than one and less than five years	Over five years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	50,084	-	-	-	-	50,084	50,084
Investments at FVOCI	893	-	-	-	-	893	893
Ijara receivables	2,504,520	457,470	1,401,107	-	-	645,943	2,504,520
Deposits and other receivables	62,373	-	62,028	-	-	345	62,373
	2,617,870	457,470	1,463,135	-	-	697,265	2,617,870
Financial Liabilities							
Financing facilities - secured	1,040,528	211,028	725,000	104,500	-	-	1,040,528
Sukuk	552,351	2,351	100,000	450,000	-	-	552,351
Finance lease liability	5,904	-	5,904	-	-	-	5,904
Accrued expenses and other liabilities	96,389	6,449	89,940	-	-	-	96,389
	1,695,172	219,828	920,844	554,500	-	-	1,695,172
Gap	922,698	237,642	542,291	(554,500)	-	697,265	922,698

Equity Price Risk

Equity risk refers to the risk of a decrease in fair values of equities in the Company's non-trading investment portfolio as a result of reasonably possible changes in levels of equity indices and the value of individual stocks.

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19. RISK MANAGEMENT (CONTINUED)

The Company is not exposed to significant equity price risk as it does not hold material investments in equity securities other than shares in SIJIL.

Currency risk

Currency risk is the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company is not exposed to significant currency risk as most of its transactions are in the local currency.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash at banks, Ijarah receivables, investments held at FVOCI, deposits and other receivables. Financial liabilities consist of financing facilities-secured, sukuk, lease liabilities and accrued expenses and other liabilities payable.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy:

	31 December 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>					
Investments at FVOCI	893	—	—	893	893

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20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2021					
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Investments at FVOCI	893	--	--	893	893

31 December 2022					
<u>Financial assets not measured at fair value</u>	Carrying value	Level 1	Level 2	Level 3	Total
Bank balances	48,403	48,403	-	-	48,403
Ijara receivables, net	2,603,429	-	-	2,043,877	2,043,877
Deposits and other receivables	102,108	-	-	102,108	102,108
	2,753,940	48,403	-	2,145,985	2,194,388

31 December 2021					
<u>Financial assets not measured at fair value</u>	Carrying value	Level 1	Level 2	Level 3	Total
Bank balances	50,084	50,084	-	-	50,084
Ijara receivables, net	2,504,520	-	-	2,148,805	2,148,805
Deposits and other receivables	62,373	-	-	62,373	62,373
	2,616,977	50,084	-	2,211,178	2,261,262

31 December 2022					
<u>Financial liabilities not measured at fair value</u>	Carrying value	Level 1	Level 2	Level 3	Total
Financing facilities - secured	1,250,659	--	--	1,250,659	1,250,659
Sukuk	451,901	--	--	411,973	411,973
Finance lease liability	4,172	--	--	4,172	4,172
Accrued expenses and other liabilities	111,279	--	--	111,279	111,279
	1,818,011	--	--	1,778,083	1,778,083

31 December 2021					
<u>Financial liabilities not measured at fair value</u>	Carrying value	Level 1	Level 2	Level 3	Total
Financing facilities - secured	1,036,000	--	--	1,036,000	1,036,000
Sukuk	550,000	--	--	556,927	556,927
Finance lease liability	5,904	--	--	5,904	5,904
Accrued expenses and other liabilities	103,268	--	--	103,268	103,268
	1,695,172	--	--	1,702,099	1,702,099

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy.

	Opening	Purchase	Sale	Closing
2022	893	-	-	893
2021	893	-	-	893

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20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity Analysis

For the fair value of level 3 investments, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	2022	2021
Investments held at fair value through income statement		
Impact on unrealized gain for the year ended:		
<i>If increased by 1%</i>	9	9
<i>If decreased by 1%</i>	9	9

The fair value of Ijara receivables is based on actual cash flows discounted by the average year end internal rate of return and is not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, hence the fair value of Ijara receivables is classified under level 3.

During the year ended 31 December 2022, there were no transfers into or out of Level 3.

21. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with the advantages afforded by a sound capital position.

22. SEGMENT INFORMATION

The Company's objective is to provide financing for real estate leases in the Kingdom of Saudi Arabia. All assets, liabilities and operations as reflected in the statement of financial position and statement of profit or loss belongs to the real estate financing segment.

23. SUBSEQUENT EVENTS

No material events occurred after the reporting date that require adjustment or need to be disclosed the in the financial statements.

24. COMPARATIVE INFORMATION

Certain prior period figures have been reclassified to conform to current period presentation, which are not material in nature to the financial statements.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved for issue by the Board of Directors on 19 February 2023 (corresponding to 28 Rajab 1444H).



19 Bylaws

A copy of the Bylaws was submitted as part of the application for the registration and offer of the Sukuk to the Capital Market Authority of the Kingdom of Saudi Arabia



نظام أساس

شركة بداية للتمويل

مساهمة



النظام الأساس ل شركة بداية للتمويل (شركة مساهمة)

الباب الأول : تأسيس الشركة

المادة الأولى : التأسيس

تؤسس طبقاً لأحكام نظام الشركات الصادر بالمرسوم الملكي رقم (م/132) بتاريخ 1443/12/1 ولوائحه التنفيذية وهذا النظام شركة مساهمة سعودية وفقاً لما يلي :

المادة الثانية : اسم الشركة

شركة بداية للتمويل (شركة مساهمة)

المادة الثالثة : المركز الرئيس للشركة

يقع المركز الرئيس للشركة في مدينة الرياض ويجوز أن ينشأ لها فروع داخل المملكة أو خارجها بقرار من مجلس الإدارة.

المادة الرابعة : أغراض الشركة

تقوم الشركة بمزاولة وتنفيذ الأغراض التالية:

الباب	الفئة
الأنشطة المالية وأنشطة التأمين	الإيجار التمويلي
الأنشطة المالية وأنشطة التأمين	أشكال منح القروض الأخرى

وتمارس الشركة أغراضها وفق الأنظمة المتبعة وبعد الحصول على التراخيص اللازمة من الجهات المختصة إن وجدت.

المادة الخامسة : مدة الشركة

• مدة الشركة غير محددة.

الباب الثاني : رأس المال والأسهم

المادة السادسة : رأس المال

حدد رأس مال الشركة المصدر بتسعمائة مليون ريال سعودي (900000000.0) ريال سعودي مقسم الى (900000000) سهم أسمي متساوية القيمة، قيمة كل منها (10.0) ريال سعودي ،وجميعها أسهم عادية مقابل حصص نقدية، وقيمة المدفوع منه نقداً مبلغ تسعمائة مليون ريال سعودي (900000000.0) ريال سعودي، وقد تم ايداع المبالغ النقدية المدفوعة من رأس المال المصدر لدى أحد البنوك المرخص لها .

المادة السابعة : الاكتتاب في الأسهم

اكتتب المساهمون في كامل أسهم رأس المال المصدر البالغة 900000000.0 ريال سعودي مدفوعة بالكامل

المادة الثامنة : سجل المساهمين



1-تعد الشركة سجلاً خاصاً بأسماء المساهمين وجنسياتهم وبياناتهم وأماكن إقامتهم ومنهم، وعدد الأسهم التي يملكها كل منهم، وأرقام الأسهم والقدر المدفوع منها، وللشركة أن تتعاقد على إعداد هذا السجل، ويجب حفظه في المملكة. 2-على الشركة تزويد السجل التجاري ببيانات السجل المشار إليه في الفقرة 1 من هذه المادة وأي تعديل يطرأ عليه خلال خمسة عشر يوماً من تاريخ قيد الشركة لدى السجل التجاري أو من تاريخ التعديل بحسب الأحوال.

المادة التاسعة : تداول الأسهم

تداول أسهم الشركة بالقيد في سجل المساهمين ولا يُعتد بنقل ملكية السهم في مواجهة الشركة أو الغير إلا من تاريخ هذا القيد.

المادة العاشرة : بيع الأسهم الغير مستوفاة القيمة

1.يلتزم المساهم بدفع المتبقي السهم في المواعيد المحددة لذلك، وإذا تخلف عن الوفاء في الموعد المحدد، جاز لمجلس الإدارة بعد إبلاغه عن طريق البريد الإلكتروني أو أي من طرق التقنية الحديثة، أو على عنوانه المثبت في سجل المساهمين، بيع السهم في المزاد العلني وفقاً للضوابط التي تحددها الجهة المختصة. 2.تستوفي الشركة من حصيلة البيع المبالغ المستحقة لها وترد الباقي إلى صاحب السهم. وإذا لم تكف حصيلة البيع للوفاء بهذه المبالغ، جاز للشركة أن تستوفي الباقي من جميع أموال المساهم. 3.يُعلق نفاذ الحقوق المتصلة بالأسهم المتخلف عن الوفاء بقيمتها عند انقضاء الموعد المحدد لها إلى حين بيعها أو دفع المستحق منها وفقاً لحكم الفقرة 1 من هذه المادة، وتشمل حق الحصول على نصيب من صافي الأرباح التي يقرر توزيعها وحق حضور الجمعيات والتصويت على قراراتها، ومع ذلك يجوز للمساهم المتخلف عن الدفع إلى يوم البيع دفع القيمة المستحقة عليه مضافاً إليها المصروفات التي أنفقتها الشركة في هذا الشأن وفي هذه الحالة يكون للمساهم الحق في طلب الحصول على الأرباح التي تقرر توزيعها. 4.تلغي الشركة شهادة السهم المبيع وفقاً لأحكام هذه المادة، وتعطي المشتري شهادة جديدة تحمل الرقم ذاته، وتؤشر في سجل المساهمين بوقوع البيع مع إدراج البيانات اللازمة للمالك الجديد.

المادة الحادية عشر : تحويل الأسهم

1.يجوز تحويل نوع أو فئة من الأسهم إلى نوع أو فئة أخرى. 2.يشترط لتحويل نوع أو فئة من الأسهم إلى نوع أو فئة أخرى الحصول على موافقة الجمعية العامة غير العادية، ويستثنى من ذلك الحالات التي ينص قرار إصدار الأسهم على تحويلها تلقائياً إلى نوع أو فئة أخرى عند تحقق شروط معينة أو بعد مضي مدة محددة. 3.تسري الأحكام الواردة في المادة العاشرة بعد المائة من نظام الشركات في الحالات التي يترتب فيها على التحويل تعديل أو إلغاء الحقوق والالتزامات المتصلة بنوع أو فئة السهم. 4.لا يجوز تحويل الأسهم العادية أو الممتازة أو أي فئة من فئاتها إلى أسهم قابلة للاسترداد أو أي فئة من فئاتها إلا بموافقة جميع المساهمين في الشركة.

المادة الثانية عشر : تعديل الحقوق والالتزامات المتصلة بالأسهم

المادة الثانية عشرة: تعديل الحقوق والالتزامات المتصلة بالأسهم: 1.يشترط لتعديل أو إلغاء أي من الحقوق أو الالتزامات أو القيود المتصلة بالأسهم، أو لتحويل أي نوع أو فئة من الأسهم إلى نوع أو فئة أخرى إذا نتج عن ذلك تعديل أو إلغاء الحقوق والالتزامات المتصلة بنوع أو فئة الأسهم التي سيتم تحويلها، أو لإصدار أسهم من نوع أو فئة معينة يترتب عليها مساس بحقوق فئة أخرى من المساهمين، الحصول على موافقة جمعية خاصة مكونة وفقاً للمادة التاسعة والثمانين من نظام الشركات من أصحاب الأسهم الذين يضارون من هذا التعديل أو الإلغاء أو التحويل أو الإصدار، وموافقة الجمعية العامة غير العادية. 2.إذا كانت في أسهم الشركة أسهم قابلة للاسترداد، فلا يجوز إصدار أسهم جديدة تكون لها أولوية على أي من فئاتها إلا بموافقة جمعية خاصة مكونة - وفقاً للمادة التاسعة والثمانين من نظام الشركات من أصحاب الأسهم الذين يضارون من هذا الإصدار.

المادة الثالثة عشر : زيادة رأس المال

1.يجوز بقرار من مجلس إدارة الشركة وبعد الحصول على عدم ممانعة البنك المركزي السعودي المسبقة زيادة رأس المال المصدر في حدود رأس المال المصرح به، على أن يكون رأس المال المصدر قد دُفع بالكامل. 2.للجمعية العامة غير العادية وبعد الحصول على عدم ممانعة البنك المركزي السعودي المسبقة أن تقرر زيادة رأس مال الشركة بشرط أن يكون رأس المال قد دفع كاملاً. ولا يشترط أن يكون رأس المال قد دفع بأكمله إذا كان الجزء غير المدفوع من رأس المال يعود إلى أسهم صدرت مقابل تحويل أدوات دين أو صكوك تمويلية إلى أسهم ولم تنته بعد المدة المقررة لتحويلها.

**المادة الرابعة عشر : تخفيض رأس المال**

1- للجمعية العامة غير العادية وبعد الحصول على عدم ممانعة البنك المركزي السعودي المسبقة أن تقرر تخفيض رأس المال إذا زاد على حاجة الشركة أو إذا منيت بخسائر ويجوز في الحالة الأخيرة وحدها تخفيض رأس المال إلى ما دون الحد الوارد في المادة التاسعة والخمسين من نظام الشركات، ولا يصدر قرار التخفيض إلا بعد تلاوة بيان في الجمعية العامة يعده مجلس الإدارة عن الأسباب الموجبة للتخفيض والتزامات الشركة وأثر التخفيض في الوفاء بها، ويرفق بهذا البيان تقرير من مراجع حسابات الشركة. 2- إذا كان تخفيض رأس المال نتيجة زيادته على حاجة الشركة، وجبت دعوة الدائنين إلى إيداء اعتراضاتهم إن وجدت- على التخفيض قبل خمسة وأربعين يومًا على الأقل من التاريخ المحدد لعقد اجتماع الجمعية العامة غير العادية لاتخاذ قرار التخفيض، على أن يرفق بالدعوة بيان يوضح مقدار رأس المال قبل التخفيض وبعده، وموعد عقد الاجتماع وتاريخ نفاذ التخفيض، فإن اعترض على التخفيض أي من الدائنين وقدم إلى الشركة مستنداته في الموعد المذكور، وجب على الشركة أن تؤدي إليه دينه إذا كان حالاً أو أن تقدم له ضماناً كافياً للوفاء به إذا كان آجلاً. 3- يجب مراعاة المساواة بين المساهمين الحاملين أسهمًا من ذات النوع والفئة عند تخفيض رأس المال.

الباب الثالث : مجلس الإدارة**المادة الخامسة عشر : إدارة الشركة**

(أ) يتولى إدارة الشركة مجلس إدارة مؤلف من (9) عضواً ويشترط أن يكونوا أشخاصاً من ذوي الصفة الطبيعية تنتخبهم الجمعية العامة العادية للمساهمين لمدة لا تزيد عن أربع سنوات.

(ب) يحدد طريقة العمل في مجلس الإدارة كالآتي

ويكون النصاب الصحيح للاجتماع بحضور 51% من اعضاء مجلس الادارة

ويكون النصاب القانوني الصحيح لإتخاذ القرارات بموافقة 51% من الاعضاء

ولا يجوز لأعضاء المجلس التوكيل بحضور الجلسات

المادة السادسة عشر : انتهاء أو إنهاء عضوية المجلس

1 - تنتهي عضوية المجلس بانتهاء مدته أو بانتهاء صلاحية العضو لها وفقاً لأي نظام أو تعليمات سارية في المملكة، ويجوز للجمعية العامة بناء على توصية من مجلس الإدارة إنهاء عضوية من تغيب عن الأعضاء عن حضور ثلاثة اجتماعات متتالية أو خمسة اجتماعات متفرقة خلال مدة عضويته دون عذر مشروع يقبله مجلس الإدارة. ومع ذلك يجوز للجمعية العامة العادية عزل جميع أعضاء مجلس الإدارة أو بعضهم، وعلى الجمعية العامة العادية في هذه الحالة انتخاب مجلس إدارة جديد أو من يحل محل العضو المعزول بحسب الأحوال وذلك وفقاً لأحكام نظام الشركات.

المادة السابعة عشر : صلاحيات المجلس

مع مراعاة الاختصاصات المقررة للجمعية العامة، يكون لمجلس الإدارة أوسع السلطات في إدارة الشركة بما يحقق اغراضها وله

الرئيسية	التأكيد السنوي	يحق التوكيل
	شطب	يحق التوكيل
الفرعية	اصدار	يحق التوكيل
	التأكيد السنوي	يحق التوكيل
	شطب	يحق التوكيل
توقيع عقود الشركات	يحق التوكيل	
	يحق التوكيل	
شراء الحصص		



	يحق التوكيل	تصفية الشركة	الشركات التي تدخل فيها الشركة كشارك
	يحق التوكيل	بيع الحصص	
	يحق التوكيل	تمثيل الشركة في الشركة للمساهم فيها	
يحق التوكيل	اصدار	السجلات التجارية	تأسيس الشركات بأسم الشركة
يحق التوكيل	التأكيد السنوي		
يحق التوكيل	شطب		
	يحق التوكيل	تسجيلها في الوزارة	البنكية
	يحق التوكيل	تمثيل امام كاتب العدل	
	يحق التوكيل	التوقيع على عقد الشركة	
	يحق التوكيل	التوقيع على قرارات الشركاء	
	يحق التوكيل	فتح الحسابات	
	يحق التوكيل	فتح الاعتمادات	
	يحق التوكيل	الايداع	
	يحق التوكيل	السحب	
	يحق التوكيل	اصدار الشيكات	
	يحق التوكيل	تحديث الحسابات	
	يحق التوكيل	استخراج كشوف الحسابات	
	يحق التوكيل	طلب التسهيلات	
	يحق التوكيل	طلب الضمانات	
	يحق التوكيل	توقيع عقود القروض	
	يحق التوكيل	توقيع الأوراق التجارية	
	يحق التوكيل	توقيع سندات لأمر	
	يحق التوكيل	التقدم بأي طلب أو خدمة من الطلبات أو الخدمات المندرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	
	يحق التوكيل	صلاحية التفويض لأي شخص - وفقاً للأنظمة ذات العلاقة- للتقدم بأي من الطلبات أو الخدمات المندرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	
	يحق التوكيل	تحرير الأوراق التجارية (إلكترونيا)	
	يحق التوكيل	توقيع الأوراق التجارية (إلكترونيا)	
	يحق التوكيل	تحرير العقود التنفيذية (إلكترونيا)	



				توقيع العقود التنفيذية (إلكترونية)	يحق التوكيل
				توقيع الضمانات والاعتمادات الإلكترونية	يحق التوكيل
ادارة الاملاك	شراء وبيع وافراغ الممتلكات	العقار	شراء	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
		الاراضي	بيع	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
		الاسهم	افراغ	يحق التوكيل	يحق التوكيل
					يحق التوكيل
	رهن الاملاك	حق الرهن	شراء	يحق التوكيل	يحق التوكيل
					يحق التوكيل
			بيع	يحق التوكيل	يحق التوكيل
					يحق التوكيل
تحرير الأوراق التجارية	للموافقة والتوقيع على الأوراق التجارية	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
	انشاء الأوراق التجارية	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
تعديل عقد الشركات التي تدخل فيها الشركة كشريك	للموافقة على قرارات الشركاء	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
	تصفية الشركة	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل
	سماع الدعاوي والرد عليها	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
					يحق التوكيل
					يحق التوكيل
					يحق التوكيل



يحق التوكيل	رفض وقبول الصلح	التمثيل امام المحاكم الشرعية	القضاء
يحق التوكيل	الافرار والانتكار		
يحق التوكيل	التنازل		
يحق التوكيل	الرافعه		
يحق التوكيل	المدافعه		
يحق التوكيل	المطالبة		
يحق التوكيل	المخاصمة		
	يحق التوكيل	تعين المحكمين	
	يحق التوكيل	تعين المحامين	
	يحق التوكيل	التمثيل امام كتابات العدل	
	يحق التوكيل	استخدام وتنفيذ كافة خدمات وزارة العدل الالكترونية	
	يحق التوكيل	تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الالكترونية	
	يحق التوكيل	(التوقيع على اتفاقية عقد القرض وتعديلاته وملحقاته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية المشورة - التوقيع أمام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنازل عن القرض - طلب الإعفاء من القرض - تسديد القرض- التوقيع على اتفاقية الاعتماد المستندي)	
	يحق التوكيل	(التوقيع على الضمان الاعتباري)	
	يحق التوكيل	(التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض)	
	يحق التوكيل	(التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء)	
	يحق التوكيل	(اصدار وتعديل وإلغاء اعلان التنازل)	
	يحق التوكيل	خدمات وسطاء الجمع والصرف والتسويق وغيرها من خدمات الوساطة في القطاع غير الربحي	خدمات المركز الوطني لتنمية القطاع غير الربحي
	يحق التوكيل	خدمات التطوع	
	يحق التوكيل	خدمات تأسيس وإدارة الكيانات غير الربحية	
	يحق التوكيل	خدمات تقديم السلع والخدمات	



للكيانات غير الربحية	استخدام وتنفيذ كافة خدمات منصة اعتماد
يحق التوكيل	استخدام وتنفيذ كافة خدمات وزارة الموارد البشرية والتنمية الاجتماعية الإلكترونية
يحق التوكيل	شراء المؤسسة
يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
يحق التوكيل	بيع المؤسسة
يحق التوكيل	مراجعة إدارة السجلات
يحق التوكيل	استخراج السجلات
يحق التوكيل	نقل السجلات التجارية
يحق التوكيل	إدارة السجلات
يحق التوكيل	إلغاء السجلات
يحق التوكيل	الإشراف على السجلات
يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية
يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية
يحق التوكيل	دخول المناقصات واستلام الاستثمارات
يحق التوكيل	مراجعة التأمينات الاجتماعية
يحق التوكيل	مراجعة مصلحة الزكاة والدخل
يحق التوكيل	إدارة السجل التجاري
يحق التوكيل	إلغاء السجل التجاري
يحق التوكيل	مراجعة الدفاع المدني
يحق التوكيل	تعديل السجلات
يحق التوكيل	إضافة نشاط
يحق التوكيل	حجز الاسم التجاري
يحق التوكيل	تجديد الاشتراك لدى الغرفة التجارية
يحق التوكيل	تعديل السجل التجاري
يحق التوكيل	نقل السجل التجاري
	استخراج سجل بدل تالف أو



مفقود	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يحق التوكيل
تسجيل العلامة التجارية	يحق التوكيل
التنازل عن العلامة التجارية	يحق التوكيل
التنازل عن الاسم التجاري	يحق التوكيل
استخراج التراخيص	يحق التوكيل
تجديد التراخيص	يحق التوكيل
تعديل التراخيص	يحق التوكيل
إضافة نشاط	يحق التوكيل
حجز الأسماء	يحق التوكيل
إلغاء التراخيص	يحق التوكيل
تجديد الاشتراك بالفرقة التجارية	يحق التوكيل
فتح الفروع	يحق التوكيل
مراجعة التأمينات الاجتماعية	يحق التوكيل
مراجعة الدفاع المدني	يحق التوكيل
مراجعة مصلحة الزكاة والدخل	يحق التوكيل
فتح فرع للترخيص	يحق التوكيل
نقل الترخيص	يحق التوكيل
تأسيس شركة	يحق التوكيل
التوقيع علي عقود التأسيس وملاحق التعديل	يحق التوكيل
إلغاء عقود التأسيس وملاحق التعديل	يحق التوكيل
توقيع قرارات الشركاء	يحق التوكيل
تعيين المدراء وعزلهم	يحق التوكيل
تعديل أغراض الشركة	يحق التوكيل
تصفية الشركة	يحق التوكيل
تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة	يحق التوكيل
تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة	يحق التوكيل
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استقدام	يحق التوكيل
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مراجعة	يحق التوكيل
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استلام شهادات المساهمات	يحق التوكيل
شراء الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
بيع الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
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شراء أسهم	يحق التوكيل
بيع أسهم	يحق التوكيل
استرداد وحدات الصناديق الاستثمارية	يحق التوكيل
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إلغاء الرخص	يحق التوكيل
نقل الرخص	يحق التوكيل
استخراج فسوحات البناء والترميم	يحق التوكيل
تخطيط الأراضي	يحق التوكيل
استخراج شهادات إتمام البناء	يحق التوكيل
استخراج رخص تسوير	يحق التوكيل
استخراج رخص هدم	يحق التوكيل
توقيع عقد الإيجار	يحق التوكيل
التنازل عن العقد	يحق التوكيل
عمل مخطط للأرض المملوكة	يحق التوكيل
مراجعة أمانة	يحق التوكيل
تحويل الأرض الزراعية إلى سكنية	يحق التوكيل
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دخول المناقصات واستلام الاستمارات	يحق التوكيل
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استلام الصكوك	يحق التوكيل
التأجير	يحق التوكيل
استلام الأجرة	يحق التوكيل
توقيع عقود الأجرة	يحق التوكيل
تجديد عقود الأجرة	يحق التوكيل
إلغاء و فسخ عقود التأجير	يحق التوكيل
الرهن	يحق التوكيل
فك الرهن	يحق التوكيل



التجزئة والفرز	يحق التوكيل
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بيع	يحق التوكيل
قبول الرهن	يحق التوكيل
تحديث الصكوك وإدخالها في النظام الشامل	يحق التوكيل
بيع النصيب من	يحق التوكيل
شراء	يحق التوكيل
شراء النصيب من	يحق التوكيل
تأجير	يحق التوكيل
تعديل اسم المالك ورقم السجل المدني الحفيظة	يحق التوكيل
الهيئة والإفراغ	يحق التوكيل
قبول الهيئة والإفراغ	يحق التوكيل
التنازل عن النقص في المساحة	يحق التوكيل
دمج الصكوك	يحق التوكيل
قبول التنازل والإفراغ	يحق التوكيل
إستخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :	يحق التوكيل
إستخراج مجموعة صكوك بدل تالف وبياناتها كالتالي :	يحق التوكيل
البيع والإفراغ للورثة	يحق التوكيل
التنازل عن النصيب من	يحق التوكيل
إثبات المبني	يحق التوكيل
استخراج صك بدل تالف	يحق التوكيل
وذلك للعقارات الواقعة	يحق التوكيل
تحويل الأرض الزراعية إلى سكنية أو صناعية	يحق التوكيل
الدخول في المساهمات العقارية	يحق التوكيل
شراء أسهم المساهمات العقارية	يحق التوكيل
بيع أسهم المساهمات العقارية	يحق التوكيل



التنازل عن الأرض للمؤجرة	يحق التوكيل
تحديث الصك وإدخاله في النظام الشامل	يحق التوكيل
استخراج صك بدل مفقود	يحق التوكيل
تحويل الأراضي الزراعية إلى سكنية	يحق التوكيل
بناء الأرض	يحق التوكيل
استئجار الأرض	يحق التوكيل
تغيير الكيان القانوني للشركة	يحق التوكيل
تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة	يحق التوكيل
قسمة الأسهم بين الورثة ونقلها إلى محافظهم	يحق التوكيل

ويشترط حصول مجلس الإدارة على موافقة الجمعية العامة عند بيع أصول تتجاوز قيمتها (خمس في المائة) من قيمة مجموع أصولها سواء تم البيع من خلال صفقة واحدة أو عدة صفقات، وفي هذه الحالة تعتبر الصفقة التي تؤدي إلى تجاوز نسبة (خمس في المائة) من قيمة الأصول هي الصفقة التي يلزم موافقة الجمعية العامة عليها، وتحسب هذه النسبة من تاريخ أول صفقة تمت خلال (الاثني عشر) شهراً السابقة. وللمجلس الإدارة في حدود اختصاصه أن يفوض عضواً واحداً أو أكثر من أعضائه أو من الغير في مباشرة عمل أو أعمال معينة.

المادة الثامنة عشر : مكافأة أعضاء المجلس

1. تتكون مكافأة مجلس الإدارة من مبلغاً معيناً و بدل حضور عن الجلسات أو ما تحدده الجمعية العادية
2. يجب أن يشمل تقرير مجلس الإدارة إلى الجمعية العامة العادية في اجتماعها السنوي على بيان شامل لكل ما حصل عليه أو استحق الحصول عليه كل عضو من أعضاء مجلس الإدارة خلال السنة المالية من مكافآت وبدل حضور الجلسات وبدل مصروفات وغير ذلك من المزايا. وأن يشمل كذلك على بيان ما قبضه أعضاء المجلس بوصفهم عاملين أو إداريين أو ما قبضوه نظير أعمال فنية أو إدارية أو استشارات، وأن يشمل أيضاً على بيان بعدد جلسات المجلس وعدد الجلسات التي حضرها كل عضو.

المادة التاسعة عشر : صلاحيات الرئيس والنائب والعضو المنتدب وأمين السر

يعين مجلس الإدارة في أول اجتماع له من بين أعضائه رئيساً للمجلس، ويجوز أن يعين من بين أعضائه عضواً منتدباً أو نائباً لرئيس مجلس الإدارة

1. يعين مجلس الإدارة رئيساً تنفيذياً من أعضائه أو من غيرهم.

ويختص رئيس المجلس بـ

الرئيسية	التأكيد السنوي	يمارسها منفرد
		يحق التوكيل
	شطب	يمارسها منفرد
		يحق التوكيل
	اصدار	يمارسها منفرد
السجلات التجارية		



الفرعية	التأكيد السنوي	يحق التوكيل	الشركات التي تدخل فيها الشركة كشريك	
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
شطب		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
توقيع عقود الشركات		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
شراء الحصص		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
تصفية الشركة		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
بيع الحصص		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
تمثيل الشركة في الشركة المساهم فيها		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
السجلات التجارية	اصدار	يحق التوكيل	تأسيس الشركات بأسم الشركة	
		يمارسها منفرد		
	التأكيد السنوي	يحق التوكيل		
		يمارسها منفرد		
		شطب		يحق التوكيل
				يمارسها منفرد
	تسجيلها في الوزارة			يحق التوكيل
				يمارسها منفرد
				يحق التوكيل
				يمارسها منفرد
تمثيل امام كاتب العدل		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
التوقيع على عقد الشركة		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
التوقيع على قرارات الشركاء		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		
فتح الحسابات		يحق التوكيل		
		يمارسها منفرد		
		يحق التوكيل		
		يمارسها منفرد		



فتح الاعتمادات	يحق التوكيل
الايداع	يمارسها منفرد
	يحق التوكيل
السحب	يمارسها منفرد
	يحق التوكيل
اصدار الشيكات	يمارسها منفرد
	يحق التوكيل
تحديث الحسابات	يمارسها منفرد
	يحق التوكيل
استخراج كشوف الحسابات	يمارسها منفرد
	يحق التوكيل
طلب التسهيلات	يمارسها منفرد
	يحق التوكيل
طلب الضمانات	يمارسها منفرد
	يحق التوكيل
توقيع عقود القروض	يمارسها منفرد
	يحق التوكيل
توقيع الأوراق التجارية	يمارسها منفرد
	يحق التوكيل
توقيع سندات لأمر	يمارسها منفرد
	يحق التوكيل
التقدم بأي طلب أو خدمة من الطلبات أو الخدمات المدرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	يمارسها منفرد
	يحق التوكيل
صلاحية التفويض لأي شخص - وفقاً للأنظمة ذات العلاقة- للتقدم بأي من الطلبات أو الخدمات المدرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	يمارسها منفرد
	يحق التوكيل
تحرير الأوراق التجارية (إلكترونيا)	يمارسها منفرد
	يحق التوكيل
توقيع الأوراق التجارية (إلكترونيا)	يمارسها منفرد
	يحق التوكيل

البنكية



					يمارسها منفرد	تحرير العقود التنفيذية (إلكترونيا)
					يحق التوكيل	
					يمارسها منفرد	توقيع العقود التنفيذية (إلكترونيا)
					يحق التوكيل	
					يمارسها منفرد	توقيع الضمانات والاعتمادات الإلكترونية
					يحق التوكيل	
ادارة الاملاك	العقار	شراء	يمارسها منفرد			
			يحق التوكيل			
		بيع	يمارسها منفرد			
			يحق التوكيل			
		افراغ	يمارسها منفرد			
			يحق التوكيل			
	الاراضي	شراء	يمارسها منفرد			شراء وبيع وافراغ للممتلكات
			يحق التوكيل			
		بيع	يمارسها منفرد			
			يحق التوكيل			
		افراغ	يمارسها منفرد			
			يحق التوكيل			
	الاسهم	شراء	يمارسها منفرد			
			يحق التوكيل			
		بيع	يمارسها منفرد			
			يحق التوكيل			
			يمارسها منفرد			
			يحق التوكيل			
	رهن الاملاك	حق الرهن	يمارسها منفرد			
			يحق التوكيل			
		فك الرهن	يمارسها منفرد			
			يحق التوكيل			
		القبض	يمارسها منفرد			
			يحق التوكيل			
	الموافقة والتوقيع على الأوراق التجارية		يمارسها منفرد			
			يحق التوكيل			
			يمارسها منفرد			
	انشاء الأوراق التجارية		يمارسها منفرد			
			يحق التوكيل			
			يمارسها منفرد			



تعديل عقد الشركات التي تدخل فيها الشركة كشريك	الموافقة على قرارات الشركاء	زيادة أو تخفيض رأس المال	قبول التنازل عن الحصص وشراء الحصص	دخول وخروج الشركاء	التوقيع على قرار الشركاء بالاندماج	التعديل على باقي بنود عقد التأسيس	تغيير الكيان القانوني	يمارسها منفرد	يحق التوكيل		
								يحق التوكيل	يحق التوكيل		
								يحق التوكيل	يحق التوكيل		
								يحق التوكيل	يحق التوكيل		
								يحق التوكيل	يحق التوكيل		
تحويل الشركة الى مؤسسة	تصفية الشركة	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل		
		يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل		
		يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل		
		يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل		
المصالحة	رفض وقبول التحكيم	رفض وقبول الصلح	الاقرار والانتكار	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل		
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل
				يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل	يحق التوكيل



التمثيل امام المحاكم الشرعية	التنازل	يمارسها منفرد
		يحق التوكيل
	الرافعه	يمارسها منفرد
		يحق التوكيل
	المدافعه	يمارسها منفرد
		يحق التوكيل
	المطالبة	يمارسها منفرد
		يحق التوكيل
	المخاصمة	يمارسها منفرد
		يحق التوكيل
القضاء	تعيين المحكمين	يمارسها منفرد
		يحق التوكيل
	تعيين المحامين	يمارسها منفرد
		يحق التوكيل
	التمثيل امام كتابات العدل	يمارسها منفرد
		يحق التوكيل
	استخدام وتنفيذ كافة خدمات وزارة العدل الالكترونية	يمارسها منفرد
		يحق التوكيل
	تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الالكترونية	يمارسها منفرد
		يحق التوكيل
	(التوقيع على اتفاقية عقد القرض وتعديلاته وملحقاته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية المشورة - التوقيع أمام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنازل عن القرض - طلب الإعفاء من القرض - تسديد القرض - التوقيع على اتفاقية الاعتماد المستندي)	يمارسها منفرد
		يحق التوكيل
	(التوقيع على الضمان الاعتباري)	يمارسها منفرد
		يحق التوكيل
	(التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض)	يمارسها منفرد
		يحق التوكيل



يمارسها منفرد	(التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء)	
يحق التوكيل		
يمارسها منفرد	(اصدار وتعديل وإلغاء اعلان التنازل)	
يحق التوكيل		
يمارسها منفرد	خدمات وسطاء الجمع والصرف والتسويق وغيرها من خدمات الوساطة في القطاع غير الربحي	خدمات المركز الوطني لتنمية القطاع غير الربحي
يحق التوكيل		
يمارسها منفرد	خدمات التطوع	
يحق التوكيل		
يمارسها منفرد	خدمات تأسيس وإدارة الكيانات غير الربحية	
يحق التوكيل		
يمارسها منفرد	خدمات تقديم السلع والخدمات للكيانات غير الربحية	
يحق التوكيل		
يمارسها منفرد	استخدام وتنفيذ كافة خدمات منصة اعتماد	استخدام وتنفيذ كافة خدمات وزارة الموارد البشرية والتنمية الإجتماعية الالكترونية
يحق التوكيل		
يمارسها منفرد	استخدام وتنفيذ كافة خدمات وزارة الموارد البشرية والتنمية الإجتماعية الالكترونية	شراء المؤسسة
يحق التوكيل		
يمارسها منفرد	التوقيع على جميع المستندات لدى الغرفة التجارية	بيع المؤسسة
يحق التوكيل		
يمارسها منفرد	مراجعة إدارة السجلات	استخراج السجلات
يحق التوكيل		
يمارسها منفرد	نقل السجلات التجارية	إدارة السجلات
يحق التوكيل		
يمارسها منفرد		
يحق التوكيل		
يمارسها منفرد		



إلغاء السجلات	يحق التوكيل
الإشراف على السجلات	يمارسها منفرد
	يحق التوكيل
فتح الاشتراك لدى الغرفة التجارية	يمارسها منفرد
	يحق التوكيل
اعتماد التوقيع لدى الغرفة التجارية	يمارسها منفرد
	يحق التوكيل
إلغاء التوقيع لدى الغرفة التجارية	يمارسها منفرد
	يحق التوكيل
دخول المناقصات واستلام الاستثمارات	يمارسها منفرد
	يحق التوكيل
مراجعة التأمينات الاجتماعية	يمارسها منفرد
	يحق التوكيل
مراجعة مصلحة الزكاة والدخل	يمارسها منفرد
	يحق التوكيل
إدارة السجل التجاري	يمارسها منفرد
	يحق التوكيل
إلغاء السجل التجاري	يمارسها منفرد
	يحق التوكيل
مراجعة الدفاع المدني	يمارسها منفرد
	يحق التوكيل
تعديل السجلات	يمارسها منفرد
	يحق التوكيل
إضافة نشاط	يمارسها منفرد
	يحق التوكيل
حجز الاسم التجاري	يمارسها منفرد
	يحق التوكيل
تجديد الاشتراك لدى الغرفة التجارية	يمارسها منفرد
	يحق التوكيل
تعديل السجل التجاري	يمارسها منفرد
	يحق التوكيل



نقل السجل التجاري	يمارسها منفرد
	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يمارسها منفرد
	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يمارسها منفرد
	يحق التوكيل
تسجيل العلامة التجارية	يمارسها منفرد
	يحق التوكيل
التنازل عن العلامة التجارية	يمارسها منفرد
	يحق التوكيل
التنازل عن الاسم التجاري	يمارسها منفرد
	يحق التوكيل
استخراج التراخيص	يمارسها منفرد
	يحق التوكيل
تجديد التراخيص	يمارسها منفرد
	يحق التوكيل
تعديل التراخيص	يمارسها منفرد
	يحق التوكيل
إضافة نشاط	يمارسها منفرد
	يحق التوكيل
حجز الأسماء	يمارسها منفرد
	يحق التوكيل
إلغاء التراخيص	يمارسها منفرد
	يحق التوكيل
تجديد الاشتراك بالغرفة التجارية	يمارسها منفرد
	يحق التوكيل
فتح الفروع	يمارسها منفرد
	يحق التوكيل
مراجعة التأمينات الاجتماعية	يمارسها منفرد
	يحق التوكيل
	يمارسها منفرد



مراجعة الدفاع المدني	يحق التوكيل
مراجعة مصلحة الزكاة والدخل	يمارسها منفرد
	يحق التوكيل
فتح فرع للترخيص	يمارسها منفرد
	يحق التوكيل
نقل الترخيص	يمارسها منفرد
	يحق التوكيل
تأسيس شركة	يمارسها منفرد
	يحق التوكيل
التوقيع علي عقود التأسيس وملاحق التعديل	يمارسها منفرد
	يحق التوكيل
إلغاء عقود التأسيس وملاحق التعديل	يمارسها منفرد
	يحق التوكيل
توقيع قرارات الشركاء	يمارسها منفرد
	يحق التوكيل
تعيين المدراء وعزلهم	يمارسها منفرد
	يحق التوكيل
تعديل أغراض الشركة	يمارسها منفرد
	يحق التوكيل
تصفية الشركة	يمارسها منفرد
	يحق التوكيل
تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة	يمارسها منفرد
	يحق التوكيل
تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة	يمارسها منفرد
	يحق التوكيل
تحويل الشركة من تضامنية إلى ذات مسؤولية محدودة	يمارسها منفرد
	يحق التوكيل
زيادة رأس المال	يمارسها منفرد
	يحق التوكيل
خفض رأس المال	يمارسها منفرد
	يحق التوكيل



دخول وخروج شركاء	يمارسها منفرد
	يحق التوكيل
الدخول في شركات قائمة	يمارسها منفرد
	يحق التوكيل
نقل الحصص والأسهم والسندات	يمارسها منفرد
	يحق التوكيل
تحديد رأس المال	يمارسها منفرد
	يحق التوكيل
استلام فائض التخصيص	يمارسها منفرد
	يحق التوكيل
بيع الحصص والأسهم واستلام القيمة	يمارسها منفرد
	يحق التوكيل
التنازل عن الحصص والأسهم من رأس المال	يمارسها منفرد
	يحق التوكيل
بيع فرع الشركة	يمارسها منفرد
	يحق التوكيل
تعديل جنسية أحد الشركاء في العقد	يمارسها منفرد
	يحق التوكيل
قبول التنازل عن الحصص والأسهم ورأس المال	يمارسها منفرد
	يحق التوكيل
شراء الحصص والأسهم ودفع الثمن	يمارسها منفرد
	يحق التوكيل
قفل الحسابات لدى البنوك باسم الشركة	يمارسها منفرد
	يحق التوكيل
فتح الحسابات لدى البنوك باسم الشركة	يمارسها منفرد
	يحق التوكيل
توقيع الاتفاقيات	يمارسها منفرد
	يحق التوكيل
تسجيل الشركة	يمارسها منفرد
	يحق التوكيل
تسجيل الوكالات والعلامات	يمارسها منفرد



التجارية	يحق التوكيل
حضور الجمعيات العامة	يمارسها منفرد
	يحق التوكيل
فتح الفروع للشركة	يمارسها منفرد
	يحق التوكيل
فتح الملفات للشركة	يمارسها منفرد
	يحق التوكيل
التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل	يمارسها منفرد
	يحق التوكيل
استخراج السجلات التجارية وتجديدها للشركة	يمارسها منفرد
	يحق التوكيل
الاشتراك بالفرقة التجارية وتجديدها	يمارسها منفرد
	يحق التوكيل
مراجعة الهيئة العامة للاستثمار والتوقيع أمامها	يمارسها منفرد
	يحق التوكيل
مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس	يمارسها منفرد
	يحق التوكيل
مراجعة هيئة سوق المال	يمارسها منفرد
	يحق التوكيل
استخراج التراخيص وتجديدها للشركة	يمارسها منفرد
	يحق التوكيل
تحويل المؤسسة إلى شركة	يمارسها منفرد
	يحق التوكيل
تحويل فرع الشركة إلى مؤسسة	يمارسها منفرد
	يحق التوكيل
تحويل فرع الشركة إلى شركة	يمارسها منفرد
	يحق التوكيل
نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية	يمارسها منفرد
	يحق التوكيل
مراجعة شركات الاتصالات وتأسيس الهواتف الثابتة أو	يمارسها منفرد



الجولات باسم الشركة	يحق التوكيل
دخول المناقصات واستلام الاستثمارات	يمارسها منفرد
	يحق التوكيل
توقيع العقود الخاصة بالشركة مع الغير	يمارسها منفرد
	يحق التوكيل
التنازل عن العلامات التجارية أو إلغائها	يمارسها منفرد
	يحق التوكيل
تعديل اسم الشركة	يمارسها منفرد
	يحق التوكيل
استخراج التأشيرات	يمارسها منفرد
	يحق التوكيل
تحويل الشركة إلى مؤسسة	يمارسها منفرد
	يحق التوكيل
استلام تعويضات التأشيرات	يمارسها منفرد
	يحق التوكيل
تحديث بيانات العمال	يمارسها منفرد
	يحق التوكيل
فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها	يمارسها منفرد
	يحق التوكيل
تصفية العمالة وإلغاؤها	يمارسها منفرد
	يحق التوكيل
التبليغ عن هروب العمالة	يمارسها منفرد
	يحق التوكيل
إلغاء بلاغات الهروب للعمالة	يمارسها منفرد
	يحق التوكيل
نقل الكفالات	يمارسها منفرد
	يحق التوكيل
تعديل للمهن	يمارسها منفرد
	يحق التوكيل
نقل ملكية المنشآت وتصفياتها وإلغاؤها	يمارسها منفرد
	يحق التوكيل



مراجعة قسم المكاتب الأهلية للاستقدام	يمارسها منفرد يحق التوكيل
مراجعة إدارة الحاسب الآلي في القوى العاملة	يمارسها منفرد يحق التوكيل
استخراج رخص العمل وتجديدها	يمارسها منفرد يحق التوكيل
استلام شهادات السعودة	يمارسها منفرد يحق التوكيل
استخراج كشف بيانات (برنت)	يمارسها منفرد يحق التوكيل
إضافة وحذف السعوديين	يمارسها منفرد يحق التوكيل
استقدام	يمارسها منفرد يحق التوكيل
استقدام	يمارسها منفرد يحق التوكيل
فتح ملف	يمارسها منفرد يحق التوكيل
تفعيل البوابة السعودية	يمارسها منفرد يحق التوكيل
استقدام العمالة من الخارج	يمارسها منفرد يحق التوكيل
إنهاء إجراءات العمالة لدى التأمينات الاجتماعية	يمارسها منفرد يحق التوكيل
الغاء التأشيرات	يمارسها منفرد يحق التوكيل
استرداد مبالغ التأشيرات	يمارسها منفرد يحق التوكيل
تعديل الجنسيات	يمارسها منفرد يحق التوكيل
استخراج تأشيرات الزيارات العائلية	يمارسها منفرد



يحق التوكيل	
يمارسها منفرد	استخراج تأشيرات استقدام العوائل
يحق التوكيل	
يمارسها منفرد	مراجعة السفارة
يحق التوكيل	
يمارسها منفرد	تمديد تأشيرات الخروج والعودة
يحق التوكيل	
يمارسها منفرد	تمديد تأشيرات الزيارة
يحق التوكيل	
يمارسها منفرد	استخراج كشف بيانات (برنت)
يحق التوكيل	
يمارسها منفرد	إلغاء التأشيرة
يحق التوكيل	
يمارسها منفرد	استرداد مبلغ التأشيرة
يحق التوكيل	
يمارسها منفرد	تعديل جهة القدوم
يحق التوكيل	
يمارسها منفرد	استخراج الإقامات
يحق التوكيل	
يمارسها منفرد	تجديد الإقامات
يحق التوكيل	
يمارسها منفرد	عمل خروج وعودة
يحق التوكيل	
يمارسها منفرد	عمل الخروج النهائي
يحق التوكيل	
يمارسها منفرد	نقل الكفالات
يحق التوكيل	
يمارسها منفرد	استخراج الإقامات بدل مفقود أو تالف
يحق التوكيل	
يمارسها منفرد	إنهاء إجراءات العمالة المتوفاة
يحق التوكيل	



التبليغ عن الهروب	يمارسها منفرد
	يحق التوكيل
إلغاء بلاغات الهروب	يمارسها منفرد
	يحق التوكيل
نقل المعلومات وتحديث البيانات	يمارسها منفرد
	يحق التوكيل
التسوية والتنازل عن العمال	يمارسها منفرد
	يحق التوكيل
مراجعة إدارة الترحيل والوافدين	يمارسها منفرد
	يحق التوكيل
استخراج كشف بيانات العمال (برنت)	يمارسها منفرد
	يحق التوكيل
اسقاط العمالة	يمارسها منفرد
	يحق التوكيل
إدارة أعمال تجارية	يمارسها منفرد
	يحق التوكيل
نقل كفالة العمالة لنفسه	يمارسها منفرد
	يحق التوكيل
إضافة المولود	يمارسها منفرد
	يحق التوكيل
إنهاء إجراءات العامل المتوفي	يمارسها منفرد
	يحق التوكيل
إدارة شؤون المنافذ	يمارسها منفرد
	يحق التوكيل
استخراج مشاهد الإعادة	يمارسها منفرد
	يحق التوكيل
إضافة تابعين	يمارسها منفرد
	يحق التوكيل
إضافة الأبناء إلى جواز الأب أو الأم	يمارسها منفرد
	يحق التوكيل
	يمارسها منفرد



فصل الأبناء من جواز الأب أو الأم	يحق التوكيل
إلغاء تأشيرات الخروج والعودة	يمارسها منفرد
	يحق التوكيل
إلغاء تأشيرات الخروج النهائي	يمارسها منفرد
	يحق التوكيل
استخراج تأشيرات سفر بدل تالف أو مفقود	يمارسها منفرد
	يحق التوكيل
استخراج تمديد تأشيرات الزيارة	يمارسها منفرد
	يحق التوكيل
تعديل المهن	يمارسها منفرد
	يحق التوكيل
استخراج تصاريح حج	يمارسها منفرد
	يحق التوكيل
مراجعة شئون الخادمت	يمارسها منفرد
	يحق التوكيل
التسجيل في الخدمة الالكترونية	يمارسها منفرد
	يحق التوكيل
مراجعة وزارة الزراعة ومديرية الزراعة بخصوص	يمارسها منفرد
	يحق التوكيل
مراجعة كتابة العدل أو المحكمة لقبول إفراغها	يمارسها منفرد
	يحق التوكيل
التنازل عن القرار الزراعي	يمارسها منفرد
	يحق التوكيل
نقل القرار الزراعي	يمارسها منفرد
	يحق التوكيل
استلام الرواتب	يمارسها منفرد
	يحق التوكيل
استلام الرواتب التقاعدية	يمارسها منفرد
	يحق التوكيل
استلام مكافأة نهاية الخدمة والتعويض عن الإجازات	يمارسها منفرد



يحق التوكيل يمارسها منفرد	تحويل الراتب
يحق التوكيل	
يمارسها منفرد	استلام المكافأة
يحق التوكيل	
يمارسها منفرد	استخراج تعريف بالراتب
يحق التوكيل	
يمارسها منفرد	استلام مستحقاتي
يحق التوكيل	
يمارسها منفرد	فتح الحسابات بضوابط شرعية
يحق التوكيل	
يمارسها منفرد	قفل الحسابات وتسويتها
يحق التوكيل	
يمارسها منفرد	السحب من الحسابات
يحق التوكيل	
يمارسها منفرد	استخراج بطاقات صراف آلي
يحق التوكيل	
يمارسها منفرد	استخراج البطاقات الائتمانية للتوافق مع الأحكام الشرعية
يحق التوكيل	
يمارسها منفرد	استلام الحوالات وصرفها
يحق التوكيل	
يمارسها منفرد	صرف الشيكات
يحق التوكيل	
يمارسها منفرد	إصدار الشيكات المصدقة
يحق التوكيل	
يمارسها منفرد	استخراج دفاتر شيكات
يحق التوكيل	
يمارسها منفرد	استخراج كشف حساب
يحق التوكيل	
يمارسها منفرد	التحويل من الحسابات
يحق التوكيل	



طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية	يمارسها منفرد
	يحق التوكيل
فتح حساب بضوابط شرعية	يمارسها منفرد
	يحق التوكيل
الإيداع في الحساب	يمارسها منفرد
	يحق التوكيل
تجديد الاشتراك في صناديق الأمانات	يمارسها منفرد
	يحق التوكيل
فتح صناديق الأمانات	يمارسها منفرد
	يحق التوكيل
الاشتراك في صناديق الأمانات	يمارسها منفرد
	يحق التوكيل
طلب الإعفاء من القروض	يمارسها منفرد
	يحق التوكيل
الاعتراض على الشيكات	يمارسها منفرد
	يحق التوكيل
تحديث البيانات	يمارسها منفرد
	يحق التوكيل
تنشيط الحسابات	يمارسها منفرد
	يحق التوكيل
استلام الشيكات	يمارسها منفرد
	يحق التوكيل
استرداد وحدات صناديق الأمانات	يمارسها منفرد
	يحق التوكيل
مراجعة	يمارسها منفرد
	يحق التوكيل
إعادة جدولة الأقساط	يمارسها منفرد
	يحق التوكيل
طلب نقاط البيع	يمارسها منفرد
	يحق التوكيل
طلب اعتماد بنكي	يمارسها منفرد



يحق التوكيل	
يمارسها منفرد	طلب ضمان بنكي
يحق التوكيل	
يمارسها منفرد	الاكتتابات في الشركات المساهمة
يحق التوكيل	
يمارسها منفرد	استلام شهادات المساهمات
يحق التوكيل	
يمارسها منفرد	شراء الأسهم المتوافقة مع الأحكام الشرعية
يحق التوكيل	
يمارسها منفرد	بيع الأسهم المتوافقة مع الأحكام الشرعية
يحق التوكيل	
يمارسها منفرد	استلام قيمة الأسهم
يحق التوكيل	
يمارسها منفرد	استلام الأرباح
يحق التوكيل	
يمارسها منفرد	استلام الفائض
يحق التوكيل	
يمارسها منفرد	فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر
يحق التوكيل	
يمارسها منفرد	الاكتتاب
يحق التوكيل	
يمارسها منفرد	شراء أسهم
يحق التوكيل	
يمارسها منفرد	بيع أسهم
يحق التوكيل	
يمارسها منفرد	استرداد وحدات الصناديق الاستثمارية
يحق التوكيل	
يمارسها منفرد	نقل الأسهم من المحفظة
يحق التوكيل	
يمارسها منفرد	الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية
يحق التوكيل	



إدارة المحافظ الاستثمارية	يمارسها منفرد
	يحق التوكيل
إستخراج إثبات مديونية	يمارسها منفرد
	يحق التوكيل
تصفية المحافظ الاستثمارية	يمارسها منفرد
	يحق التوكيل
فتح محل	يمارسها منفرد
	يحق التوكيل
استخراج الكروت الصحية	يمارسها منفرد
	يحق التوكيل
تحويل الأراضي الزراعية إلى سكنية	يمارسها منفرد
	يحق التوكيل
مراجعة الإدارة العامة للتخطيط العمراني	يمارسها منفرد
	يحق التوكيل
فتح المحلات	يمارسها منفرد
	يحق التوكيل
استخراج رخص	يمارسها منفرد
	يحق التوكيل
تجديد الرخص	يمارسها منفرد
	يحق التوكيل
إلغاء الرخص	يمارسها منفرد
	يحق التوكيل
نقل الرخص	يمارسها منفرد
	يحق التوكيل
استخراج فسوحات البناء والترميم	يمارسها منفرد
	يحق التوكيل
تخطيط الأراضي	يمارسها منفرد
	يحق التوكيل
استخراج شهادات إتمام البناء	يمارسها منفرد
	يحق التوكيل
	يمارسها منفرد



استخراج رخص تسوير	يحق التوكيل
استخراج رخص هدم	يمارسها منفرد
	يحق التوكيل
توقيع عقد الإيجار	يمارسها منفرد
	يحق التوكيل
التنازل عن العقد	يمارسها منفرد
	يحق التوكيل
عمل مخطط للأرض المملوكة	يمارسها منفرد
	يحق التوكيل
مراجعة أمانة	يمارسها منفرد
	يحق التوكيل
تحويل الأرض الزراعية إلى سكنية	يمارسها منفرد
	يحق التوكيل
الإشراف على البناء	يمارسها منفرد
	يحق التوكيل
توقيع العقود مع مؤسسات البناء والمقاولين	يمارسها منفرد
	يحق التوكيل
دخول المناقصات واستلام الاستمارات	يمارسها منفرد
	يحق التوكيل
البيع والإفراغ للمشتري	يمارسها منفرد
	يحق التوكيل
الشراء وقبول الإفراغ ودفع الثمن	يمارسها منفرد
	يحق التوكيل
استلام الصكوك	يمارسها منفرد
	يحق التوكيل
التأجير	يمارسها منفرد
	يحق التوكيل
استلام الأجرة	يمارسها منفرد
	يحق التوكيل
توقيع عقود الأجرة	يمارسها منفرد
	يحق التوكيل



تجديد عقود الأجرة	يمارسها منفرد
	يحق التوكيل
إلغاء و فسخ عقود التأجير	يمارسها منفرد
	يحق التوكيل
الرهن	يمارسها منفرد
	يحق التوكيل
فك الرهن	يمارسها منفرد
	يحق التوكيل
التجزئة والفرز	يمارسها منفرد
	يحق التوكيل
تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء	يمارسها منفرد
	يحق التوكيل
بيع	يمارسها منفرد
	يحق التوكيل
قبول الرهن	يمارسها منفرد
	يحق التوكيل
تحديث الصكوك وإدخالها في النظام الشامل	يمارسها منفرد
	يحق التوكيل
بيع النصيب من	يمارسها منفرد
	يحق التوكيل
شراء	يمارسها منفرد
	يحق التوكيل
شراء النصيب من	يمارسها منفرد
	يحق التوكيل
تأجير	يمارسها منفرد
	يحق التوكيل
تعديل اسم المالك ورقم السجل المدني الحفيظة	يمارسها منفرد
	يحق التوكيل
الهبّة والإفراغ	يمارسها منفرد
	يحق التوكيل



قبول الهبة والإفراغ	يمارسها منفرد
	يحق التوكيل
التنازل عن النقص في المساحة	يمارسها منفرد
	يحق التوكيل
دمج الصكوك	يمارسها منفرد
	يحق التوكيل
قبول التنازل والإفراغ	يمارسها منفرد
	يحق التوكيل
إستخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :	يمارسها منفرد
	يحق التوكيل
إستخراج مجموعة صكوك بدل تالف وبياناتها كالتالي :	يمارسها منفرد
	يحق التوكيل
البيع والإفراغ للورثة	يمارسها منفرد
	يحق التوكيل
التنازل عن النصيب من	يمارسها منفرد
	يحق التوكيل
إثبات المبني	يمارسها منفرد
	يحق التوكيل
استخراج صك بدل تالف	يمارسها منفرد
	يحق التوكيل
وذلك للعقارات الواقعة	يمارسها منفرد
	يحق التوكيل
تحويل الأرض الزراعية إلى سكنية أو صناعية	يمارسها منفرد
	يحق التوكيل
الدخول في المساهمات العقارية	يمارسها منفرد
	يحق التوكيل
شراء أسهم المساهمات العقارية	يمارسها منفرد
	يحق التوكيل
بيع أسهم المساهمات العقارية	يمارسها منفرد
	يحق التوكيل
التنازل عن الأرض المؤجرة	يمارسها منفرد



يحق التوكيل	
يمارسها منفرد	تحديث الصك وإدخاله في النظام
يحق التوكيل	الشامل
يمارسها منفرد	استخراج صك بدل مفقود
يحق التوكيل	
يمارسها منفرد	تحويل الأراضي الزراعية إلى سكنية
يحق التوكيل	
يمارسها منفرد	بناء الأرض
يحق التوكيل	
يمارسها منفرد	استئجار الأرض
يحق التوكيل	
يمارسها منفرد	تغيير الكيان القانوني للشركة
يحق التوكيل	
يمارسها منفرد	تحويل الشركة من شركة توصية
يحق التوكيل	بسيطة إلى ذات مسؤولية
	محدودة
يمارسها منفرد	قسمة الأسهم بين الورثة ونقلها
يحق التوكيل	إلى محافظهم

ويعين مجلس الإدارة أمين سر يختاره من بين أعضائه أو من غيرهم
ولرئيس مجلس الإدارة أن يفوض (بقرار مكتوب) بعض صلاحياته إلى غيره من أعضاء المجلس أو من الغير لمباشرة عمل أو أعمال معينة. ويحل
نائب رئيس مجلس الإدارة محل رئيس مجلس الإدارة عند غيابه في الحالات التي يكون فيها لمجلس الإدارة نائب للرئيس.

المادة العشرون : اجتماعات المجلس

1-يجتمع مجلس الإدارة أربع 4 مرات على الأقل في السنة بدعوة من رئيسه، ويجب أن تكون الدعوة موثقة بالطريقة التي يراها المجلس، ويجب
على رئيس المجلس أن يدعو المجلس إلى الاجتماع متى طلب إليه كتابة عضو في المجلس لمناقشة موضوع أو أكثر. 2-يحدد مجلس الإدارة مكان
عقد اجتماعاته، ويجوز عقدها باستخدام وسائل التقنية الحديثة.

المادة الحادية وعشرون : نصاب اجتماع المجلس

1.لا يكون اجتماع المجلس صحيحاً إلا إذا حضره أغلبية الأعضاء أصالة أو نيابة على الأقل ويجوز لعضو المجلس أن ينوب عنه أيًا من الأعضاء،
على ألا يكون للعضو النائب أكثر من إنابة واحدة. 2.تصدر قرارات المجلس بأغلبية أصوات الأعضاء الحاضرين أصالة أو نيابة على الأقل . وعند
تساوي الآراء يرجح الجانب الذي صوت معه رئيس الاجتماع. 3.يسري قرار مجلس الإدارة من تاريخ صدوره، ما لم ينص فيه على سريانه بوقت آخر
أو عند تحقق شروط معينة.

المادة الثانية وعشرون : إصدار قرارات المجلس في الأمور العاجلة

لمجلس الإدارة أن يصدر قراراته في الأمور العاجلة بعرضها على جميع الأعضاء بالتمرير، ما لم يطلب أحد الأعضاء- كتابة- اجتماع المجلس للمداولة
فيها. وتصدر تلك القرارات بموافقة أغلبية أصوات أعضائه، وتعرض هذه القرارات على المجلس في أول اجتماع تالي له لإثباتها في محضر ذلك



الاجتماع.

المادة الثالثة وعشرون : إدارة الشركة

بعد استيفاء متطلبات الملاءمة التي يقرها البنك المركزي السعودي والحصول على خطاب عدم ممانعة منه؛ يتولى إدارة الشركة مجلس إدارة مؤلف من تسعة 9 أعضاء تنتخبهم الجمعية العامة العادية للمساهمين لمدة لا تزيد عن أربع سنوات ، وفقاً لما يلي: 1- يحق لكل مساهم ترشيح نفسه أو ترشيح شخص آخر أو أكثر لعضوية مجلس الإدارة. 2. يتم اتباع أسلوب التصويت التراكمي في عملية انتخاب أعضاء المجلس. 3. لا يقل عدد أعضاء المجلس المستقلين عن عضوين، أو عن ثلث أعضاء المجلس، أيهما أكثر. 4. يرشح صندوق الاستثمارات العامة رئيساً لمجلس الإدارة عضو غير تنفيذي ويتم تعيينه بموافقة أغلبية الأعضاء الحاضرين. 5. يختار مجلس الإدارة من بين أعضائه غير التنفيذيين نائباً لرئيس مجلس الإدارة.

المادة الرابعة وعشرون : مسؤوليات المجلس

بما لا يتعارض مع ما ورد ضمن أنظمة التمويل ولوائحها التنفيذية ومع مراعاة الاختصاصات المقررة للجمعية العامة، يتمثل دور مجلس الإدارة في توجيه أعمال الشركة إلى ما من شأنه صون مصالحها وتنمية قيمتها، وتقع على عاتقه المسؤولية عن أعمالها وإن فوض لجاناً أو جهات أو أفراداً في ممارسة بعض اختصاصاته، وفي جميع الأحوال لا يجوز للمجلس إصدار تفويض عام أو غير محدد المدة ويكون لمجلس الإدارة أوسع السلطات في إدارة الشركة بما يحقق أغراضها، والتي منها على سبيل المثال لا الحصر: 1- وضع الخطط والسياسات والاستراتيجيات والأهداف الرئيسية للشركة والإشراف على تنفيذها، ومراجعتها بشكل دوري. 2- وللمجلس حق فتح الفروع للشركة وتعيين مدراءها وشطبها وإلغاء سجلات الفروع للشركة، إصدار بدل فاقد أو نسخ إضافية منها وتحويل السجلات الفرعية إلى رئيسية والرئيسية إلى فرعية للمؤسسات والشركات داخل وخارج المملكة استخراج السجلات التجارية وتجديدها والاشتراك في الغرفة التجارية وتجديده استخراج التراخيص وتجديدها نشر عقد التأسيس وملاحق التعديل والأنظمة الأساسية في الجريدة الرسمية واستلام كافة الأوراق والمعاملات والاحكام والقرارات وكافة المستندات والشهادات القيد بالسجل التجاري والتوقيع على جميع الاتفاقيات والعقود والمناقصات والقرارات. 3- وفيما يخص السجلات التجارية في مراجعة إدارة السجلات -استخراج السجلات وتجديدها- نقل السجلات التجارية -حجز الاسم التجاري- تسجيل العلامة التجارية- التنازل عن العلامة التجارية التنازل عن الاسم التجاري- التوقيع لدى جميع المستندات لدى الغرفة التجارية- اعتماد التوقيع لديها وإلغاءه والإشراف على السجلات وتعديلها- إضافة نشاط- فتح فروع للسجلات- إلغاء السجلات- دخول المناقصات واستلام الاستثمارات- التسجيل في الخدمات الإلكترونية في الغرف التجارية- تفعيل الخدمات واستلام الرقم السري. 4- التنازل عن الحقوق والتوقيع على جميع أنواع التنازلات والمناقصات، وإصدار خطابات التعهد بكامل أنواعها وبيع جميع أصول الشركة بما في ذلك على سبيل المثال بيع الأسهم والمعدات وصناديق الاستثمار والودائع بجميع أنواعها وتصفياتها وفتح صناديق الامانات وتحصيل مستحقات الشركة لدى الغير، وأداء ما على الشركة من التزامات وله حق الإقرار بالمديونيات سواء الجديدة أو القديمة ويكون إقراره ملزماً للشركة وإبرام التسويات وتوقيع اتفاقياتها واتفاقيات إعادة الجدولة وإنشاء الأوراق التجارية والسندات لأمر وسندات الضد وتوقيعها وصرفها واسترجاعها والاعتراض عليها واستلامها، وللمجلس حق التعاقد مع شركات مالية لتأسيس وإنشاء صناديق طرح خاص أو عام وفق الشروط التي يراها المجلس مناسبة وبما يتماشى مع أنشطة الشركة، مع اشتراط حصول مجلس الإدارة على موافقة الجمعية العامة عند بيع أصول للشركة تتجاوز قيمتها خمسين في المائة من قيمة مجموع أصولها سواء تم البيع من خلال صفقة واحدة أو عدة صفقات. 5- له جميع السلطات والصلاحيات اللازمة لإدارة الشركة ومراجعة الشركة وتمثيلها في جمعيات الشركاء والمساهمين والجمعيات والتحويلية والعمومية وفي علاقتها مع الغير والمؤسسة العامة للتأمينات الاجتماعية ومكاتب العمل وأقسام الشرطة والمرور والجوازات والأمانات والبلديات وإمارات المناطق والمحافظات وجميع الوزارات والجهات الحكومية الأخرى وفروعها والغرف التجارية والصناعية والسجل التجاري والهيئات والجهات الخاصة ومكتب الاستقدام لاستقدام العمالة وغيرهم من خارج المملكة العربية السعودية وتقديم طلبات استخراج التأشيرات واستلامها، وإصدار و/أو شطب و/أو تجديد رخص الإقامة ونقل الكفالات والتنازل عنها ومراجعة كافة السفارات والقنصليات والممثلات العامة بالمملكة ، وكتاب العدل وجميع الشركات والمؤسسات العامة والخاصة وفروعها على اختلاف أنواعها واتخاذ كافة الإجراءات اللازمة لا دُكر، والتوقيع على كافة المستندات اللازمة والضرورية ومراجعة الهيئة العامة للزكاة والضريبة والجمارك وإنهاء جميع المستندات والأوراق اللازمة ومراجعة وزارة العدل ووزارة التجارة وإدارة العلامات التجارية وإدارة الوكالات التجارية وزارة الخارجية والداخلية والسفارات والقنصليات والممثلات السعودية في الخارج ، كما له حق اعتماد توقيعات مسؤولي الشركة لدى الغرف التجارية والجهات الأخرى، والتصويت في انتخابات الغرف التجارية، والاحوال المدنية والدفاع المدني، وشركة الاتصالات السعودية وشركة الكهرباء ومراجعة جميع الدوائر الحكومية والأهلية والمؤسسات والأفراد والتوقيع نيابة عنها فيما يتطلب ذلك. 6- فتح وتشغيل وإدارة وتحديث وإغلاق وشطب وتصفية كافة الحسابات البنكية أو



الاستثمارية للشركة والتوقيع على جميع المستندات اللازمة في هذا الشأن. والحق في إجراء كافة المعاملات المصرفية اللازمة لنشاط الشركة أمام كافة البنوك ومراجعتها في تقديم التعهدات والضمانات والكفالات والتوقيع بالنيابة عن الشركة ككفيل وإصدار الكفالات وتقديم الرهون لكفالة الشركات التي تشارك فيها الشركة سواء كانت كفالات بنكية أو كفالة صادرة من الشركة متعلقة بأي تسهيلات بنكية أو خلاف ذلك. وتوقيع الكفالات المصرفية بكل أشكالها وأنواعها والتوقيع على اتفاقيات المراجعات الإسلامية وعقود الاستثمار، والتنازل عن الحقوق والمنافع، وتوقيع اتفاقيات وأعمال ومنتجات الخزينة، وله الحق في التعاقد وإدارة وتنفيذ جميع المعاملات البنكية الحالية والمستقبلية والتوقيع عليها وفتح الحسابات المصرفية بكافة أنواعها وأشكالها وجميع أنواع الحسابات الجارية أو الودائع أو الحسابات الأخرى ومسكها ومطابقتها وتشغيلها والتصرف بأرصدها وسحبها وطلب واستلام جميع المبالغ بما فيها رأس المال والعمولة الخاصة المستحقة و/أو التي سوف تستحق مهما كان نوعها. وطلب دفاتر الشيكات والشيكات المصرفية والكمبيالات والسندات لأمر وسندات الضد وسحبها وتوقيعها وتظهرها واستلامها وإصدارها وقبولها ومخالصتها وإيداعها وإيداع أي صكوك أخرى لدفع الأموال وتجييرها للتحويل أو التحويل أو خلافه وتسليمها لكافة البنوك لأي غاية من الأغيات المذكورة. وإصدار أوامر الدفع الأخرى. وله الحق بإعطاء أي تعليمات أو توجيهات كتابية أو برقية أو غيرها لسحب أو تحويل أو تصريف أية أموال مودعة لدى أي من البنوك أو موجودة باسم الشركة بطريق الوديعة أو بخلاف ذلك. وطلب جميع الخدمات الإلكترونية التي يوفرها البنك والحصول على الأرقام السرية الخاصة بها، والتوقيع على اتفاقيات الهاتف المصرفي والفاكس وإتمام جميع الموافقات بالنيابة عن الشركة عن طريق الهاتف والتوقيع على الاعتمادات والتحويلات والمستندات المالية وتعيين المفوضين بالتوقيع لدى البنوك وتحديد صلاحياتهم وطلب إصدار وإلغاء بطاقات الصراف الآلي والرقم السري، وتمثيل الشركة أمام جميع البنوك والجهات الحكومية في كل امر يتصل بمصالح الشركة المتعلقة بالبنوك وشؤونها وتحقيق اغراضها وتكون كافة التصرفات التي يجريها ملزمة للشركة وسواء كانت داخل المملكة العربية السعودية أو خارجها. 7- كما له الحق في تقديم الضمانات والرهن وتوثيق الرهن على جميع أنواع أملاك الشركة المنقولة والاسهم والاملاك غير المنقولة والأصول والتنازل عن الحقوق والمكاسب مهما كان نوعها كأمين ضمان مقابل التمويل والسلف والكشف على الحساب الجاري جميع نصوصها أو شروطها واقتراض أموال مقابل ضمانات والتفاوض بشأنها والحصول على سلف على سبيل الخصم أو القروض أو التمويل أو السحب على المكشوف أو خلاف ذلك بضمان أو بدون، والضمانات وعمليات النقد الأجنبي وأية التزامات طارئة. وله حق التقدم بطلب إلى البنوك وفتح أو الإيعاز بفتح أو إصدار خطابات الاعتماد وغيرها من أنواع الائتمان والتوقيع وتسليم اتفاقيات التعويض وغيرها من الاتفاقيات التي لها علاقة بذلك. وطلب صرف وتحويل جميع أنواع العملات الأجنبية وإبرام عمليات النقد الأجنبي بجميع أنواعها. وله الحق في سحب واستلام والتوقيع على جميع الضمانات والأصول مهما كانت طبيعتها ومبالغها وأية ضمانات محجوزة لدى البنوك على سبيل الرهن أو مودعة على سبيل الأمانة وكذلك الكمبيالات وكافة المستندات والكفالات والوثائق والفواتير وأوامر التسليم وبوالص التأمين وكافة أنواع المستندات التجارية أو أي مستندات أخرى أيًا كان نوعها والموافقة على كشوف الحسابات. كذلك له الحق في إصدار حوالات الدفع والتعليمات الثابتة وأوامر الدفع وفقاً لسياسة البنوك. والتوقيع على السندات والمستندات وسندات لأمر وسندات الضد والأوراق التجارية القابلة للتداول و/أو تقديمها للخصم أو برسم التحصيل. وتسديد السندات والحوالات والشيكات والمستندات والالتزامات بجميع أنواعها. والتوقيع نيابة عن الشركة على طلبات إصدار بطاقات الصرف الآلي وفيزا وماستركارد وجميع أنواع البطاقات الأخرى على حسابات الشركة وقبول شروطها والتوقيع باستلامها وتشغيلها واستعمالها بالإيداع والسحب وإجراء كافة العمليات البنكية الإلكترونية التابعة لها. والحق في فتح الحسابات والحسابات الاستثمارية والاعتمادات والضمانات والسحب والإيداع من كافة المصارف والبنوك سواء التجارية أو الصناعية أو الزراعية أو العقارية وكافة الصناديق الحكومية سواء العقارية أو الصناعية أو الزراعية أو شركات التمويل الإسلامية ورهن الأصول لديها والأسهم والعقارات وإعطاء الضمانات والكفالات والتوقيع عليها باسم الشركة واستلام الشهادات والإشعارات الخاصة بها وكذلك اعتماد صحة أرصدة حسابات الشركة الجارية. 8- للمجلس الحق في القيام بالشراء أو البيع و الرهن الحيازي والغير حيازي أو الخصم أو السحب والقبول أو التظهير أو تداول الكمبيالات المحلية أو الأجنبية والسندات الأذنية والسندات لأمر وسندات الضد وكذلك المستندات الأخرى التجارية أو القابلة للتداول وبغض النظر عن ما إذا كان قيد مثل هذه الكمبيالات أو السندات الأذنية والسندات لأمر وسندات الضد أو المستندات الأخرى القابلة للتداول على الحسابات قد يؤدي أو يزيد من كشف حسابات الشركة. وله حق وقبول وتوقيع أو رفض قبول الكمبيالات والسندات لأمر وسندات الضد أو المستندات القابلة للتداول أو المستندات التجارية الأخرى المسحوبة على الشركة. كما له الحق في رهن وإيداع وبيع وشراء والتوقيع على السندات والأوراق والأدوات المالية وصناديق الاستثمار والودائع بجميع أنواعها وأداء ما عليها من التزامات وتصفية كافة حسابات الشركة لدى كافة المصارف والبنوك في الداخل والخارج، وللمجلس الحق في أن ينهي بطريق الصلح الاتفاقيات أو التحكيم أو بغيرهما أية منازعة قد تنشأ مع أيًا من البنوك بشأن أي عمل من الأعمال والسلطات الداخلة في صلاحياته، بيع الأسهم وشرائها واستلام أرباحها والفائض منها ورهن المحافظ الاستثمارية أو الأسهم وجميع أصول الشركة المنقولة وغير منقولة وفك الرهن وقبول الرهن كضمان مقابل التمويل والتسهيلات وتحصيل حقوق الشركة وأداء ما عليها من التزامات وإنشاء الأوراق التجارية وتوقيعها وتظهرها وقبضها، وللمجلس الحق في إصدار جميع أنواع الضمانات سواء كانت بنكية أو على مستوى الشركة أو الشركات التابعة لها وفتح وقبول وتصفية الودائع بأنواعها والتصرف بها حسب ما



يراه المجلس مناسباً. 9- الحق في المطالبة وإقامة الدعاوى أمام كافة المحاكم بدرجاتها واللجان بأنواعها، والمرافعة والمدافعة، وسماع الدعاوى والرد عليها، الإقرار، الصلح، التنازل، الإبراء، طلب اليمين ورده والامتناع عنه، احضار الشهود والبيانات والطعن فيها، الإجابة والجرح والتعديل، الطعن بالتزوير، انكار الخطوط والأختام والتواقيع، طلب المنع من السفر ورفع، مراجعة دوائر الحجز والتنفيذ، طلب الحجز والتنفيذ، طلب تحكيم، تعيين الخبراء والمحكمين، الطعن بتقارير الخبراء والمحكمين وردهم واستبدالهم، طلب تطبيق المادة 230 من نظام المرافعات الشرعية، المطالبة بتنفيذ الأحكام، قبول الأحكام ونفيها، الاعتراض على الأحكام وطلب الاستئناف، التماس إعادة النظر، التهميش على صكوك الأحكام، طلب رد الاعتبار، انتهاء ما يلزم حضور الجلسات في جميع الدعاوى لدى جميع المحاكم، استلام المبالغ بشيك باسم الشركة لدى المحاكم الشرعية، استلام صكوك الأحكام، طلب تنحي القاضي، طلب الإدخال والتدخل، طلب إحالة الدعوى، لدى المحاكم الإدارية ديوان المظالم، لدى اللجان الطبية الشرعية، لدى المحاكم واللجان العمالية، لدى اللجان فض المنازعات المالية ولجان تسوية المنازعات المصرفية، لدى مكاتب الفصل في منازعات الأوراق التجارية ولجان حسم المنازعات التجارية، ولجان الفصل في منازعات الأوراق المالية، ولدى اللجان الجمركية ولدى لجنة الفصل في المخالفات والمنازعات التمويلية ولجان الفصل في المخالفات والمنازعات الضريبية ودرجات الاستئناف فيها ولجان الغش التجاري، ولدى لجان الفصل في المنازعات التأمينية، لدى لجنة تأديب المحامين بوزارة العدل، لدى النيابة العامة، طلب نقض الحكم لدى المحكمة العليا، مراجعة اصلاح ذات البين، لدى محاكم الاستئناف، ولدى المجلس الأعلى للقضاء، وأي صلاحيات أخرى تخولهم حق الدفاع أمام القضاء وجميع الجهات ذات العلاقة وانتهاء جميع الإجراءات اللازمة والتوقيع فيما يتطلب ذلك. 10- طلب القروض والتمويل والاعفاء والقروض والتمويلات التجارية وكافة الضمانات البنكية وتجديدها وتعديلها وتسديدها والتوقيع عليها وعلى الطلبات الخاصة بها و/أو الوثائق والاتفاقيات و العقود والموافقة على جميع نصوصها أو شروطها وتزويد أي من البنوك بكافة المعلومات والبيانات والمستندات التي يحتاجها واقتراض أموال مقابل ضمانات والتفاوض بشأنها والحصول على سلف على سبيل الخصم أو القروض أو السحب على المكشوف أو خلاف ذلك بضمان أو بدونه والحصول على جميع أنواع التسهيلات المصرفية والطائرة والائتمانية وله الحق في طلب فسخ كافة أنواع الاعتمادات المستندية وغير المستندية وتجديدها والغائها نيابة عن الشركة، وطلب اصدار خطابات الضمان المالية بكافة أنواعها بمقابل تأمين أو بدون تأمين وعقود التحوط من تقلبات أسعار الفائدة والعملات الأجنبية وفقاً للضوابط الشرعية من كافة البنوك أو صناديق ومؤسسات التمويل الحكومية أو غير ذلك من الجهات المقرضة في المملكة العربية السعودية وخارجها وفقاً للضوابط المنظمة لها والموافقة عليها و التوقيع على عقودها واتفاقياتها وجميع المستندات المطلوبة أيأ كانت مدتها أو مبالغها، وله أن يمارس جميع الصلاحيات الخاصة بالشركة في اقتراض الاموال وجمعها، وتوقيع وتقديم كافة الضمانات اللازمة بما في ذلك الضمانات الاعتبارية لضمان تسهيلات هذه القروض أو التمويلات مثل الرهونات العقارية أو السندات لأمر وسندات الضد وغيرها من الاوراق التجارية أو شهادات الأسهم وغيرها من الضمانات العينية أو النقدية. 11- كما يكون لمجلس الإدارة الارتباط باسم الشركة ونيابة عنها وللمجلس القيام بكافة الاعمال والتصرفات التي من شأنها تحقيق أغراض الشركة. 12- توثيق وتوقيع عقود التأسيس وقرارات الشركاء بتعديل عقود التأسيس في الشركات التي تشترك أو تساهم فيها الشركة سواء كانت شركات عاملة أو ذات غرض خاص، وسواء كانت شركات قائمة أو جديدة والتي تشمل على سبيل المثال لا الحصر تعديل بنود إدارتها أو زيادة أو تخفيض رأسمالها أو البيع والتنازل أو الشراء والقبول للحصص أو الأسهم سواء بشكل كامل أو جزئي أو تحويل كيائها القانوني أو أي تعديلات أخرى أمام فضيلة كاتب العدل والقيام بكافة الاعمال والتصرفات والتوقيع على كافة العقود والوثائق والمستندات بما في ذلك دون الحصر: إبرام الاتفاقيات الاطارية مع مقدمي الخدمات وإبرام اتفاقيات التحالف والمشاريع المشتركة لتقديم منتج مالي او تمويلي او غيره، وللمجلس حق الاشتراك في شركات أخرى كما له حق التوقيع على عقود تأسيس شركات أخرى للشركة داخل او خارج المملكة أو الاشتراك مع الغير في تأسيس شركات أخرى داخل او خارج المملكة او الانسحاب من هذه الشركات والتوقيع على عقود التأسيس وملاحق تعديل عقود التأسيس لتلك الشركات والتوقيع على قرارات تصفيتها وبيع حصص الشركة في هذه الشركات أو شراء حصص جديدة فيها أو شركات قائمة أو زيادة رأس مالها أو تخفيضه سواء ساهمت الشركة في الزيادة أو لا، أو تعديل أو حذف أو إضافة أغراض أو أنشطة للشركة أو دخول أو خروج شريك أو دخول الشركة كشريك أو تعديل الكيان القانوني أو تعديل بند الإدارة أو أي بند اخر والتوقيع على ذلك امام كاتب العدل او جهة أخرى، واستلام الأرباح والتصويت نيابة عن الشركة على قرارات الشركاء الخاصة بتعيين المدراء في هذه الشركات أو عزلهم والقيام بكافة الاعمال اللازمة لاستخراج وتعديل السجلات والتراخيص واستلامها سواء كان ذلك داخل او خارج المملكة والحق في تسجيل الشركة وتسجيل الوكالات والغاء عقود التأسيس وملاحق التعديل، وله الحق في اعتماد البيانات والتقارير المالية الختامية للشركة واعتماد وتوقيع كافة محاضر الاجتماعات ومحاضر الجمعية العامة. 13- للمجلس الحق في تصريف أمور الشركة بشكل عام، والتصرف في أصولها وممتلكاتها وعقاراتها بالبيع أو الرهن وفق الضوابط الواردة في هذا النظام او حسب ما يراه المجلس مناسباً، كما يحق للمجلس الاستحواذ على الشركات والمؤسسات وفروعها وله حق الاستلام والتسليم وتوقيع الحجوزات بأنواعها المختلفة وإلغاءها وإصدار حجج الاستحكام وتعديلها وإلغاءها وبيع وشراء الأصول والممتلكات المنقولة وغير المنقولة لصالح الشركة ودفع المبالغ والشيكات واستلامها وحق بيع وشراء الأراضي لصالح الشركة وقبول ودفع الثمن بما في ذلك الإفراغ وقبول الهبات والتبرعات وطلب المنح ونقلها وقبولها وحق الشفعة وقبوله وذلك داخل المملكة العربية السعودية وخارجها إضافة الى



حق توقيع اتفاقيات البيع والشراء وقبض الثمن باسم الشركة والاستئجار والتأجير وإبرام العقود وفسخها سواء كانت يدوية أو عن طريق وسيط عقاري أو عن طريق شبكة إيجار الإلكترونية أو غيرها والرهن وفك الرهن وقبوله - وقبول التنازل والمقايضة واستخراج الصكوك وتعديلها وتجديدها وبديل الفاقد منها أو التالف وتجزئتها وتقسيمها ودمجها وفرزها وتهميشها أمام كافة كتابات العدل والهيئات الحكومية والجهات المختصة لكافة العقارات والمباني والأراضي، وللمجلس حق الإفراغ دمج الصكوك التجزئة والفرز استلام الصكوك وتحديثها وإدخالها في النظام الشامل التنازل عن النقص في المساحة تحويل الأراضي الزراعية إلى سكنية تعديل اسم المالك وبياناته تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء توقيع عقود الاجرة وتجديدها التسجيل في الشبكة الإلكترونية لخدمات الإيجار - الإلكترونية - تعديل عقود الأجرة الخاصة بشبكة إيجار الإلكترونية - إلغاء وفسخ عقود التأجير الخاصة بشبكة إيجار الإلكترونية - استلام وتسليم الوحدات الإيجارية - استخدام وتنفيذ جميع الخدمات المتاحة عبر شبكة إيجار الإلكترونية - إنهاء جميع الإجراءات ذات العلاقة بالعملية الإيجارية من خلال شبكة إيجار الإلكترونية. 14- استلام الأجرة بشيك ونقداً باسم الشركة إلغاء وفسخ عقود التأجير وذلك لكافة العقارات داخل وخارج المملكة، وبشكل عام جميع التصرفات التي ترد على العقار والمنقول بما في ذلك الهبة للغير سواء للأفراد أو للشركات والمؤسسات والمنشآت المختلفة وسواء كانت الهبة للغير مشروطة أو مطلقة وسواء كانت لعملاء الشركة أو لغيرهم وسواء كانت لورثتهم أو أوليائهم أو الأوصياء أو للأوقاف وغير ذلك حسب ما يراه المجلس مناسباً وفق تقديره. 15- تعيين الموظفين و/أو المدراء و/أو رؤساء الأقسام والممثلين بمختلف مسمياتهم ودرجاتهم وتحديد مناصبهم وأجورهم ومكافأاتهم ومنحهم الصلاحيات اللازمة أو عزلهم دون الإخلال بحقوقهم، وله تعيين الاستشاريين والمستشارين القانونيين وتعيين أعضاء لجان مجالس الإدارة كما له إعداد ميثاق إداري ينظم آلية العمل في الشركة وعلاقاتها مع الغير ووضع واعتماد الخطط والبرامج واللوائح المالية والإدارية وتشكيل لجان العمل المتخصصة وتحديد صلاحياتها واختصاصاتها وآلية اختيارها. 16- حق شراء وبيع وتأجير السيارات والمعدات والآلات لصالح الشركة داخل وخارج المملكة وشراء وبيع وشحن وتجديد ونقل ملكية السيارات والمعدات والآلات وتفويض الغير بقيادتها داخل وخارج المملكة وإصدار وتجديد وتعديل وإلغاء رخص السير واسقاط المخالفات وملكية المركبات والمعدات والسيارات ونقل ملكيتها والتنازل عنها واستخراج بدل الفاقد أو التالف منها وحق البيع بثمن آجل والبيع بالتقسيط. 17- حق تسجيل عقود الإيجار التمويلي لدى شركات مرخصة من قبل البنك المركزي السعودي لتسجيل العقود، وإصدار جميع السندات والمستندات والشهادات خلال فترة التمويل بما يشمل استعادة الأصول المؤجرة في حالة التعثر. 18- تأسيس جميع خدمات الاتصال والخدمات التقنية والخدمات السحابية والغائها والتنازل عنها وقبول التنازل واستلام كل ما يتعلق بمسابق من خدمات و أدوات. 19- يحق لمجلس الإدارة ان يعهد بأي من سلطاته إلى رئيسه و/أو إلى أي عضو في مجلس الإدارة أو إلى أي لجنة مكونة من أعضاء في المجلس أو إلى الرئيس التنفيذي أو أي من الموظفين العاملين في الشركة. ويحق للمجلس أيضاً، أن يفوض أي شخص اعتباري أو طبيعي آخر بسلطة أو سلطات محددة للمدة التي يراها المجلس مناسبة، وفي كلا الحالتين أعلاه، فإن للوكيل أو المفوض حق تفويض وتوكيل الغير شريطة أن ينص قرار المجلس بشكل صريح على أن للوكيل حق توكيل الغير. 20- يجوز لمجلس الإدارة بيع أو رهن عقارات الشركة وأصولها حسب ما يراه المجلس مناسباً لمصلحة الشركة، مع مراعاة الشروط التالية: 21- أن يحدد المجلس في قرار البيع الأسباب والمبررات له. 22- أن يكون البيع مقارباً لثمن المثل. 23- أن يكون البيع حاضراً إلا في حالات الضرورة وبضمانات كافية. 24- ألا يترتب على ذلك التصرف توقف بعض أنشطة الشركة أو تحميلها بالتزامات أخرى. 25- يكون لمجلس الإدارة وفي الحالات التي يقدرها إبراء ذمة مديني الشركة من التزاماتهم طبقاً لما يحقق مصلحتها، على أن يتضمن محضر مجلس الإدارة وحيثيات قراره مراعاة الشروط التالية وهي: - أ. ألا يكون الإبراء متعلق بإبراء ذمة أحد أعضاء المجلس أو المساهمين في الشركة أو أحد الأطراف ذوي العلاقة في الشركة، سواء كانت العلاقة بطريقة مباشرة أو غير مباشرة. ب. أن يكون الإبراء بعد مضي سنة كاملة على نشوء الدين. ت. أن يكون الإبراء مبلغ محدد كحد أقصى لكل عام للمدين الواحد. 26- الإبراء حق للمجلس لا يجوز التوكيل أو التفويض فيه. 27- تنفيذ أي تنازل أو ترخيص أو ترخيص فرعي من الباطن، أو نقل أو الغاء أو انشاء أي منفعة على الملكية الفكرية. القيام بكل ما يلزم القيام به انفاذاً لأي نظام جديد، أو تعديل لنظام و لوائح قائمة أو تعليمات من الجهات المختصة.

المادة الخامسة وعشرون : صلاحيات الرئيس والنائب الرئيس التنفيذي وأمين المجلس

1- بعد الحصول على عدم ممانعة البنك المركزي السعودي المسبقة كتابةً ويعد موافقة الجهات المختصة، يعين مجلس الإدارة من بين أعضائه رئيساً ونائباً للرئيس، ولا يجوز الجمع بين منصب رئيس مجلس الإدارة وأي منصب تنفيذي بالشركة، كما يعين رئيساً تنفيذياً للشركة من غير أعضاء مجلس الإدارة. 2- يختص رئيس مجلس الإدارة بأي صلاحيات يمنحها له مجلس الإدارة من وقت إلى آخر، كما يترأس رئيس مجلس الإدارة اجتماعات مجلس الإدارة واجتماع الجمعية العامة ويقوم بكافة المهام الأخرى التي يعهد بها اليه المجلس. 3- يختص رئيس المجلس بتمثيل الشركة أمام القضاء وأمام الجهات الحكومية كتابات العدل والمحاكم والجهات القضائية واللجان بأنواعها ودرجاتها والمطالبة وإقامة الدعوى والمدافعة والمرافعة والصالح والتنازل والتعقيب والإقرار والإنكار والإبراء وقبول الأحكام ونفيها وطلب حلف اليمين ورده والامتناع عنه، إحضار



الشهود والبيانات والطعن فيها والاجابة والجرح والتعديل، وسماع الدعاوي والرد عليها وإنكار الخطوط والأختام والتوقيعات والطعن فيها بالتزوير ومتابعة كل قضية تقام من الشركة أو ضدها أو من الشركات التي تكون الشركة شريكاً فيها نيابة عن الشركة وأثبت كل حق للشركة، والحق في التعاقد مع المحامين وتحديد اتعابهم وطلب التحكيم وتعيين المحكمين وردهم والخبراء وعزلهم الطعن بتقارير الخبراء والمحكمين وردهم واستبدالهم، طلب تطبيق المادة 230 من نظام المرافعات الشرعية، طلب المنع من السفر ورفع، مراجعة دوائر الحجز والتنفيذ، طلب الحجز والتنفيذ، المطالبة بتنفيذ الأحكام وقرارات التحكيم، والاعتراض على الأحكام وطلب الاستئناف، التماس إعادة النظر، التهميش على صكوك الأحكام، طلب رد الاعتبار، استلام المبالغ بشيك باسم الشركة، انتهاء ما يلزم حضور الجلسات في جميع الدعاوي لدى جميع المحاكم لدى المحاكم الشرعية، لدى محكمة التنفيذ، لدى المحاكم التجارية، لدى المحاكم الإدارية، لدى محاكم الاستئناف استلام صكوك الأحكام، طلب تحي القاضي، طلب الإدخال والتدخل، طلب إحالة الدعوى، طلب نقض الحكم لدى المحكمة العليا، لدى المجلس الأعلى للقضاء- ديوان المظالم -، لدى اللجان الطبية الشرعية، لدى المحاكم واللجان العمالية، لدى لجان فض المنازعات المالية ولجان تسوية المنازعات المصرفية، لدى مكاتب الفصل في منازعات الأوراق التجارية ولجان حسم المنازعات التجارية، ولدى لجان الفصل في منازعات الأوراق المالية، ولدى اللجان الجمركية ولدى لجنة الفصل في المخالفات والمنازعات التمويلية ولجان الفصل في المخالفات والمنازعات الضريبية ودرجات الاستئناف فيها ولجان الغش التجاري، ولدى لجان الفصل في المنازعات التأمينية، لدى لجنة تأديب المحامين بوزارة العدل، لدى النيابة العامة، ومراجعة الجهات الأمنية، مراجعة الأمارة وشعبة تنفيذ الأحكام الحقوقية، مراجعة مراكز الشرطة، الاستلام والتسليم ومراجعة جميع الجهات ذات العلاقة وإنهاء جميع الإجراءات اللازمة والتوقيع فيما يتطلب ذلك، كما له الحق في اتخاذ كل ما يلزم من توقيع كافة المستندات أمام كتابات العدل المختصة و الهيئات الحكومية وغيرها من الجهات ذات العلاقة فيما يتعلق بالشراء والبيع و التنازل والإفراغ وقبوله وقبض الثمن ودفع الثمن والتأجير والاستئجار والرهن وفك الرهن والهبة والامهال والبراءة و دمج الصكوك و التجزئة و الفرز و استلام الصكوك وتحديث الصكوك وتعديل الصكوك و التهميش عليها و إدخالها في النظام الشامل وتعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء والتنازل عن النقص في المساحة تحويل الأراضي الزراعية إلى سكنية تعديل اسم المالك وبياناته- واستخراج حجب الاستحكام والصكوك سواء المعدلة أو الجديدة أو بدل المفقاد أو بدل التالف والتملك لكافة أنواع الأصول الثابتة والمنقولة بما في ذلك العقارات والأراضي المبنية وغير المبنية والمباني وغيرها لصالح الشركة وباسمها بالنيابة عنها والاستلام والتسليم، و مراجعة الهيئة العامة للعقار السجل العقاري تقديم طلب التسجيل الأول للعقار - الإطلاع على السجل العقاري - طلب تعديل سجل عقاري - تسجيل الأحكام القضائية في السجل العقاري - التأشير في السجل العقاري - التظلم أمام الهيئة العامة للعقار - التنازل عن النقص في المساحة، على أن يكون لرئيس المجلس صلاحية توكيل و/أو تفويض الغير لممارسة كافة هذه الصلاحيات أو بعضها، وإلغاء التوكيل أو التفويض الممنوح للغير، كما يجوز لرئيس المجلس منح الوكيل حق توكيل الغير-4توقيع عقود الأجرة - تجديد عقود الأجرة التسجيل في الشبكة الإلكترونية لخدمات الإيجار - توقيع عقود الإيجار الخاصة بشبكة إيجار الإلكترونية - تعديل عقود الأجرة الخاصة بشبكة إيجار الإلكترونية - إلغاء وفسخ عقود التأجير الخاصة بشبكة إيجار الإلكترونية - استلام وتسليم الوحدات الإيجارية - استخدام وتنفيذ جميع الخدمات المتاحة عبر شبكة إيجار الإلكترونية - إنهاء جميع الإجراءات ذات العلاقة بالعملية الإيجارية من خلال شبكة إيجار الإلكترونية.5-يمارس رئيس مجلس الإدارة والرئيس التنفيذي مهامهم وفق الاختصاصات التي يحددها مجلس الإدارة.6-يجب على مجلس الإدارة أن يعين أمين سر للمجلس يختاره من بين أعضائه أو من غيرهم ويختص بتسجيل محاضر اجتماعات مجلس الإدارة وتدوين القرارات الصادرة عن هذه الاجتماعات وحفظها والمهام الأخرى التي يحددها مجلس الإدارة وتحدد مكافأته من قبل مجلس الإدارة.7-يعين مجلس الإدارة رئيساً تنفيذياً للشركة بموجب قرار يصدره يتضمن مكافأته ومدة التعيين والمجلس حق اقالته مع احتفاظه بحقه في التعويض اذا كانت الاقالة بوقت غير مناسب او لسبب غير مبرر.8-يجوز للمجلس أن يعين مستشاراً له أو أكثر في مختلف شؤون الشركة ويحدد المجلس بقرار منه مكافأته.9-يحدد المجلس بقرار منه اختصاصات وصلاحيات العضو المنتدب وتحديد مكافأته.10-يحل نائب رئيس مجلس الإدارة محل رئيس مجلس الإدارة عند غيابه، ويجوز لرئيس المجلس تفويض من ينوبه من أعضاء المجلس عند غيابه ونائب رئيس مجلس الإدارة.11-لا تزيد مدة رئيس المجلس ونائبه وأمين السر على مدة عضوية كل منهم في المجلس، ويجوز إعادة انتخابهم وللمجلس في أي وقت أن يعزلهم أو أيأ منهم دون إخلال بحق من عزل في التعويض إذا وقع العزل لسبب غير مشروع أو في وقت غير مناسب12-يحق لرئيس المجلس توكيل الرئيس التنفيذي للشركة بجزء من صلاحياته ويجوز للرئيس التنفيذي -وفقاً للصلاحيات الممنوحة له- حق تفويض وتوكيل الغير.

المادة السادسة وعشرون : مداوات الجلس

1-تثبت مداوات مجلس الادارة وقراراته في محاضر يوقعها رئيس المجلس وأعضاء مجلس الإدارة الحاضرون وأمين سر المجلس وتدون هذه المحاضر في سجل خاص يوقعه رئيس مجلس الادارة وأمين السر.2-تدون المحاضر في سجل خاص يوقعه رئيس مجلس الإدارة وأمين السر.3-



يجوز استخدام وسائل التقنية الحديثة للتوقيع وإثبات المداوالات والقرارات وتدوين المحاضر.

الباب الرابع : جمعيات المساهمين

المادة السابعة وعشرون : دعوة الجمعيات

- 1 - تنعقد الجمعيات العامة والخاصة بدعوة من مجلس الإدارة، وعلى مجلس الإدارة أن يدعو الجمعية العامة العادية للانعقاد خلال (ثلاثين) يوماً من تاريخ طلب مراجع الحسابات أو مساهم أو أكثر يمثلون (عشرة في المائة) من أسهم الشركة التي لها حقوق تصويت على الأقل، ويجوز لمراجع الحسابات دعوة الجمعية العامة العادية إلى الانعقاد إذا لم يوجه للمجلس الدعوة خلال (ثلاثين) يوماً من تاريخ طلب مراجع الحسابات.
- 2 - يجب أن يبين الطلب المشار إليه في الفقرة (1) من هذه المادة المسائل المطلوب أن يصوت عليها المساهمون.
- 3 - يكون توجيه الدعوة لانعقاد الجمعية قبل الميعاد المحدد له (بواحد وعشرين) يوماً على الأقل وفقاً لأحكام النظام، مع مراعاة الآتي:
 - أ - إبلاغ المساهمين بخطابات مسجلة على عناوينهم الواردة في سجل المساهمين، أو الإعلان عن الدعوة من خلال وسائل التقنية الحديثة.
 - ب - إرسال صورة من الدعوة وجدول الأعمال إلى السجل التجاري، وكذلك صورة إلى هيئة السوق المالية إذا كانت الشركة مدرجة في السوق المالية في تاريخ إعلان الدعوة.
- 4 - يجب أن تتضمن الدعوة إلى اجتماع الجمعية على الأقل، ما يأتي:
 - أ - بيان صاحب الحق في حضور اجتماع الجمعية وحقه في إنابة من يختاره من غير أعضاء مجلس الإدارة، وبيان حق المساهم في مناقشة الموضوعات المدرجة على جدول أعمال الجمعية وتوجيه الأسئلة وكيفية ممارسة حق التصويت.
 - ب - مكان عقد الاجتماع وتاريخه وموعده.
 - ج - نوع الجمعية سواء كانت جمعية عامة أو خاصة
 - د - جدول أعمال الاجتماع متضمناً البنود المطلوب تصويت المساهمين عليها.

المادة الثامنة وعشرون : التصويت في الجمعيات

- 1 - يكون انتخاب أعضاء مجلس الإدارة بالتصويت التراكمي. ولا يجوز لأعضاء مجلس الإدارة الاشتراك في التصويت على قرارات الجمعية التي تتعلق بالأعمال والعقود، التي لهم فيها مصلحة مباشرة أو غير مباشرة أو التي تنطوي على تعارض مصالح.

المادة التاسعة وعشرون : إعداد محاضر الجمعيات

- 1 - يحرر باجتماع الجمعية محضر يتضمن عدد المساهمين الحاضرين بالأصالة أو النيابة، وعدد الأسهم التي في حيازتهم بالأصالة أو النيابة، وعدد الأصوات المقررة لها، والقرارات التي اتخذت، وعدد الأصوات التي وافقت عليها أو عارضتها، وخلاصة وافية للمناقشات التي دارت في الاجتماع. وتدون المحاضر بصفة منتظمة عقب كل اجتماع في سجل خاص يوقعه رئيس الجمعية وأمين سرها وجامعو الأصوات.

المادة الثلاثون : اجتماع الجمعية العامة للمساهمين

1. يرأس اجتماع الجمعية العامة للمساهمين رئيس مجلس الإدارة أو نائبه عند غيابه، أو من ينتدبه مجلس الإدارة من بين أعضائه عند غيابهما، وفي حال تعذر ذلك يرأس الجمعية العامة من ينتدبه المساهمون من بين أعضاء المجلس أو من غيرهم عن طريق التصويت. 2. لكل مساهم حق حضور اجتماع الجمعية العامة، وله في ذلك أن يوكل عنه شخصاً آخر من غير أعضاء مجلس الإدارة. 3. يجوز عقد اجتماع الجمعية العامة واشتراك المساهم في المداوالات والتصويت على القرارات بوساطة وسائل التقنية الحديثة.

المادة الحادية وثلاثون : نصاب اجتماع الجمعية العامة العادية

1. لا يكون انعقاد اجتماع الجمعية العامة العادية صحيحاً إلا إذا حضره مساهمون يمثلون ربع أسهم الشركة التي لها حقوق تصويت على



الأقل. 2. إذا لم يتوافر النصاب اللازم لعقد اجتماع الجمعية العامة العادية وفق الفقرة 1 من هذه المادة، توجه الدعوة إلى اجتماع ثانٍ يعقد بالأوضاع ذاتها المنصوص عليها في المادة الحادية والتسعين من نظام الشركات خلال الثلاثين يومًا التالية للتاريخ المحدد لانعقاد الاجتماع السابق. ومع ذلك، يجوز عقد الاجتماع الثاني بعد ساعة من انتهاء المدة المحددة لانعقاد الاجتماع الأول، بشرط أن تتضمن الدعوة إلى عقد الاجتماع الأول ما يفيد إمكانية عقد ذلك الاجتماع. وفي جميع الأحوال، يكون الاجتماع الثاني صحيحًا أيًا كان عدد الأسهم التي لها حقوق تصويت الممثلة فيه.

المادة الثانية وثلاثون : نصاب اجتماع الجمعية العامة غير العادية

1. لا يكون انعقاد اجتماع الجمعية العامة غير العادية صحيحًا إلا إذا حضره مساهمون يمثلون نصف أسهم الشركة التي لها حقوق تصويت على الأقل. 2. إذا لم يتوافر النصاب اللازم لعقد اجتماع الجمعية العامة غير العادية وفق الفقرة 1 من هذه المادة، توجه الدعوة إلى اجتماع ثانٍ يعقد بالأوضاع ذاتها المنصوص عليها في المادة الحادية والتسعين من نظام الشركات. ومع ذلك يجوز عقد الاجتماع الثاني بعد ساعة من انتهاء المدة المحددة لعقد الاجتماع الأول، بشرط أن تتضمن الدعوة إلى عقد الاجتماع الأول ما يفيد إمكانية عقد ذلك الاجتماع. وفي جميع الأحوال، يكون الاجتماع الثاني صحيحًا إذا حضره عدد من المساهمين يمثل ربع أسهم الشركة التي لها حقوق تصويت على الأقل. 3. إذا لم يتوافر النصاب اللازم لعقد الاجتماع الثاني، وجهت دعوة إلى اجتماع ثالث يعقد بالأوضاع ذاتها المنصوص عليها في المادة الحادية والتسعين من نظام الشركات، ويكون الاجتماع الثالث صحيحًا أيًا كان عدد الأسهم التي لها حقوق تصويت الممثلة فيه.

المادة الثالثة وثلاثون : قرارات الجمعيات

1- تصدر قرارات الجمعية العامة العادية بموافقة أغلبية حقوق التصويت الممثلة في الاجتماع. 2- تصدر القرارات في الجمعية العامة غير العادية بموافقة ثلثي حقوق التصويت الممثلة في الاجتماع إلا إذا كان القرار متعلقًا بزيادة أو تخفيض رأس المال أو بإطالة مدة الشركة أو بحلها قبل انقضاء المدة المحددة في هذا النظام أو باندماجها مع شركة أخرى أو تقسيمها إلى شركتين أو أكثر فلا يكون القرار صحيحًا إلا إذا صدر بأغلبية ثلاثة أرباع الأسهم التي لها حقوق تصويت الممثلة في الاجتماع، ولا يكون القرار نافذًا إلا بعد الحصول على موافقة البنك المركزي السعودي عليه.

المادة الرابعة وثلاثون : المناقشة في الجمعيات

لكل مساهم حق مناقشة الموضوعات المدرجة في جدول أعمال الجمعية وتوجيه الأسئلة في شأنها إلى أعضاء مجلس الإدارة ومراجع الحسابات. ويجب على مجلس الإدارة أو مراجع الحسابات عن أسئلة المساهمين بالقدر الذي لا يعرض مصلحة الشركة للضرر. وإذا رأى المساهم أن الرد على سؤاله غير كافٍ، احتكم إلى الجمعية، وكان قرارها في هذا الشأن نافذًا.

المادة الخامسة وثلاثون : إصدار قرارات الجمعيات العامة بالتمرير

1. يكون لرئيس مجلس الإدارة اقتراح إصدار قرار الجمعية العامة بعرضه على المساهمين بالتمرير، دون الحاجة إلى انعقادها ما لم يطلب أي من المساهمين كتابة اجتماع الجمعية العامة للمداولة فيه. ومع ذلك، يشترط لإصدار قرارات الجمعية العامة المتعلقة بانتخاب أعضاء مجلس إدارة الشركة وعزلهم، وتعيين وعزل مراجع حسابات الشركة إن وجد، والإطلاع على القوائم المالية للسنة المالية للنقضية ومناقشتها، انعقاد الجمعية العامة وفقًا للأحكام ذات الصلة. 2. يشترط لصحة القرار المقترح إصداره وفقًا للفقرة 1 من هذه المادة، أن ترسله الشركة مرفقًا به الوثائق ذات العلاقة إلى جميع المساهمين، مع بيان ما يتعين على المساهم اتباعه للموافقة عليه والتاريخ الذي يتعين فيه صدوره. 3. تصدر قرارات الجمعية العامة بالتمرير وفقًا للآتي: أ. القرار الذي يدخل في اختصاص الجمعية العامة العادية: يصدر بموافقة مساهم أو أكثر يمثلون أغلبية حقوق التصويت. ب. القرار الذي يدخل في اختصاص الجمعية العامة غير العادية: يصدر بموافقة مساهم أو أكثر يمثلون نسبة خمسة وسبعين في المائة من حقوق التصويت. 4. تثبت قرارات الجمعية العامة الصادرة بالتمرير وفقًا لما ورد في الفقرة 3 من هذه المادة في محاضر وتدوين في السجل الخاص بالنصوص عليه في المادة السابعة والتسعين من نظام الشركات.

الباب الخامس : مراجع الحسابات

المادة السادسة وثلاثون : تعيين مراجع حسابات الشركة وعزله وإعزاله

1- بعد الحصول على عدم ممانعة البنك المركزي السعودي المسبقة يكون للشركة مراجع حسابات أو أكثر من بين مراجعي الحسابات المرخص لهم



بالعمل في المملكة يعينه ويحدد أتعابه ومدة عمله ونطاقه الجمعية العامة ويجوز إعادة تعيينه. بشرط ألا تتجاوز مدة تعيينه المدة وفقاً للأحكام المقررة نظاماً. 2- يجوز بموجب قرار تتخذه الجمعية العامة عزل مراجع الحسابات، ويجب على رئيس مجلس الإدارة إبلاغ الجهة المختصة بقرار العزل وأسبابه، وذلك خلال مدة لا تتجاوز خمسة أيام من تاريخ صدور القرار. 3- لمراجع الحسابات أن يعتزل مهمته بموجب إبلاغ مكتوب يقدمه إلى الشركة، وتنتهي مهمته من تاريخ تقديمه أو في تاريخ لاحق يحدده في الإبلاغ، وذلك دون إخلال بحق الشركة في التعويض عن الضرر الذي يلحق بها إذا كان له مقتض. ويلتزم مراجع الحسابات المعتزل بأن يقدم إلى الشركة والجهة المختصة- عند تقديم الإبلاغ- بياناً بأسباب اعتزاله، ويجب على مجلس الإدارة دعوة الجمعية العامة إلى الاعتقاد للنظر في أسباب الاعتزال وتعيين مراجع حسابات آخر وتحديد أتعابه ومدة عمله ونطاقه.

المادة السابعة وثلاثون : صلاحيات مراجع الحسابات

لمراجع الحسابات في أي وقت الاطلاع على وثائق الشركة وسجلاتها المحاسبية والمستندات المؤيدة لها، وله طلب البيانات والإيضاحات التي يرى ضرورة الحصول عليها للتحقق من أصول الشركة والتزاماتها وغير ذلك مما يدخل في نطاق عمله. وعلى مجلس الإدارة تمكينه من أداء واجبه، وإذا صادف مراجع الحسابات صعوبة في هذا الشأن أثبت ذلك في تقرير يقدم إلى مجلس الإدارة. فإذا لم ييسر مجلس الإدارة عمل مراجع الحسابات، وجب عليه أن يطلب منهم دعوة الجمعية العامة إلى الاعتقاد للنظر في الأمر. ويجوز لمراجع الحسابات توجيه هذه الدعوة إذا لم يوجهها مجلس الإدارة خلال ثلاثين يوماً من تاريخ طلب مراجع الحسابات.

الباب السادس : مالية الشركة وتوزيع الأرباح

المادة الثامنة وثلاثون :

تكون السنة المالية للشركة اثني عشر شهراً ميلادياً تبدأ من يوم 01 من شهر يناير وتنتهي بنهاية يوم 31 من شهر ديسمبر

المادة التاسعة وثلاثون : السنة المالية

تبدأ السنة المالية للشركة من أول شهر يناير وتنتهي بنهاية شهر ديسمبر من كل سنة ميلادية.

المادة الأربعون : الوثائق المالية

1. يجب على مجلس الإدارة في نهاية كل سنة مالية للشركة أن يعد القوائم المالية للشركة وتقريراً عن نشاطها ومركزها المالي عن السنة المالية للنقضية، ويضمن هذا التقرير الطريقة المقترحة لتوزيع الأرباح. ويضع المجلس هذه الوثائق تحت تصرف مراجع الحسابات قبل الموعد المحدد لاتخاذ الجمعية العامة بخمسة وأربعين يوماً على الأقل. 2. يجب أن يوقع رئيس مجلس إدارة الشركة ورئيسها التنفيذي ومديرها المالي الوثائق المشار إليها في الفقرة 1 من هذه المادة، وتودع نسخ منها في مركز الشركة الرئيس تحت تصرف المساهمين. 3. على رئيس مجلس الإدارة أن يزود المساهمين بالقوائم المالية للشركة، وتقرير مجلس الإدارة بعد توقيعها، وتقرير مراجع الحسابات إن وجد، ما لم تنشر في أي من وسائل التقنية الحديثة، وذلك قبل الموعد المحدد لاتخاذ الجمعية العامة العادية السنوية بواحد وعشرين يوماً على الأقل، وعليه أيضاً إيداع هذه الوثائق وفقاً لما تحدده اللائحة التنفيذية لنظام الشركات.

المادة الحادية وأربعون : تكوين الاحتياطات

1. للجمعية العامة العادية- عند تحديد نصيب الأسهم في صافي الأرباح- أن تقرر تكوين احتياطات، وذلك بالقدر الذي يحقق مصلحة الشركة أو يكفل توزيع أرباح ثابتة- قدر الإمكان- على المساهمين. وللجمعية المذكورة كذلك أن تقتطع من صافي الأرباح مبالغ لتحقيق أغراض اجتماعية لعاملي الشركة. 2. تحدد الجمعية العامة النسبة التي يجب توزيعها على المساهمين من الأرباح الصافية بعد خصم الاحتياطات إن وجدت.

المادة الثانية وأربعون : استحقاق الأرباح

يستحق المساهم حصته في الأرباح وفقاً لقرار الجمعية العامة الصادر في هذا الشأن ويبين القرار تاريخ الاستحقاق وتاريخ التوزيع وتكون أحقية الأرباح للمالكين المسجلين في سجلات المساهمين في نهاية اليوم المحدد للاستحقاق، ويجب على مجلس الإدارة أن ينفذ قرار الجمعية العامة في شأن توزيع الأرباح على المساهمين.



الباب السابع : انقضاء الشركة وتصفيته

المادة الثالثة وأربعون : انقضاء الشركة

تنقضي الشركة بأحد أسباب الانقضاء الواردة في المادة الثالثة والأربعون بعد المائتين من نظام الشركات وبانقضائها تدخل في دور التصفية وفقاً لأحكام الباب الثاني عشر من نظام الشركات، وإذا انقضت الشركة وكانت أصولها لا تكفي لسداد ديونها أو كانت متعثرة وفقاً لنظام الإفلاس، وجب عليها التقدم إلى الجهة القضائية المختصة لافتتاح أي من إجراءات التصفية بموجب نظام الإفلاس.

الباب الثامن : الأحكام الختامية

المادة الرابعة وأربعون : الأحكام الختامية

1 - تخضع الشركة للأنظمة السارية في المملكة العربية السعودية.

2 - أي نص يخالف أحكام نظام الشركات في هذا النظام الأساس لا يعتد به ويطبق بحقه ما ورد من نصوص في نظام الشركات وكل ما لم يرد به نص في هذا النظام الأساس يطبق بشأنه نظام الشركات ولائحته التنفيذية.

3 - يقر المؤسسون بصحة البيانات والأحكام المدرجة في هذا النظام واتفاقها مع أحكام نظام الشركات الصادر بالمرسوم الملكي (م/132) بتاريخ 1443/12/1هـ ولوائحه التنفيذية، واستيفاءها لجميع المتطلبات والتعليمات التي تصدرها وزارة التجارة وفقاً لأحكام النظام، ويتحمل المؤسسون المسؤولية وجميع التبعات النظامية والمالية التي قد تنشأ عن ذلك، كما أن المؤسسين على علم بحق الوزارة في اتخاذ الإجراءات النظامية اللازمة في حال وجود أي مخالفة أو تعارض في الأحكام الواردة في النظام الأساس.

المادة الخامسة وأربعون : النشر

يودع هذا النظام وينشر طبقاً لأحكام نظام الشركات ولائحته التنفيذية.

تم تدقيق النظام الأساس من قبل المؤسسين واعتماده من قبل معتمد الوزارة وتم نشر نظام الأساس عبر صحيفة أعمال وبالامكان التحقق من صحة النظام الأساس عبر الرابط التالي :
<https://emagazine.aamaly.sa>

والله ولي التوفيق،،

تم اصدار نسخة النظام بناء على قرار الجمعية العامة غير العادية / قرار مالك رأس المال بتاريخ 21/03/1446

نظام الأساس، لا يتطلب وجود الختم الرسمي لوزارة التجارة



قرار المؤسسين بانتخاب الإدارة

شركة بداية للتمويل مساهمة

بناءً على قرار الجمعية العامة لشركة بداية للتمويل مساهمة بمدينة الرياض وحيث قررت الجمعية العامة تعيين مجلس إدارة وفق ما نصت عليه (مادة الإدارة الخاصة بالشركة بتعيين مجلس إدارة بعقد مستقل) فقد قررت الجمعية العامة تعيين كلا من مجلس إدارة مكون من (لا يقل عن 3) وهم:

الاسم	الجنسية	المنصب
عبدالعزیز صالح بن عبدالعزيز العمير	السعودية	رئيس مجلس إدارة
سعود عبد العزيز صالح بن عامر	السعودية	نائب رئيس مجلس إدارة
بسام بن محمد بن عبدالله بودي	السعودية	عضو مجلس إدارة
محمد هاشم ياسين السعدون	السعودية	عضو مجلس إدارة
نايف صالح عبدالعزيز العيسى	السعودية	عضو مجلس إدارة
نايف هادي بن عسكر لسلم	السعودية	عضو مجلس إدارة
عبدالرحمن صلاح راشد الراشد	السعودية	عضو مجلس إدارة
ياسر زياد نعيم ابو شعبان	الولايات المتحدة	عضو مجلس إدارة
محمود سليم احمد دحدولي	السعودية	رئيس تنفيذي

ولهم في سبيل ذلك كافة الصلاحيات في نظام الاساس.

والله ولي التوفيق،،

Shcedule 1



Schedule 1- Shari'ah Committee and Pronouncement

Prospective Sukukholders should: (i) not rely on the reviews and pronouncements referred to below in deciding whether to make an investment in any Sukuk issued under the Programme; (ii) note that such reviews and pronouncements will not be updated for each Series; and (iii) consult their own Shari'ah advisers as to whether the proposed transaction described in the pronouncements referred to above is in compliance with Shari'ah principles.

Pronouncement of members of Bidaya's Shari'ah Supervisory Committee

Copies of the pronouncement which has been issued by Bidaya's Shari'ah Supervisory Committee relating to the Sukuk and confirming that, in its view, the proposed issue of the Sukuk and the related structure and mechanism described in the Sukuk Documents are in compliance with Shari'ah principles (the Pronouncement), shall be distributed to prospective investors upon request to the Dealer(s).

None of the Issuer, the Arrangers, the Dealer(s), the Sukukholders' Agent, and the Payment Administrator makes any representation or accept any liability in relation to completeness of the information contained in the Pronouncement or the Shari'ah compliance of the Sukuk and/or any trading thereof.

Overview of Bidaya's Shari'ah Supervisory Committee

The Shari'ah Supervisory Committee is an independent committee and advises on all transactions and activities carried out by Bidaya and controls the manner in which Bidaya operates with regard to Shari'ah compliance. All business conducted by Bidaya Finance Company is subject to approval and control by the Shari'ah Supervisory Committee.

The most important functions performed by the Shari'ah Supervisory Committee are as follows:

- examining the Bidaya's products, contracts, agreements, documents and forms and providing a Shari'ah opinion of them;
- participating in product innovation and development in light of Shari'ah compliance;
- ensuring that Bidaya is committed to Shari'ah compliance in all its activities and products and ensuring the proper implementation of the Shari'ah Supervisory Committee's resolutions.
- approving Shari'ah compliant standards, studying reports relating to Shari'ah compliance performance and issuing directives to take corrective action when necessary; and

establishing mechanisms for the disposal of funds that have been earned or acquired in violation of Shari'ah principles (if any) and supervising their disbursement.

Members of the Bidaya's Shari'ah Supervisory Committee who issued the Pronouncement

Sheikh Dr. Nazih Hammad (Chairman)

Dr. Nazih Hammad is the Chairman of Shari'ah Supervisory committee in BIDAYA Finance. He is a Retired professor of Islamic Jurisprudence & its fundamentals from Faculty of Shari'ah, Umm Al-Qura University.

Dr. Nazih holds Doctorate with the first honor from Dar Al-Ulum Faculty of Cairo University, Egypt and master's degree from Baghdad University, Iraq.

Dr. Mohamed Ali Elgari (Member)

Former Professor of Islamic Economics at King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia and former Director of the Center for Research in Islamic Economics, in the same university. He is an expert at the Islamic Jurisprudence Academy of the Organisation of Islamic Cooperation (OIC) and the Islamic Jurisprudence Academy of the Islamic World League and a member of the Shari'ah Council of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). Member of numerous Shari'ah Boards of Islamic Banks and Takaful companies worldwide. Authored several books in Islamic finance and published many articles on the subject both in Arabic and English. Also, a frequent speaker in conferences worldwide.

Dr. Amin Fateh (Member)

Dr. Amin Fateh is a member of Shari'ah Supervisory committee in BIDAYA Finance. He is General Manager of Minhaj Advisory in Dubai and former Imam for the Ministry of Awqaf & Islamic Affairs in Kuwait.

Dr. Amin Fateh has a PhD in Islamic studies from the University of Birmingham in Britain. Moreover, Bachelor's and Master's degree in honourable Hadith from the University of Jordan.